DEPARTMENT OF REAL ESTATE
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FILED

JUL 15 2009

DEPARTMENT OF REAL ESTATE

By K. Contreras

BEFORE THE

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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TO: RMR GROUP, MICHAEL SCOTT ARMENDARIZ, ERIC BERNARDINO BECERRA, SERGIO CHAVEZ, JOSE NINO, LINDA RODRIGUEZ, LYDIA BUSTOS, RICARDO HAAG, SHIPPEY & ASSOCIATES, P.C., and KARLA SHIPPEY, ESQ.	NO. H-2403 FR ORDER TO DESIST AND REFRAIN (B & P Code Section 10086)

The Commissioner (Commissioner) of the California Department of Real Estate (Department) caused an investigation to be made of the activities of RMR GROUP (RMR), MICHAEL SCOTT ARMENDARIZ (ARMENDARIZ), ERIC BERNARDINO BECERRA (BECERRA), SERGIO CHAVEZ (CHAVEZ), JOSE NINO (NINO), LINDA RODRIGUEZ (RODRIGUEZ), LYDIA BUSTOS (BUSTOS), RICARDO HAAG (HAAG), SHIPPEY & ASSOCIATES, P.C. (SHIPPEY P.C.), and KARLA SHIPPEY, ESQ. (SHIPPEY ESQ.), (collectively referred to as "you") have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting violations of the California Business and Professions Code

(Code) and/or Title 10, Chapter 6, California Code of Regulations (Regulations), including the business of, acting in the capacity of, and/or advertising or assuming to act as, real estate brokers in the State of California within the meaning of Section 10131(d) (performing services for borrowers in connection with loans secured by real property) of the Code. Additionally, you have violated Sections 10130 (unlicensed activity), 10085 (advanced fee agreements), 10085.5 (advance fee payments), 10146 (depositing advanced fees into a trust account), 10176(a) (misrepresentation), (b) (false promises), (c) (continued and flagrant course of misrepresentation and/or making false promises), and (i) (fraud and dishonest dealing by licensee), and 10177(d) (violating the real estate law), (g) (negligence) and/or (j) (fraud and dishonest dealing) of the Code and Sections 2970 (advance fee materials) and 2972 (accounting content) of the California Code of Regulations (Regulations). Furthermore, based on the investigation, the Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086 of the Code.

Whenever acts referred to below are attributed to RMR, ARMENDARIZ, BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C., and SHIPPEY, ESQ., those acts are alleged to have been done by RMR, ARMENDARIZ, BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C., and SHIPPEY, ESQ., acting by themselves, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, known or unknown.

FINDINGS OF FACT

1. RMR is not now, and has never been, licensed by the Department in any capacity.

2. ARMENDARIZ has been licensed by the Department as a real estate broker since April 11, 2002; said license will expire April 10, 2010.

3. BECERRA has been licensed by the Department as a real estate salesperson effective September 4, 2004; said license was suspended due to education requirements not filed, effective March 5, 2006; which suspension was removed, as education

requirements were met, effective October 23, 2006; said license was revoked with the right to restricted license effective May 6, 2009 and will expire May 5, 2013. During the time BECERRA was licensed as a real estate salesperson, he performed activities requiring he be employed by a real estate broker and be acting under the supervision and control of said broker, when in fact, at all times mentioned herein, BECERRA was not employed by a real estate broker.

4. CHAVEZ has been licensed by the Department as a real estate salesperson effective September 6, 2005; said license was suspended due to education requirements not filed, effective March 7, 2007; which suspension was removed, as education requirements were met, effective April 30, 2007 and his license will expire September 5, 2009; CHAVEZ has had no employing broker since April 30, 2007. During the time CHAVEZ was licensed as a real estate salesperson, he performed activities requiring he be employed by a real estate broker and be acting under the supervision and control of said broker, when in fact, at all times mentioned herein, CHAVEZ, was not employed by a real estate broker.

5. NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY, ESQ., and SHIPPEY P.C., are not now, and have never been, licensed by the Department in any capacity.

6. During the period of time set out below, RMR, ARMENDARIZ, BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C., and SHIPPEY, ESQ., solicited borrowers and negotiated to do one or more of the following acts for another or others, for or in expectation of compensation: negotiate one or more loans for, or perform services for, borrowers and/or lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charge, demand or collect an advance fee for any of the services offered.

Arturo Cortez transaction

7. In about March 2008, RMR, through an unidentified man and woman, solicited Arturo Cortez (Cortez) in order to provide loan modification services to save Cortez' home from being lost in foreclosure.

