BUREAU OF REAL ESTATE
P. O. Box 137007
Sacramento, CA 95813-7007

Telephone: (916) 263-8670

FILED

FEB 11 2014

BUREAU OF REAL ESTATE

By K. Contreras

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of MJB COMMUNICATIONS, and JASON SCOTT STRODER, Respondents.	NO. H-4416 SD STIPULATION AND AGREEMENT IN SETTLEMENT AND ORDER (As to Jason Scott Stroder, Only)

It is hereby stipulated by and between Respondent JASON SCOTT STRODER, ("Respondent"), and his attorney, Frank M. Buda, and the Complainant, acting by and through John W. Barron, Counsel for the Bureau of Real Estate ("the Bureau"), as follows for the purpose of settling and disposing of the First Amended Accusation filed on February 28, 2013, in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondent at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement in Settlement and Order.

2. Respondent has received, read and understands the Statement to Respondent, the Discovery Provisions of the APA, and the Accusation filed by the Bureau in this proceeding.

3. A Notice of Defense was filed on October 22, 2012, by Respondent, pursuant to Section 11505 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that he understands that by withdrawing said Notice of Defense, he will thereby waive his right to require the Real Estate Commissioner ("Commissioner") to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA and that he will waive other rights afforded to him in connection with the hearing such as the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

4. This Stipulation and Agreement in Settlement and Order is based on the factual allegations contained in the Accusation. In the interests of expedience and economy, Respondent chooses not to contest these allegations at hearing, but rather understands that, as a result thereof, these allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Commissioner shall not be required to provide further evidence to prove said factual allegations.

5. This Stipulation and Respondent's decision not to contest the Accusation are made for the purpose of reaching an agreed disposition of this proceeding and are expressly limited to this proceeding and any other proceeding or case in which the Bureau, the state or federal government, an agency of this state, or an agency of another state is involved.

6. It is understood by the parties that the Commissioner may adopt the Stipulation and Agreement in Settlement and Order as his decision in this matter thereby imposing the penalty and sanctions on Respondent's real estate licenses and license rights as set forth in the below "Order". In the event that the Commissioner in his discretion does not adopt the Stipulation and Agreement in Settlement and Order, it shall be void and of no effect, and Respondent shall retain the right to a hearing and proceeding on the Accusation under all the provisions of the APA and shall not be bound by any admission or waiver made herein.

7. The Order or any subsequent Order of the Commissioner made pursuant to this Stipulation and Agreement in Settlement and Order shall not constitute an estoppel, merger, or bar to any further administrative or civil proceedings by the Bureau with respect to any matters which were not specifically alleged to be causes for accusation in this proceeding.

8. Respondent understands that by agreeing to this Stipulation and Agreement, Respondent agrees to pay, pursuant to Section 10148 of the California Business and Professions Code ("the Code"), the cost of the audit which resulted in the determination that Respondent committed the violation(s) found in the Determination of Issues. The amount of such costs is $5,800.50.

9. Respondent further understands that by agreeing to this Stipulation and Agreement, the findings set forth below in the Determination of Issues becomes final, and the Commissioner may charge Respondent for the costs of any audit conducted pursuant to Section 10148 of the Code to determine if the violations have been corrected. The maximum cost of said audit shall not exceed $5,800.50.

DETERMINATION OF ISSUES

The acts and omissions of Respondent as described in the Accusation are grounds for the suspension or revocation of the license and license rights of Respondent under Sections 10085 (advance fee agreements), 10085.5 (collection of advance fees), 10145 (trust fund handling), 10146 (deposit of advance fees into trust account), 10159.2 (broker supervision), 10176(e) (commingling), 10177(d) (willful disregard/violation of Real Estate Law) and/or 10177(g) (negligence/incompetence), and 10177(h) (broker supervision) of the Code; Section 2944.7 (prohibition of advance fees) and/or 2945.4 (prohibited acts) of the California Civil Code; and Sections 2725 (broker supervision), 2831 (trust fund records), 2831.1 (maintenance of separate records for each beneficiary/transactions), 2835 (commingling), 2970 (advance fee materials) and 2972 (accounting content) of Chapter 6, Title 10, California Code of Regulations ("the Regulations").

