

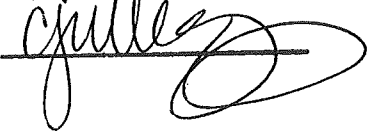
1 Bureau of Real Estate  
2 320 West 4th Street, Suite 350  
3 Los Angeles, California 90013-1105

4 Telephone: (213) 576-6982

**FILED**

DEC - 2 2014

**BUREAU OF REAL ESTATE**

By 

7 **BEFORE THE BUREAU OF REAL ESTATE**

8 **STATE OF CALIFORNIA**

9 \* \* \* \*

10 To:	)	No. H-39666 LA
	)	
11 ERENIE PENDON FORTNEY doing	)	<u>ORDER TO DESIST</u>
12 business as THE FORTNEY GROUP, INC.	)	<u>AND REFRAIN</u>
13 and ERENIE FORTNEY & ASSOCIATES	)	
and HERBERT SCHAFFER doing business	)	(B&P Code Section 10086)
as EASTON, INC.	)	

14 The Commissioner ("Commissioner") of the California Bureau of Real Estate  
15 ("Bureau") caused an investigation to be made of the activities of ERENIE PENDON FORTNEY  
16 doing business as THE FORTNEY GROUP, INC. and ERENIE FORTNEY & ASSOCIATES and  
17 HERBERT SCHAFFER doing business as EASTON, INC. (collectively "FORTNEYS"). Based  
18 on that investigation the Commissioner has determined that FORTNEYS have engaged in or are  
19 engaging in acts or attempting to engage in the business of, acting in the capacity of, and/or  
20 advertising or assuming to act as real estate brokers in the State of California within the meaning of  
21 Business and Professions Code ("Code") Sections 10131(a) (solicit prospective sellers or  
22 purchasers of or negotiate the purchase, sale or exchange of real property), 10131(d) (solicit  
23 borrowers for or negotiate loans or perform services for borrowers in connection with loans  
24 secured by liens on real property), and makes, arranges or services loans secured by real property  
containing one to four residential units.

1 In addition, based on that investigation, the Commissioner has determined that  
2 FORTNEYs have engaged in or are engaging in acts or are attempting to engage practices  
3 constituting violations of the Code and/or Title 10, California Code of Regulations (“Regulations”).  
4 Based on the findings of that investigation, set forth below, the Commissioner hereby issues the  
5 following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority  
6 of Section 10086 of the Code.

7 FINDINGS OF FACT

8 1. From October 22, 1996 through the present, ERENIE PENDON FORTNEY  
9 (“FORTNEY”) has been licensed and/or has license rights by the Bureau of Real Estate (“Bureau”)  
10 as a real estate salesperson, License ID 01214889. FORTNEY is also known as Erenie Fortney  
11 and Erenie P. Sia.

12 2. At all times relevant herein EASTON, INC., HERBERT SCHAFFER, THE FORTNEY  
13 GROUP, INC., ERENIE FORTNEY & ASSOCIATES, Hamilton and Helton, LLC, Hamilton and  
14 Helton 2, LLC, and Hamilton and Helton were not licensed by the Bureau in any capacity.

15 3. EASTON, INC. is a California corporation formed on or about January 19, 1983.  
16 HERBERT SCHAFFER is President, CEO, and the sole officer and director of EASTON, INC.  
17 HERBERT SCHAFFER was licensed as a real estate salesperson from April 30, 1976 to June 14,  
18 1988, License ID 00555243.

19 4. THE FORTNEY GROUP, INC. is a California corporation formed on or about May 30,  
20 2012. FORTNEY is President, CEO, and the sole officer and director of THE FORTNEY  
21 GROUP, INC.

22 5. Hamilton and Helton, LLC, Hamilton and Helton 2, LLC, and Hamilton and Helton  
23 (collectively “Hamilton and Helton”) are California limited liability corporations. Michael  
24

1 Hamilton Camp and Troy Helton are officers and directors of Hamilton and Helton.

2 6. From November 16, 2009, through the present, Michael Hamilton Camp aka Mike  
3 Hamilton Camp has been licensed by the Bureau as a real estate broker, License ID 01714600.

4 7. From November 6, 2003 through the present, Troy Randall Helton ("Helton") has been  
5 licensed by the Bureau as a real estate salesperson, License ID 01400572. From February 8, 2013,  
6 through the present, Helton has been licensed under the employment of broker, Mike Hamilton  
7 Camp. From November 6, 2003, through April 21, 2012, Helton was licensed under the  
8 employment of broker, Hidden Valley Real Estate Center, Inc.