8. In furtherance of RMR's plan and scheme to provide loan modification services to Cortez, RMR requested an advance fee of $2,500 to $3,000 from Cortez. In reliance on RMR's representations, Cortez signed the RMR contract and paid part of the fee at his home. RMR did not provide a successful and/or sustainable loan modification to Cortez.

Margaret Casares transaction

9. On about April 29, 2008, HAAG, on behalf of RMR, Corona, California, claimed, demanded, charged, received, collected, and contracted for a fee of at least $2,000 in advance from Margaret Casares, the owner of real estate property located in California, for services to be performed thereafter regarding obtaining a modification of loan terms for a loan secured by said property. RMR did not provide a successful and/or sustainable loan modification to Casares.

Francisco Dominguez transaction

10. On about July 26, 2008, CHAVEZ, on behalf of RMR, SHIPPEY P.C., and SHIPPEY ESQ., claimed, demanded, charged, received, collected, and contracted for a fee of at least $2,500 in advance from Francisco Dominguez, the owner of real property located in California, for services to be performed thereafter regarding obtaining a modification of loan terms for a loan secured by said property. RMR did not provide a successful and/or sustainable loan modification to Dominguez.

Jesus Martinez transaction

11. On about August 26, 2008, ARMENDARIZ and CHAVEZ, on behalf of RMR, SHIPPEY P.C., and SHIPPEY, ESQ., claimed, demanded, charged, received, collected, and contracted for a fee of at least $3,000 in advance from Jesus Martinez, the owner of real property located in California, for services to be performed thereafter regarding obtaining a modification of loan terms for a loan secured by said property. RMR did not provide a successful and/or sustainable loan modification to Martinez.

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Fidela Vallejo transaction

12. In about November 2008, NINO, on behalf of RMR, Fresno, California, solicited Fidela Vallejo (Vallejo) in order to provide loan modification services to lower her mortgage payments, reduce her interest rate, and provide representation in negotiations with her lender.

13. In furtherance of RMR's plan and scheme to provide loan modification services to Vallejo, NINO requested an advance fee of $3,000 from Vallejo, which included a cash payment of $850. In reliance on NINO's representations, Vallejo paid $850, with the balance to be paid in biweekly payments. Vallejo, through her common law spouse, Ramon Morales, signed a loan modification agreement with an estimated service fee of $3,295 for the loan modification. RMR did not provide a successful and/or sustainable loan modification to Vallejo.

Ramon Morales transaction

14. In about November 2008, NINO, on behalf of RMR, SHIPPEY P.C., and SHIPPEY ESQ., claimed, demanded, charged, received, collected, and contracted for a fee of at least $3,000 in advance from Ramon Morales, the owner of real property located in California, for services to be performed thereafter regarding obtaining a modification of loan terms for a loan secured by said property. RMR did not provide a successful and/or sustainable loan modification to Morales.

Vilma R. Moline transaction

15. On about November 10, 2008, ARMENDARIZ, on behalf of RMR, SHIPPEY P.C., and SHIPPEY, ESQ., claimed, demanded, charged, received, collected, and contracted for a fee of at least $3,000 in advance from Vilma R. Moline, the owner of real property located in California, for services to be performed thereafter regarding obtaining a modification of loan terms for a loan secured by said property. RMR did not provide a successful and/or sustainable loan modification to Moline.

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Elias and Christine Rocha transaction

16. On about December 16, 2008, NINO, on behalf of RMR, Fresno, California, SHIPPEY P.C., and SHIPPEY, ESQ., claimed, demanded, charged, received, collected, and contracted for a fee of at least $3,600 in advance from Elias and Christine Rocha, the owners of real property located in California, for services to be performed thereafter regarding obtaining a modification of loan terms for a loan secured by said property. RMR did not provide a successful and/or sustainable loan modification to the Rocha's.

Juan Manzano transaction

17. On about December 16, 2008, BUSTOS, on behalf of RMR, Fresno, California, SHIPPEY P.C., and SHIPPEY, ESQ., claimed, demanded, charged, received, collected, and contracted for a fee of at least $6,000 in advance from Juan Manzano, the owner of real property located in California, for services to be performed thereafter regarding obtaining a modification of loan terms for a loan secured by said property. RMR did not provide a successful and/or sustainable loan modification to Manzano.