ORDER

All licenses and licensing rights of Respondent under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Order; provided, however, that:

1. Forty-five (45) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

a. Respondent shall obey all laws, rules, and regulations governing the rights, duties, and responsibilities of a real estate licensee in the State of California; and,

b. That no final subsequent determination be made after hearing or upon stipulation that cause for disciplinary action occurred within two (2) years from the effective date of this Order. Should such a determination be made, the Commissioner shall, in his discretion, vacate and set aside the stay order and re-impose all or a portion of the stayed suspension. Should no such determination be made, the stay imposed herein shall become permanent.

2. The remaining fifteen (15) days of said suspension shall be stayed, upon the condition that Respondent petitions pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant to Section 10175.2 of the Code at a rate of $50.00 for each of the remaining 15-days of suspension for a total monetary penalty of $750.00.

a. Said payment shall be in the form of a cashier's check or certified check made payable to the Consumer Recovery Account of the Real Estate Fund. Said check must be received by the Bureau prior to the effective date of the Decision in this matter.

b. No further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision in this matter.

c. If Respondent fails to pay the monetary penalty in accordance with the terms and conditions of the Decision, the Commissioner shall, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event, Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Bureau under the terms of this Decision.

d. If Respondent pays the monetary penalty, and if no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision herein, then the stay hereby granted shall become permanent.

3. Respondent shall pay the sum of $5,800.50 for the Commissioner's costs of the audit which led to this disciplinary action. Respondent shall pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner. If Respondent fails to satisfy this condition in a timely manner as provided herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner, Respondent's real estate license shall automatically be suspended until payment is made in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

4. Respondent shall pay the Commissioner's costs, not to exceed $5,800.50, of any audit conducted pursuant to Section 10148 of the Code to determine of Respondent has corrected the violations described in the Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Respondent shall pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner. If Respondent fails to satisfy this condition in a timely manner as provided for herein, or as provided for in a subsequent agreement between Respondent and Commissioner, Respondent's real estate license shall automatically be suspended until payment is made in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide for payment.

5. Respondent, within six (6) months from the effective date of this Order, shall take and pass the Professional Responsibility Examination administered by the Bureau, including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, Respondent's real estate license shall automatically be suspended until Respondent passes the examination.

6. Notwithstanding any other provision of this Order, all licenses and licensing rights of Respondent are indefinitely suspended unless and until he provides proof satisfactory to the Commissioner that he has taken and successfully completed the continuing education course on Trust Fund Accounting and Handling specified in Section 10170.5(a)(3) of the Code. The course must have been completed no earlier than one hundred twenty (120) days prior to the effective date of this Order, and proof must be submitted prior to the effective date of this Order, to prevent suspension of Respondent's license pursuant to this condition.

Richard K. Uno

12/31/13 BY: Richard K. Uno

DATED

JOHN W. BARRON, Counsel
BUREAU OF REAL ESTATE

* * *

I have read the Stipulation and Agreement in Settlement and Order and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California APA (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently, and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

12/20/2013

DATED

JASON SCOTT STRODER, Respondent

* * *

I have reviewed this Stipulation and Agreement In Settlement and Order as to form and content and have advised my client accordingly.

12-23-2013

DATED

FRANK M. BUDA
Attorney for Respondent

* * *

The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by me as my Decision in this matter and shall become effective at 12 o'clock noon on MAR 1 3 2014.

IT IS SO ORDERED FEB 0 4 2014.

REAL ESTATE COMMISSIONER

By: JEFFREY MASON
Chief Deputy Commissioner

FILED

MAR 12 2013

DEPARTMENT OF REAL ESTATE
By _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

***

In the Matter of the Accusation of MJB COMMUNICATIONS and JASON SCOTT STRODER, Respondents.	No. H-4416 SD (As to Respondent MJB Communications only)

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 February 11, 2013, and the findings of fact set forth herein, which are based on one or more of the following: (1) MJB COMMUNICATION's ("MJB") express admissions; (2) affidavits; and (3) other evidence.

