

FILED

JAN 15 2013

DEPARTMENT OF REAL ESTATE

BY: C.A.

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)
) NO. H-38347 LA
MAGNUS FINANCIAL CORP. and)
KRISTIANA NICOLE COLLINS,)
individually and as)
designated officer of)
Magnus Financial Corp.,)
)
Respondents.)
_____)

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on November 13, 2012, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On August 2, 2012, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, to Respondents' last known mailing addresses on file with the Department on August 17, 2012, and by regular mail on September 20, 2012.

On November 13, 2012, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents' defaults were entered herein.

2.

From June 4, 2008, through June 3, 2012, Respondent MAGNUS FINANCIAL CORP. ("MAGNUS") was licensed by the Department of Real Estate ("Department") as a corporate real estate broker, Department ID 01845066. MAGNUS was licensed to do business as Magnus Financial Co. Respondent MAGNUS' license expired on June 3, 2012. The Department retains jurisdiction pursuant to Business and Professions Code ("Code") Section 10103.

3.

From September 6, 2007, through September 5, 2011, Respondent KRISTIANA NICOLE COLLINS ("COLLINS") was licensed by the Department as a real estate broker, Department ID. 01832431. Respondent COLLINS' license expired on September 5, 2011. The Department retains jurisdiction pursuant to Code Section 10103.

4.

From June 4, 2008, through June 3, 2012, Respondent MAGNUS was acting by and through Respondent COLLINS as its officer pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

5.

Respondent MAGNUS is a California corporation. Philford Floyd Jeffords ("Jeffords") is the Chief Executive Officer and a director of MAGNUS. Elizabeth Venulda Deburgo ("Deburgo") is the Secretary for MAGNUS.

6.

Jeffords, Deburgo, David Medina, and Anthony Sison have never been licensed in any capacity by the Department. For an unknown period of time beginning no later than October 6, 2009, through the present, Respondents, while doing business as Magnus Financial, Magnus Financial Co., or New Horizon Financial Services, solicited and offered loan services to consumers, including services to assist them in negotiating with lenders, foreclosure forbearance, or obtaining a loan modification. Respondents, while licensed to do business in California, engaged in the business of claiming, demanding, charging receiving, collecting or contracting for the collection of

advance fees, within the meaning of Code Section 10026 including, but not limited to, the following loan activities with respect to loans which were secured by liens on real property.

Justin T.

7.

On or about October 6, 2009, Respondents solicited and offered to assist borrower Justin T. with loan modification and negotiation services. Justin T. entered into a written advance fee agreement with Magnus Financial Co. for loan modification and negotiation services in connection with a loan secured by a lien on real property. Justin T. paid an advance fee of \$2,900 to Magnus Financial Co. for loan modification and negotiation services.

8.

Respondents made misrepresentations to Justin T. in order to induce Justin T. to enter into the advance fee agreement including, among others, that Justin T. would receive a full refund of his advance fee if Magnus Financial Co. could not obtain a loan modification for Justin T. Moreover, on July 15, 2010, Justin T. received a notice from Deburgo and Jeffords that Justin T. would be required to pay an additional monthly service fee of \$145 to Magnus Financial Co./New Horizon Financial Services or work on Justin T.'s loan modification would cease. Respondents failed to perform the loan modification and negotiation services that had been promised to Justin T. Respondents failed to provide an accounting of any services done for Justin T. or an accounting of the advance fees collected from Justin T.

9.

Respondents collected the advance fees described in Paragraph 8, above, pursuant to the provisions of a written agreement which constitutes an advance fee agreement within the meaning of Code Section 10085. Respondents failed to submit the advance fee agreement to the Department for review prior to use, in violation of Code Section 10085 and Regulation 2970.

10.

Respondents failed to comply with the requirements for handling of advance fees, in violation of Code Section 10146.

Edgar A.

11.

On or about November 12, 2009, Anthony Sison, an unlicensed person working on behalf of Respondents, solicited and offered to assist borrower Edgar A. with loan modification and negotiation services. Edgar A. entered into a written advance fee agreement with Magnus Financial Co. for loan modification and negotiation services in connection with a loan secured by a lien on real property. Edgar A. paid an advance fee of \$2,475 to Magnus Financial Co. for loan modification and negotiation services. Respondents made misrepresentations to Edgar A. in order to induce Edgar A. to enter into the advance fee agreement including, among others, that Edgar A. would receive a full refund of his advance fee if Magnus Financial Co. could not obtain a loan modification for Edgar A.

Najma P.

12.

On or about November 12, 2009, David Medina, an unlicensed person working on behalf of Respondents, solicited and offered to assist borrower Najma P. with loan modification and negotiation services. Najma P. entered into a written advance fee agreement with Magnus Financial Co. for loan modification and negotiation services in connection with a loan secured by a lien on real property. Najma P. paid an advance fee of \$3,000 to Magnus Financial Co. for loan modification and negotiation services. Respondents made misrepresentations to Najma P. in order to induce Najma P. to enter into the advance fee agreement including, among others, that Najma P. would receive a full refund of her advance fee if Magnus Financial Co. could not obtain a loan modification for Najma P.