RODRIGUEZ' solicitation to Department employee Rene Esquivel

18. On about January 16, 2009, RODRIGUEZ, on behalf of RMR, Fresno, California, SHIPPEY P.C., and SHIPPEY, ESQ., solicited Department employee, Rene Esquivel (Esquivel) to engage RMR, SHIPPEY P.C., SHIPPEY, ESQ., and its agents to represent Esquivel in negotiating with his lender, modification of one or more loans which was represented to RODRIGUEZ to be in arrears or in default. In connection with that solicitation, RODRIGUEZ represented to Esquivel that an advance fee would be claimed, charged and collected from him for services RODRIGUEZ' was to perform on behalf of RMR, SHIPPEY P.C., and SHIPPEY, ESQ., thereafter regarding obtaining a modification of loan terms for one or more loans secured by the real property owned by Esquivel.

BUSTOS' solicitation to Department employee Ernie Ruiz

19. On about February 5, 2009, BUSTOS, on behalf of RMR, Fresno, California, SHIPPEY P.C., and SHIPPEY, ESQ., solicited Department employee Ernie Ruiz

(Ruiz) to engage RMR, SHIPPEY P.C., SHIPPEY, ESQ., and its agents to represent Ruiz in negotiating with his lender, modifications of one or more loans which were represented to BUSTOS to be in arrears or in default. In connection with that solicitation, BUSTOS represented to Ruiz that an advance fee would be claimed, charged and collected from him for services BUSTOS was to perform on behalf of RMR, SHIPPEY P.C., and SHIPPEY, ESQ., thereafter regarding obtaining a modification of loan terms for one or more loans secured by the real property owned by Ruiz.

CONCLUSIONS OF LAW

1. Based on the Findings of Fact contained in Paragraphs 1 through 19, RMR, BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C. and SHIPPEY, ESQ., acting by themselves, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, solicited borrowers and the Department's own employees, to perform services for those borrowers and said employees and their lenders in connection with loans secured directly or collaterally by one or more liens on real property, and charged, demanded or collected advance fees for the services to be provided, which acts require a real estate broker license under Sections 10130 (unlicensed activity), 10131(d) (mortgage loans), and 10131.2 (advance fees) of the Code, during a period of time when RMR, BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C. and SHIPPEY, ESQ., were not licensed by the Department as real estate brokers.

2. Based on the Findings of Fact contained in Paragraphs 1 through 19, RMR, ARMENDARIZ, BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C. and SHIPPEY, ESQ., acting by themselves, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, known or unknown, solicited borrowers and performed services for those borrowers and/or those borrowers' lenders in connection with loans secured directly or collaterally by one or more liens on real property, and charged, demanded or collected advance fees for the services to be provided, in violation of Sections 10085 (advanced fee agreements), 10085.5 (advance fee payments), 10146 (depositing advanced fees into a trust

account), 10176(a) (misrepresentation), (b) (false promises), (c) (continued and flagrant course of misrepresentation and/or making false promises), and (i) (fraud and dishonest dealing by licensee), and 10177(d) (violating the real estate law), (g) (negligence) and/or (j) (fraud and dishonest dealing) of the Code and Sections 2970 (advance fee materials) and 2972 (accounting content).

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein, you, RMR GROUP, MICHAEL SCOTT ARMENDARIZ, ERIC BERNARDINO BECERRA, SERGIO CHAVEZ, JOSE NINO, LINDA RODRIGUEZ, LYDIA BUSTOS, RICARDO HAAG, SHIPPEY & ASSOCIATES, P.C., and KARLA SHIPPEY, ESQ., whether doing business under your own names, or any other names or fictitious names, ARE HEREBY ORDERED to:

1. immediately desist and refrain from performing any acts within the State of California for which a real estate broker license is required until and unless you have obtained a broker license. And, in particular, you are ordered to desist and refrain from:

(i) soliciting borrowers and/or performing services for borrowers or lenders in connection with loans secured directly or collaterally by one or more liens on real property, and,

(ii) from charging, demanding, or collecting an advance fee for any of the services you offer to others, unless and until you obtain a real estate broker license issued by the Department, and until you demonstrate and provide evidence satisfactory to the Commissioner that you are in full compliance with all of the requirements of the Code and Regulations relating to charging, collecting, and accounting for advance fees.

2. immediately desist and refrain from collecting advance fees, as that term in defined in Section 10026 of the Code, in any form and particularly with respect to loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services, unless and until you demonstrate and provide evidence satisfactory to the Commissioner that you have:

(i) an advance fee agreement which has been submitted to the Department and which is in compliance with Sections 2970 and 2972 of the Regulations;

(ii) placed all previously collected advance fees into a trust account for that purpose and are in compliance with Section 10146 of the Code; and

(iii) provided an accounting to trust fund owner-beneficiaries pursuant to Section 2972 of the Regulations.

DATED: 7-14-09

JEFF DAVI
Real Estate Commissioner

By _____
BARBARA J. BIGBY
Chief Deputy Commissioner

-NOTICE-

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

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