This Decision revokes a real estate license and/or license rights of MJB on grounds of violation of Sections 10085 (advance fee agreements), 10085.6 (collection of advance fees), 10145 (trust fund handling), 10146 (deposit of trust funds into trust account), 10176(e) (commingling), and 10177(d) (willful disregard/violation of real estate law) and/or 10177(g) (negligence or incompetence) of the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code ("the Code"); Sections 2831 (trust fund records), 2831.1 (requirement of separate records for each beneficiary or transaction), 2835 (commingling), 2970 (advance fee materials) and 2972 (accounting content) of Title 10 of the California Code of Regulations ("the Regulations"); and Sections 2944.7 (prohibition of advance fees) and/or 2945.4 (prohibited acts) of the California Civil Code.

The right to reinstatement of a revoked real estate license is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of MJB.

FINDINGS OF FACT

1

On October 9, 2012, Veronica Kilpatrick 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, return receipt requested on October 11, 2012, to MJB's last known mailing address on file with the Department, as well as MJB's Agent for Service of Process Micah Jon Burridge's last address of record.

On February 8, 2013, no Notice of Defense having been received or filed herein within the time prescribed by Section 11506 of the Government Code, MJB's default was entered herein.

2

MJB is presently licensed and/or has license rights under the Code as a corporate real estate broker.

3

At all times relevant herein, MJB engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(d) of the Code, including performing services for one or more 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 with respect to the collection of advance fees and loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services 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 an advance fee for any of the services offered.

4

On or about March 23, 2011, and continuing intermittently through October 27, 2011, an audit was conducted of MJB at its main office located at 2207 Garnet Avenue, Suite J, San Diego, California, and the Department's Los Angeles District Office, where the auditor examined the records for the period of October 1, 2009, through February 28, 2011 (the audit period).

5

While acting as a real estate broker as described in Paragraph 3, above, and within the audit period, MJB accepted or received funds in trust (trust funds) in the course of the real estate activities described in Paragraph 3, above, and deposited or caused the funds to be deposited into a bank account maintained by MJB, including:

Bank Account #1

Bank of America
North Park Branch
P.O. Box 37176
San Francisco, CA 94137
Account No.: XXXXX-X4014

Account Name: MJB Communications
American Economic Solutions

Signatories: Unknown

Thereafter, from time-to-time, MJB made disbursements of said trust funds.

6

In the course of the activities described in Paragraph 3, above, in connection with the collection and disbursement of trust funds:

(a) MJB deposited trust funds in the form of advance fees it collected into Bank Account #1, which was not designated as a trust account. Such acts and/or omissions by MJB violate Sections 10145 and 10146 of the Code.

(b) MJB commingled trust funds with non-trust funds in Bank Account #1. Such acts and/or omissions by MJB violate Sections 10145 and 10176(e) of the Code and Section 2835 of the Regulations.

(c) MJB failed to maintain accurate and complete records of trust funds received in the form of advance fees. Such acts and/or omissions by MJB violate Section 10145 of the Code and Section 2831 of the Regulations.

(d) MJB failed to maintain separate records for each beneficiary of funds held in Bank Account #1. Such acts and/or omissions by MJB violate Section 10145 of the Code and Section 2831.1 of the Regulations.

(e) MJB failed to maintain and provide an accounting content to borrowers showing the services to be rendered, into which trust account funds were to be deposited and details of how those trust funds were disbursed. Such acts and/or omissions by MJB violate Section 2972 of the Regulations.

7

On or about November 4, 2009, MJB entered into a loan modification services contract with Charisse E. Under the terms of the agreement, MJB agreed to negotiate a loan modification on behalf of Charisse E. for her real property located at 1123 East Congress Street,

San Bernardino, California, in exchange for an advance fee payment of $2,500. On or about November 4, 2009, Charisse E. made a partial payment of $500 of the advance fees to MJB. MJB never obtained a loan modification for Charisse E. and has never refunded the advance fees she paid to it. In addition, MJB failed to submit the advance fee contract and all materials used in obtaining those advance fee agreements to the Department of Real Estate prior to their use in obtaining advance fees from clients.

DETERMINATION OF ISSUES

1

Cause for disciplinary action against Respondent MJB COMMUNICATIONS exists with reference to acts set forth in Paragraphs 3 through 7, above, pursuant to Business and Professions Code Sections 10085, 10085.6, 10145, 10146, 10176(e), 10177(d) and 10177(g) of the Code; Sections 2831, 2831.1, 2835, 2970 and 2972 of the Regulations; and Sections 2944.7 and 2945.4 of the California Civil Code.