Alice C.

13.

On or about December 2, 2009, Respondents solicited and offered to assist borrower Alice C. with loan modification and negotiation services. Alice C. entered into a written advance fee agreement with Magnus Financial Co. for loan modification and negotiation services in connection with a loan secured by a lien on real property. Alice C. paid an advance fee of \$3,000 to Magnus Financial Co. for loan modification and negotiation services. Respondents made misrepresentations to

Alice C. in order to induce Alice C. to enter into the advance fee agreement including, among others, that Alice C. would receive a full refund of her advance fee if Magnus Financial Co. could not obtain a loan modification for Alice C.

14.

The activities described in Paragraphs 7 through 13, above, require a real estate broker license under Code Sections 10131(d) and 10131.2. Respondents violated Code Section 10137 by employing and/or compensating unlicensed individuals including Jeffords, Deburgo, David Medina, and Anthony Sison to perform activities requiring a license.

15.

The current business address and mailing address maintained by Respondents MAGNUS and COLLINS with the Department is 3250 Wilshire Blvd. #1709, Los Angeles, California 90010. Respondents are no longer located at this address, nor have Respondents informed the Real Estate Commissioner of any new address. Respondents are not presently maintaining any definite place of business in the State of California which shall serve as their office for the transaction of business requiring a real estate license.

DETERMINATION OF ISSUES

1.

The conduct, acts and/or omissions of Respondents as set forth in Paragraphs 6 through 13, above, are in violation of Code Sections 10085, 10085.5, 10085.6, 10146 and Regulation Section 2970 and constitute grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10177(d) and 10177(g).

2.

Respondents' conduct, acts and/or omissions as set forth in Paragraphs 7 through 13, above, constitute grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10176(a) (making any substantial misrepresentation), 10176(b) (making any false promises of a character likely to influence, persuade or induce), 10176(i) (conduct...which constitutes fraud or dishonest

dealing), 10177(d) (violation of the Real Estate Law), and 10177(g) (negligence).

3.

The conduct, acts and/or omissions of Respondents as set forth in Paragraph 14, above, violate Code Section 10137, and are cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10137, 10177(d) and 10177(g).

4.

The acts and/or omissions of Respondents, as set forth in Paragraph 15, above, are in violation of Code Section 10162 and are grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Section 10177(d) and 10177(g).

5.

The conduct, acts and/or omissions of Respondent COLLINS, in allowing Respondent MAGNUS to violate the Real Estate Law, as set forth above, constitutes a failure by Respondent COLLINS, as the officer designated by the corporate broker licensee, to exercise the supervision and control over the activities of Respondent MAGNUS, as required by Code Section 10159.2 and Regulation 2725, and is cause to suspend or revoke the real estate license and license rights of Respondent COLLINS under Code Sections 10177(h), 10177(d) and 10177(g).

6.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

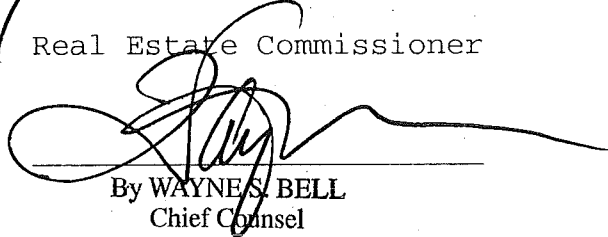
The licenses and license rights of Respondents MAGNUS FINANCIAL CORP. and KRISTIANA NICOLE COLLINS under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon February 4, 2013.

DATED:

12/17/2012

Real Estate Commissioner

A handwritten signature in black ink, appearing to read "Wayne S. Bell", is written over a horizontal line.

By WAYNE S. BELL
Chief Counsel

1 Department of Real Estate
2 320 West Fourth Street, Suite 350
3 Los Angeles, California 90013-1105

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BY: C-2

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9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of)
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13 MAGNUS FINANCIAL CORP. and)
14 KRISTIANA NICOLE COLLINS,)
15 individually and as)
16 designated officer of)
Magnus Financial Corp.,)
Respondents.)

17 Respondents, MAGNUS FINANCIAL CORP. and KRISTIANA
18 NICOLE COLLINS, individually and as designated officer of
19 Magnus Financial Corp., having failed to file a Notice of
20 Defense within the time required by Section 11506 of the
21 Government Code, is now in default. It is, therefore, ordered
22 that a default be entered on the record in this matter.

23 IT IS SO ORDERED November 13, 2012.

25 Real Estate Commissioner

26 Dolores Weeks

27 By: DOLORES WEEKS
Regional Manager