9 Short Sale of 31927 Cypress Glen Ct.

10 8. On or about August 26, 2012, FORTNEY entered into an exclusive Residential Listing  
11 Agreement with sellers, John and Elayne W. ("sellers"), for the sale of real property located at  
12 31927 Cypress Glen Ct., Lake Elsinore, California ("Cypress Glen property"). The listing price  
13 was \$220,000. The broker commission was to be six percent of the purchase price.

14 9. On October 28, 2012, the sellers received a letter from their lender, Bank of America,  
15 informing them that they had been approved to list the Cypress Glenn property for a short sale with  
16 a listing price of \$209,000. The short sale was to be an "arm's length" transaction.

17 10. On or about October 28, 2012, FORTNEY submitted a residential purchase agreement  
18 for the purchase of the Cypress Glenn property on behalf of Steven Sia, the prospective buyer.  
19 FORTNEY was listed as the agent for both the buyer and the sellers in the short sale transaction.  
20 FORTNEY stood to gain dual commissions from the transaction. FORTNEY is related to Steven  
21 Sia.

22 11. On October 31, 2012, FORTNEY signed a Short Sale Real Estate Licensee  
23 Certification for Bank of America wherein FORTNEY certified various material facts including,  
24

1 without limitation, that: 1) FORTNEY had not engaged in any conduct to restrict or limit offers  
2 from buyers; 2) FORTNEY was not engaging in appraisal fraud, flipping, or straw buying; 3)  
3 FORTNEY was not receiving any compensation, remuneration or benefit other than what had been  
4 disclosed in the preliminary and certified HUD-1 closing settlement statements; 4) FORTNEY was  
5 not aware of any arrangement for compensation or other remuneration to seller, buyer, licensees, or  
6 other lien holders, either directly or indirectly related to the purchase agreement that had been paid  
7 outside the official terms of closing as presented in the purchase contract and certified HUD-1  
8 closing settlement statements; and 5) FORTNEY had disclosed to Bank of America any known  
9 relationship to Buyer or ownership interest in Buyer's company, and FORTNEY further  
10 acknowledged that she had no existing business relationship with buyer and/or seller other than the  
11 purchase of property according to the terms and conditions of the purchase contract.

12 12. FORTNEY failed to disclose several material facts to the sellers' lender including, but  
13 not limited to, that FORTNEY was related to buyer Steven Sia; that the commission was paid  
14 through FORTNEY's unlicensed corporation, THE FORTNEY GROUP, INC.; and that  
15 FORTNEY had a business relationship with EASTON, INC. and/or Hamilton and Helton.

16 13. On December 27, 2012, EASTON, INC. originated a loan in the amount of \$102,625  
17 for Troy Helton, which was secured by real property. The loan was primarily for Steven Sia's  
18 purchase of a residential property for personal family or household use. On December 27, 2012,  
19 HERBERT SCHAFFER executed a Third Party Deposit-Authorization for escrow no. RTE-  
20 4214372(ju), which acknowledged that EASTON, INC. had deposited the sum of \$102,625 into  
21 escrow, for and on behalf of Troy Helton, for Steven Sia's purchase of the Cypress Glenn property.

1 14. Escrow closed on December 31, 2012. On January 6, 2013, Hamilton and Helton, LLC  
2 received a processing payment of \$4,534 from escrow for the short sale of the Cypress Glenn  
3 property.

4 15. On January 13, 2013, the FORTNEY GROUP, INC. received a wired payment for  
5 \$12,300 from escrow as compensation for the short sale of the Cypress Glen property. FORTNEY  
6 submitted, or caused to be submitted, a commission disbursement authorization form, purportedly  
7 signed by Matthew Crumbaugh on behalf of Allison James Estates and Homes, which directed the  
8 escrow company to forward to THE FORTNEY GROUP, INC., the \$12,300 commission that was  
9 owed to Allison James Estates and Homes from the short sale of the Cypress Glenn property.

10 Resale of 31927 Cypress Glen Ct.

11 16. On or about April 24, 2013, FORTNEY entered into an exclusive Residential Listing  
12 Agreement with seller, Steven Sia, for the sale of the Cypress Glen property. The listing price was  
13 \$339,900. The broker commission was to be two percent of the purchase price.