2

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

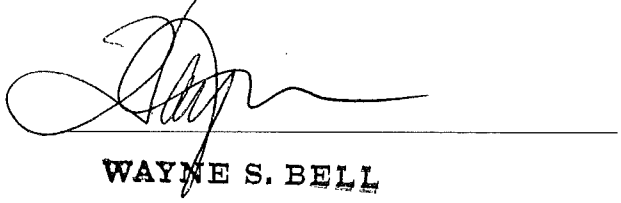
ORDER

All licenses and licensing rights of Respondent MJB COMMUNICATIONS 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 on APR - 2 2013.

DATED: 3/11/2013

REAL ESTATE COMMISSIONER



WAYNE S. BELL

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FILED
FEB 11 2013
DEPARTMENT OF REAL ESTATE
By L. Mar

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

***

In the Matter of the Accusation of MJB COMMUNICATIONS and JASON SCOTT STRODER, Respondents.	No. H-4416 SD DEFAULT ORDER (As to Respondent MJB Communications only)

Respondent, MJB COMMUNICATIONS, having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED February 8, 2013.

REAL ESTATE COMMISSIONER

By: Dolores Weeks
DOLORES WEEKS
Southern Regional Manager

FLAG

JOHN W. BARRON, Counsel (SBN 171246)
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FILED
FEB 28 2013
DEPARTMENT OF REAL ESTATE
By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

***

In the Matter of the Accusation of MJB COMMUNICATIONS and JASON SCOTT STRODER, Respondents.	No. H-4416 SD FIRST AMENDED ACCUSATION

The Complainant, VERONICA KILPATRICK, in her official capacity as a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against MJB COMMUNICATIONS ("MJB"), individually and doing business as "American Economic Solutions" and "Catalyst Direct Funding & Properties", and JASON SCOTT STRODER ("STRODER"), (collectively "Respondents"), is informed and alleges as follows:

1

At all times relevant, MJB was and is licensed and/or has license rights by the Department of Real Estate ("the Department") under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code ("the Code"), as a corporate real estate broker.

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2

At all times relevant, STRODER was and is licensed and/or has license rights under the Code as a real estate broker. At all times relevant, STRODER was licensed by the Department as the designated broker/officer of MJB, which designation was cancelled as of December 27, 2010. As the designated broker/officer, STRODER was responsible, pursuant to Section 10159.2 (responsibility of corporate officer in charge) of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of MJB for which a real estate license is required.

3

At all times relevant herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(d) of the Code, including performing services for one or more 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 with respect to the collection of advance fees and loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services 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 an advance fee for any of the services offered.

4

Whenever reference is made in an allegation in this Accusation to an act or omission of MJB, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with MJB committed such act or omission while engaged in furtherance of the business or operations of MJB and while acting within the course and scope of their corporate authority and employment.

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FIRST CAUSE OF ACTION

5

On or about March 23, 2011, and continuing intermittently through October 27, 2011, an audit was conducted of MJB at its main office located at 2207 Garnet Avenue, Suite J, San Diego, California, and the Department's Los Angeles District Office, where the auditor examined the records for the period of October 1, 2009, through February 28, 2011 (the audit period).

6

While acting as a real estate broker as described in Paragraph 3, above, and within the audit period, MJB accepted or received funds in trust (trust funds) in the course of the real estate activities described in Paragraph 3, above, and deposited or caused the funds to be deposited into a bank account maintained by MJB, including:

Bank Account #1

Bank of America
North Park Branch
P. O. Box 37176
San Francisco, CA 94137

Account No.:	XXXXX-X4014
Account Name:	MJB Communications American Economic Solutions
Signatories:	Unknown

Thereafter, from time-to-time, Respondents made disbursements of said trust funds.

7

In the course of the activities described in Paragraph 3, above, in connection with the collection and disbursement of trust funds:

(a) MJB deposited trust funds in the form of advance fees it collected into Bank Account #1, which was not designated as a trust account. Such acts and/or

omissions by MJB violate Sections 10145 (trust fund handling) and 10146 (deposit of advance fees into trust account) of the Code.

