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FILED
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DEPARTMENT OF REAL ESTATE
By L. Frost

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

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TO: FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., a Delaware corporation, MICHAEL A. TRAP, and GLENN ROSOFSKY	NO. H-4004 SD ORDER TO DESIST AND REFRAIN (B&P Code Section 10086)

The Commissioner (hereinafter "Commissioner") of the California Department of Real Estate (hereinafter "Department") caused an investigation to be made of the activities of FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., a Delaware corporation, doing business under the fictitious names of NATION'S HOUSING MODIFICATION CENTER and LOAN MODIFICATION REFORM ASSOCIATION, and MICHAEL A. TRAP and GLENN ROSOFSKY. Based on that investigation, the Commissioner has determined that FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting violations of the California Business and Professions Code (hereinafter "Code") and/or Title 10, California Code of Regulations (hereinafter "Regulations"), including engaging in the business of, acting in the capacity of, advertising, or assuming to act as, a real estate broker in the State of California within the meaning of Section 10131(d) (performing

services for borrowers and lenders in connection with loans secured by real property) of the Code. Based on the findings of that investigation, as set forth below, the Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under authority of Section 10086 of the Code.

FINDINGS OF FACT

1. At no time herein mentioned have FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY been licensed by the Department in any capacity.

2. At all times herein mentioned, MICHAEL A. TRAP is and was the corporate secretary and an officer of FEDERAL HOUSING MODIFICATION DEPARTMENT, INC.

3. Whenever reference is made in this Desist and Refrain Order to an act or omission of FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., such reference shall be deemed to mean that the owners, officers, directors, employees, agents, and real estate licensees employed by or associated with said entity committed such act or omission while engaged in the furtherance of the business or operations of said entity and while acting within the course and scope of their corporate authority and employment.

4. For an unknown period of time prior to on or about April 15, 2009, until and including July 31, 2009, and at all times herein mentioned, FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY solicited borrowers and lenders within the State of California and negotiated to do one or more of the following acts for another or others, for or in expectation of compensation, within the meaning of Section 10131(d) of the Code: negotiate one or more loans for borrowers and lenders in connection with loans secured or to be secured directly or collaterally by one or more liens on real property, or perform services for borrowers and/or lenders in connection with loans secured or to be secured directly or collaterally by one or more liens on real property.

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5. FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY, violated Section 10130 of the Code by engaging in the activities described in Paragraph 4, above, without first obtaining a real estate broker license from the Department.

6. Beginning on or about April 15, 2009, and at all times herein mentioned, for or in expectation of compensation, FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., and MICHAEL A. TRAP solicited Chad Nickless as borrower to negotiate the modification of, to obtain an extension of the maturity date of, to change the interest rate of, and/or to lower the monthly payments of loans secured by the borrower's real property commonly known as 651 Camas Avenue N. E. in Renton, Washington, within the meaning of Section 10131(d) of the Code.

7. On or about April 20, 2009, FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., and MICHAEL A. TRAP, for or in expectation of compensation, within the meaning of Section 10131(d) of the Code, solicited Chad Nickless as borrower for the purpose of negotiating the modification of, obtaining an extension of the maturity date of, changing the interest rate of, and/or of lowering the monthly payments of loans secured by the borrower's real property commonly known as 651 Camas Avenue N. E. in Renton, Washington, negotiated for, demanded and collected from said borrower advance fees totaling $1,000.00 pursuant to an agreement with said borrower without first obtaining approval of an advance fee agreement from the Commissioner in accordance with of Sections 10085 and 10085.5 of the Code.

8. FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., and MICHAEL A. TRAP, violated Sections 10130 of the Code by engaging in the activities described in Paragraphs 6 and 7, above, without first obtaining a real estate broker license from the Department, and violated Section 10085.5 of the Code by engaging in the activities described in Paragraph 7, above.

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9. Beginning on or about May 26, 2009, and at all times herein mentioned, for or in expectation of compensation, FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., solicited Mark and Alexa Loando as borrowers to negotiate the modification of, to obtain an extension of the maturity date of, to change the interest rate of, and/or to lower the monthly payments of loans secured by the borrowers' real property commonly known as 73-1196 Kaalele Street in Kailua Kona, Hawaii, within the meaning of Section 10131(d) of the Code.

10. On or about May 26, 2009, FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., for or in expectation of compensation, within the meaning of Section 10131(d) of the Code, solicited Mark and Alexa Loando as borrowers for the purpose of negotiating the modification of, obtaining an extension of the maturity date of, changing the interest rate of, and/or of lowering the monthly payments of loans secured by the borrowers' real property commonly known as 73-1196 Kaalele Street in Kailua Kona, Hawaii, negotiated for, demanded and collected from said borrower advance fees totaling $1,000.00 pursuant to an agreement with said borrower without first obtaining approval of an advance fee agreement from the Commissioner in accordance with of Sections 10085 and 10085.5 of the Code.

11. FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., violated Sections 10130 of the Code by engaging in the activities described in Paragraphs 9 and 10, above, without first obtaining a real estate broker license from the Department, and violated Section 10085.5 of the Code by engaging in the activities described in Paragraph 10, above.

CONCLUSIONS OF LAW

12. Based on the information contained in paragraphs 1 through 9, FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY solicited borrowers and lenders, negotiated loans, and/or performed services for those borrowers and/or those borrowers' lenders in connection with loans secured or to be secured directly or collaterally by one or more liens on real property, which requires a real estate license under Section 10131(d) of the Code, during a period of time when FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN

ROSOFSKY did not have a broker and were not licensed by the Department in any capacity, and FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., and MICHAEL A. TRAP demanded and collected advance fees without first obtaining approval of an advance fee agreement from the Commissioner in accordance with Sections 10085 and 10085.5 of the Code.

13. FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY, by soliciting borrowers and performing the services described in Paragraphs 4 through 11, inclusive, above, in expectation of compensation, also violated Section 10139 of the Code, which violation is a public offense punishable by a fine not exceeding twenty thousand dollars ($20,000.00), or by imprisonment in the county jail for a term not to exceed six months, or by both fine and imprisonment or, when violated by a corporation, punishable by a fine not exceeding sixty thousand dollars ($60,000.00).

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein, FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY, doing business under your own names, or any other 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. In particular you are ordered to desist and refrain from:

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

(ii) From charging, demanding, or collecting advance fees 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 Chapter 6, Title 10, California Code of Regulations (hereinafter "Regulations") relating to charging, collecting, and accounting for advance fees.

2. Immediately desist and refrain from employing individuals to perform any acts within the State of California for which a real estate broker licensed is required, unless and until such individuals obtain a real estate broker license issued by the Department.

3. Immediately desist and refrain from demanding or collecting advance fees, as that term is 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: 8/18, 2009

JEFF DAVI
Real Estate Commissioner

By
BARBARA 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). . . ."

cc: FEDERAL HOUSING MODIFICATION DEPARTMENT, INC.
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