14 17. On June 7, 2013, Nestor M. made an offer to purchase the Cypress Glen property for  
15 \$339,000. John Aguilar represented Nestor M. as his agent in the transaction. FORTNEY  
16 represented Steven Sia as the seller's agent in the transaction.

17 18. Escrow closed on July 31, 2012. THE FORTNEY GROUP, INC. received  
18 \$148,009.08 and EASTON, INC. received \$146,093.42, respectively, from the proceeds of the  
19 resale of the Cypress Glen property.

20 Short Sale of 5246 W. 123<sup>rd</sup> Place

21 19. Esteban and Elisa S. owned a property located at 5246 W.123<sup>rd</sup> Pl., Hawthorne,  
22 California ("W. 123<sup>rd</sup> property"). FORTNEY is related to Esteban and Elisa S. Esteban and Elisa  
23 S. refinanced the W. 123<sup>rd</sup> property in or around 2005. In or around 2008, Esteban and Elisa S.

1 defaulted on their mortgage loan and faced foreclosure of the W. 123<sup>rd</sup> property. FORTNEY,  
2 while doing business as ERENIE FORTNEY & ASSOCIATES attempted to negotiate a loan  
3 modification of the W. 123<sup>rd</sup> property on behalf of Esteban and Elisa S. Esteban and Elisa S. were  
4 unable to obtain a loan modification for the W. 123<sup>rd</sup> property.

5 20. On or about November 5, 2011, FORTNEY entered into an exclusive Residential  
6 Listing Agreement with sellers, Esteban and Elisa S. for the sale of the W. 123<sup>rd</sup> property.

7 21. On January 10, 2012, FORTNEY submitted a Residential Purchaser Agreement on  
8 behalf of prospective buyer, Joel Dahl, for the purchase of the W. 123<sup>rd</sup> property for a purchase  
9 price of \$350,000. FORTNEY was acting as a dual agent and earned a dual commission from the  
10 short sale transaction.

11 22. On February 27, 2012, the sellers received a letter from their lender, Bank of America,  
12 informing them that they had approved the short sale of the W.123<sup>rd</sup> property to Joel Dahl for the  
13 sales price of \$360,000. The short sale was to be an "arm's length" transaction. FORTNEY and  
14 the sellers failed to disclose to the sellers' lender that FORTNEY is related to the sellers.

15 CONCLUSIONS OF LAW

16 Based on the information contained in Paragraphs 1 through 22, above, ERENIE PENDON  
17 FORTNEY doing business as THE FORTNEY GROUP, INC. and ERENIE FORTNEY &  
18 ASSOCIATES and HERBERT SCHAFFER doing business as EASTON, INC. violated Code  
19 Sections 10130 and 10166.02(b) by engaging in activities requiring a real estate license without  
20 first obtaining a broker license from the Bureau.

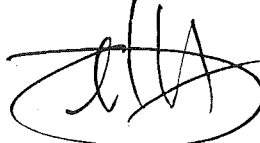
21 DESIST AND REFRAIN ORDER

22 Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW stated herein, IT IS  
23 HEREBY ORDERED THAT ERENIE PENDON FORTNEY doing business as THE FORTNEY  
24 GROUP, INC. and ERENIE FORTNEY & ASSOCIATES and HERBERT SCHAFFER doing

1 business as EASTON, INC. whether doing business in their own name or any other fictitious  
2 business name, immediately desist and refrain from: performing any acts within the State of  
3 California for which a real estate broker license is required, unless they are so licensed.

4 DATED: NOVEMBER 24, 2014.

5 REAL ESTATE COMMISSIONER

6 

7  
8 By: JEFFREY MASON  
Chief Deputy Commissioner

9  
10 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a real  
11 estate broker or real estate salesperson without a license or who advertises using words indicating  
12 that he or she is a real estate broker without being so licensed shall be guilty of a public offense  
13 punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by imprisonment in the  
14 county jail for a term not to exceed six months, or by both fine and imprisonment; or if a  
15 corporation, be punished by a fine not exceeding sixty thousand dollars (\$60,000)."

16  
17 cc: Erenie Pendon Fortney /The Fortney Group, Inc. / Erenie Fortney & Associates  
18 35420 Saddle Hill Rd.  
Lake Elsinore, CA 92532

19 29991 Canyon Hills Rd., #1709 225  
20 Lake Elsinore, CA 92532

21 Herbert Schaffer /Easton, Inc.  
22 10960 Wilshire Blvd., Ste. 1960  
23 Los Angeles, CA 90024  
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