(b) MJB commingled trust funds with non-trust funds in Bank Account #1. Such acts and/or omissions by MJB violate Sections 10145 (handling of trust funds) and 10176(e) (commingling) of the Code and Section 2835 (commingling) of Title 10 of the California Code of Regulations ("the Regulations").

(c) MJB failed to maintain accurate and complete records of trust funds received in the form of advance fees. Such acts and/or omissions by MJB violate Section 10145 of the Code and Section 2831 (trust fund records) of the Regulations.

(d) MJB failed to maintain separate records for each beneficiary of funds held in Bank Account #1. Such acts and/or omissions by MJB violate Section 10145 of the Code and Section 2831.1 (requirement of separate records for each beneficiary or transaction) of the Regulations.

(e) MJB failed to maintain and provide an accounting content to borrowers showing the services to be rendered, into which trust account funds were to be deposited and details of how those trust funds were disbursed. Such acts and/or omissions by MJB violate Section 2972 (accounting content) of the Regulations.

8

The acts and/or omissions by MJB as set forth in Paragraph 7, above, violate Sections 10145, 10146 and 10176(e) of the Code, and Sections 2831, 2831.1, 2835 and 2972 of the Regulations, and are grounds for discipline under Sections 10176(e), and 10177(d) (willful disregard/violation of real estate law) and/or 10177(g) (negligence or incompetence) of the Code. In addition, the Department is entitled to reimbursement for the costs of its audit pursuant to Section 10148(b) (cost of audit in final decision following disciplinary hearing) of the Code.

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SECOND CAUSE OF ACTION

9

On or about November 4, 2009, MJB entered into a loan modification services contract with Charisse E. Under the terms of the agreement, MJB agreed to negotiate a loan modification on behalf of Charisse E. for her real property located at 1123 East Congress Street, San Bernardino, California, in exchange for an advance fee payment of $2,500. On or about November 4, 2009, Charisse E. made a partial payment of $500 of the advance fees to MJB. MJB never obtained a loan modification for Charisse E. and has never refunded the advance fees she paid to it.

10

In connection with the collection and handling of advance fees, as set forth in Paragraph 9, above, MJB failed to submit the advance fee contract and all materials used in obtaining those advance fee agreements to the Department of Real Estate prior to their use in obtaining advance fees from clients.

11

The acts and/or omissions of MJB as alleged in Paragraphs 9 and 10, above, violate Sections 10085 (advance fee agreements), 10085.6 (collection of advance fees) and 10177(d), in conjunction with Section 10085 of the Code, Sections 2944.7 (prohibition of advance fees) and/or 2945.4 (prohibited practices) of the California Civil Code, and Section 2970 (advance fee materials) of the Regulations, and are grounds for disciplinary action under Sections 10177(d) and/or 10177(g) of the Code.

THIRD CAUSE OF ACTION

12

In or about June 2010, MJB, doing business as American Economic Solutions, entered into a loan modification services contract with Eva B. Under the terms of the agreement, MJB agreed to negotiate a loan modification on behalf of Eva B. for her real property located at 2152 Valley View Boulevard, El Cajon, California, in exchange for an advance fee payment of

$2, 997. On or about August 27, 2010, Eva B. made a partial payment of $1,089 of the advance fees to MJB. On or about September, Eva B. made another partial payment of $1,009 of the advance fees to MJB. On or about October 13, 2010, MJB refunded $1,009 to Eva B. However, MJB never obtained a loan modification for Eva B. and has never refunded the rest of the advance fees she paid to it.

13

On or about September 8, 2010, MJB directed Eva B. to sign a Cancellation of Contract terminating the agreement for loan modification services. On that same day, MJB had Eva B. sign an agreement to pay an advance fee of $3,000 to the Law Offices of Ivan Porto in exchange for providing loan modification services to Eva B. for her Valley View Boulevard property. On or about October 25, 2010, Eva B. paid an additional $1,009 to MJB in advance fees for loan modification services. Neither MJB nor the Law Offices of Ivan Porto ever obtained a loan modification for Eva B. and the additional advance fee payment of $1,009 has never been repaid to her.

14

In connection with the collection and handling of advance fees, as set forth in Paragraphs 12 and 13, above, MJB failed to submit the advance fee contract and all materials used in obtaining those advance fee agreements to the Department of Real Estate prior to their use in obtaining advance fees from clients.

15

The acts and/or omissions of MJB as alleged in Paragraphs 12 through 14, above, violate Sections 10085, 10085.6 and 10177(d), in conjunction with Section 10085 of the Code, Sections 2944.7 and/or 2945.4 of the California Civil Code, and Section 2970 of the Regulations, and are grounds for disciplinary action under Sections 10177(d) and/or 10177(g) of the Code.

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FOURTH CAUSE OF ACTION

16

As the designated broker officer for MJB, STRODER was responsible for the supervision and control of the activities conducted on behalf of MJB by its officers and employees. STRODER failed to exercise reasonable supervision and control over the property management activities of MJB. In particular, STRODER permitted, ratified and/or caused the conduct described in the First through Third Causes of Action, above, to occur, and failed to take reasonable steps, including, but not limited to, the handling of trust funds, supervision of employees and the implementation of policies, rules, procedures and systems to ensure compliance with the Real Estate Law and the Regulations.

17

The acts and/or omissions of STRODER as set forth in Paragraph 16, above, violate Section 10159.2 of the Code and Section 2725 (broker supervision) of the Regulations, and are grounds for disciplinary action under Sections 10177(d) and/or 10177(g), and 10177(h) (reasonable broker supervision) of the Code.

COST RECOVERY

18

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the department, the commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents under the Code, for the reasonable cost of investigation and prosecution of this case, including agency attorney's fees, and for such other and further relief as may be proper under other provisions of law.

VERONICA KILPATRICK
Deputy Real Estate Commissioner

Dated at San Diego, California,
This 26 day of February, 2013.

FLAG

JOHN W. BARRON, Counsel (SBN 171246)
Department of Real Estate
P. O. Box 187007
Sacramento, CA 95818-7007

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(916) 227-0792 (direct)

FILED
OCT 1 1 2012
DEPARTMENT OF REAL ESTATE
By R. Mat

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

***

In the Matter of the Accusation of MJB COMMUNICATIONS and JASON SCOTT STRODER, Respondents.	No. H-4416 SD ACCUSATION

The Complainant, VERONICA KILPATRICK, in her official capacity as a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against MJB COMMUNICATIONS ("MJB"), individually and doing business as "American Economic Solutions" and "Catalyst Direct Funding & Properties", and JASON SCOTT STRODER ("STRODER"), (collectively "Respondents"), is informed and alleges as follows:

1

At all times relevant, MJB was and is licensed and/or has license rights by the Department of Real Estate ("the Department") under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code ("the Code"), as a corporate real estate broker.

///

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2

At all times relevant, STRODER was and is licensed and/or has license rights under the Code as a real estate broker. At all times relevant, STRODER was licensed by the Department as the designated broker/officer of MJB, which designation was cancelled as of December 27, 2010. As the designated broker/officer, STRODER was responsible, pursuant to Section 10159.2 (responsibility of corporate officer in charge) of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of MJB for which a real estate license is required.

3

At all times relevant herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(d) of the Code, including performing services for one or more 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 with respect to the collection of advance fees and loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services 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 an advance fee for any of the services offered.

4

Whenever reference is made in an allegation in this Accusation to an act or omission of MJB, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with MJB committed such act or omission while engaged in furtherance of the business or operations of MJB and while acting within the course and scope of their corporate authority and employment.

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FIRST CAUSE OF ACTION

5

On or about March 23, 2011, and continuing intermittently through October 27, 2011, an audit was conducted of MJB at its main office located at 2207 Garnet Avenue, Suite J, San Diego, California, and the Department's Los Angeles District Office, where the auditor examined the records for the period of October 1, 2009, through February 28, 2011 (the audit period).

6

While acting as a real estate broker as described in Paragraph 3, above, and within the audit period, MJB accepted or received funds in trust (trust funds) in the course of the real estate activities described in Paragraph 3, above, and deposited or caused the funds to be deposited into a bank account maintained by MJB, including:

Bank Account #1

Bank of America
North Park Branch
P. O. Box 37176
San Francisco, CA 94137

Account No.: XXXXX-X4014

Account Name: MJB Communications
American Economic Solutions

Signatories: Unknown

Thereafter, from time-to-time, Respondents made disbursements of said trust funds.

7

In the course of the activities described in Paragraph 3, above, in connection with the collection and disbursement of trust funds:

(a) MJB deposited trust funds in the form of advance fees it collected into Bank Account #1, which was not designated as a trust account. Such acts and/or

omissions by MJB violate Sections 10145 (trust fund handling) and 10146 (deposit of advance fees into trust account) of the Code.

(b) MJB commingled trust funds with non-trust funds in Bank Account #1. Such acts and/or omissions by MJB violate Sections 10145 (handling of trust funds) and 10176(e) (commingling) of the Code and Section 2835 (commingling) of Title 10 of the California Code of Regulations ("the Regulations").

(c) MJB failed to maintain accurate and complete records of trust funds received in the form of advance fees. Such acts and/or omissions by MJB violate Section 10145 of the Code and Section 2831 (trust fund records) of the Regulations.

(d) MJB failed to maintain separate records for each beneficiary of funds held in Bank Account #1. Such acts and/or omissions by MJB violate Section 10145 of the Code and Section 2831.1 (requirement of separate records for each beneficiary or transaction) of the Regulations.

(e) MJB failed to maintain and provide an accounting content to borrowers showing the services to be rendered, into which trust account funds were to be deposited and details of how those trust funds were disbursed. Such acts and/or omissions by MJB violate Section 2972 (accounting content) of the Regulations.

8

The acts and/or omissions by MJB as set forth in Paragraph 7, above, violate Sections 10145, 10146 and 10176(e) of the Code, and Sections 2831, 2831.1, 2835 and 2972 of the Regulations, and are grounds for discipline under Sections 10176(e), and 10177(d) (willful disregard/violation of real estate law) and/or 10177(g) (negligence or incompetence) of the Code. In addition, the Department is entitled to reimbursement for the costs of its audit pursuant to Section 10148(b) (cost of audit in final decision following disciplinary hearing) of the Code.

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SECOND CAUSE OF ACTION

9

On or about November 4, 2009, MJB entered into a loan modification services contract with Charisse E. Under the terms of the agreement, MJB agreed to negotiate a loan modification on behalf of Charisse E. for her real property located at 1123 East Congress Street, San Bernardino, California, in exchange for an advance fee payment of $2,500. On or about November 4, 2009, Charisse E. made a partial payment of $500 of the advance fees to MJB. MJB never obtained a loan modification for Charisse E. and has never refunded the advance fees she paid to it.

10

In connection with the collection and handling of advance fees, as set forth in Paragraph 9, above, MJB failed to submit the advance fee contract and all materials used in obtaining those advance fee agreements to the Department of Real Estate prior to their use in obtaining advance fees from clients.

11

The acts and/or omissions of MJB as alleged in Paragraphs 9 and 10, above, violate Sections 10085 (advance fee agreements), 10085.6 (collection of advance fees) and 10177(d), in conjunction with Section 10085 of the Code, Sections 2944.7 (prohibition of advance fees) and/or 2945.4 (prohibited practices) of the California Civil Code, and Section 2970 (advance fee materials) of the Regulations, and are grounds for disciplinary action under Sections 10177(d) and/or 10177(g) of the Code.

THIRD CAUSE OF ACTION

12

As the designated broker officer for MJB, STRODER was responsible for the supervision and control of the activities conducted on behalf of MJB by its officers and employees. STRODER failed to exercise reasonable supervision and control over the property management activities of MJB. In particular, STRODER permitted, ratified and/or caused the

conduct described in the First and Second Causes of Action, above, to occur, and failed to take reasonable steps, including, but not limited to, the handling of trust funds, supervision of employees and the implementation of policies, rules, procedures and systems to ensure compliance with the Real Estate Law and the Regulations.

13

The acts and/or omissions of STRODER as set forth in Paragraph 12, above, violate Section 10159.2 of the Code and Section 2725 (broker supervision) of the Regulations, and are grounds for disciplinary action under Sections 10177(d) and/or 10177(g), and 10177(h) (reasonable broker supervision) of the Code.

COST RECOVERY

14

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the department, the commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents under the Code, for the reasonable cost of investigation and prosecution of this case, including agency attorney's fees, and for such other and further relief as may be proper under other provisions of law.

VERONICA KILPATRICK
Deputy Real Estate Commissioner

Dated at San Diego, California,
this 9 day of October, 2012.