Department of Real Estate
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FILED
JUNE 8, 2009
DEPARTMENT OF REAL ESTATE
By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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To: AFFORDABLE FINANCIAL CORP., MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and FERNANDA BARRAGAN.	NO. H-36034 LA ORDER TO DESIST AND REFRAIN

The Commissioner ("Commissioner") has caused an investigation to be made of the activities of AFFORDABLE FINANCIAL CORP., MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and FERNANDA BARRAGAN. Based on that investigation, the Commissioner has determined that AFFORDABLE FINANCIAL CORP., MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and FERNANDA BARRAGAN, 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, a real estate

broker in the State of California within the meaning of Sections 10131(a) and 10131(d) of the Code (performing services for purchasers and sellers of real property, and for borrowers in connection with loans secured by real property). Furthermore, based on that 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 MAJESTIC INVESTMENT GROUP, those acts are alleged to have been done by ANGEL GUTIERREZ, acting by himself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including, but not limited to those named herein, and using the names "Majestic Investment Group, "Majestic Investment Group LLC," and "www.majesticigroup.com," or other names or fictitious names unknown at this time. Whenever acts referred to below are attributed to AFFORDABLE FINANCIAL CORP., those acts are alleged to have been done by AFFORDABLE FINANCIAL CORP. by and/or through one or more agents, associates, affiliates and/or co-conspirators, including Chief Operating Officer ANGEL GUTIERREZ.

FINDINGS OF FACT

1. AFFORDABLE FINANCIAL CORP. is licensed by the Department as a corporate real estate broker, and/or has license rights with respect to that license.

(a) At all times relevant herein, AFFORDABLE FINANCIAL CORP. has been licensed to conduct real estate business at the following address of record: 6422 Bellingham Ave., #201, North Hollywood, CA.

(b) Between May 6, 2006 and September 30, 2008, pursuant to Code Section 10159.2, AFFORDABLE FINANCIAL CORP. was licensed to conduct real estate activities by and through designated broker-officer Kenneth James Peltz.

(c) Since September 30, 2008, AFFORDABLE FINANCIAL CORP. has not

had a broker-officer designated pursuant to Code Section 10159.2, and has therefore not been operating under an active real estate license.

(d) At all times relevant herein, ANGEL GUTIERREZ has been the president and/or CEO and/or a principal of AFFORDABLE FINANCIAL CORP.

(e) At no time was AFFORDABLE FINANCIAL CORP. licensed to perform real estate activities under the fictitious name of "Majestic Investment Group."

2. MAJESTIC INVESTMENT GROUP, also doing business as MAJESTIC INVESTMENT GROUP LLC, is not now and has never been licensed by the Department in any capacity.

(a) At all times relevant, MAJESTIC INVESTMENT GROUP operated out of an office located at 6422 Bellingham Ave., #208, North Hollywood, CA, on the same floor of the same building as AFFORDABLE FINANCIAL CORP.

(b) ANGEL GUTIERREZ is the owner and/or a principal of MAJESTIC INVESTMENT GROUP.

3. ANGEL GUTIERREZ is not now and has never been licensed by the Department in any capacity. ANGEL GUTIERREZ does business as a principal of MAJESTIC INVESTMENT GROUP, now known as MAJESTIC INVESTMENT GROUP LLC, an unlicensed business entity. At all times relevant herein, ANGEL GUTIERREZ was also an officer and director of AFFORDABLE FINANCIAL CORP.

4. LEO GUTIERREZ is not now and has never been licensed by the Department in any capacity.

5. MICHAEL LUCIO is not now and has never been licensed by the Department in any capacity.

6. CORINNA NEVAREZ is not now and has never been licensed by the Department in any capacity.

7. FERNANDA BARRAGAN is not now and has never been licensed by the Department in any capacity.

8. All further references to the aforementioned individuals and entities include the parties identified in Paragraphs 1 though 7 above, and also include the officers, directors, employees, agents and real estate licensees employed by or associated with said parties and who at all times herein mentioned were engaged in the furtherance of the business or operations of said parties and who were acting within the course and scope of their authority and employment.

UNLICENSED ACTIVITY

9. During the period of time set forth below, MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and FERNANDA BARRAGAN 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.

10. For an unknown period of time beginning no later than May 27, 2008, and continuing to the present time, AFFORDABLE FINANCIAL CORP., MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and FERNANDA BARRAGAN advertised their services under one or more business names including but not limited to Majestic Investment Group and Majestic Investment Group LLC, in various print and electronic media, including a website located at www.majesticigroup.com. Those advertisements solicited, and continue to solicit, borrowers, offering loan modification services.

11. Beginning on or before August 25, 2008 and continuing to the present time, LEO GUTIERREZ solicited borrowers for loan modification services and distributed fee agreements on behalf of MAJESTIC INVESTMENT GROUP.

12. At all times relevant herein and continuing to the present time, ANGEL GUTIERREZ and MAJESTIC INVESTMENT GROUP have advertised and solicited borrowers and homeowners to provide them with assistance in negotiating the terms of their home loans.

10801 San Miguel Ave., Lynwood, CA

13. Between on or about May 27, 2008 and on or after August 27, 2008, MAJESTIC INVESTMENT GROUP, MICHAEL LUCIO, and CORINNA NEVAREZ, solicited Maria Preciado and Jorge Flores, offered to provide loan modification services, and collected advance fees of approximately $2,500.00 for negotiating the terms of loans on their behalf. On or before August 27, 2008, MICHAEL LUCIO and CORINNA NEVAREZ, as agents, employees and/or representatives of MAJESTIC INVESTMENT GROUP, submitted an inquiry to the lender regarding a mortgage loan held by Marisa Preciado in furtherance of negotiating terms of the loan on her behalf. However, the loan was not modified. The property went into foreclosure and was sold without the owner's knowledge or consent.

1963 Harbison Canyon Rd., El Cajon, CA

14. In August of 2008, FERNANDA BARRAGAN ("BARRAGAN"), as agent, employee and/or representative of MAJESTIC INVESTMENT GROUP, solicited advance fees from Esberardo R. Jimenez Villa ("Jimenez") pursuant to an agreement for loan modification services. Mr. Jimenez understood that MAJESTIC INVESTMENT GROUP and BARRAGAN would negotiate with the lender to obtain more favorable terms. MAJESTIC INVESTMENT GROUP, through BARRAGAN, made ongoing representations that the negotiations with the lender were favorable and required additional payments. On or about October 1, 2008, BARRAGAN faxed Mr. Jimenez a "Purchase Agreement/Offer" pertaining to the sale of his property to AFFORDABLE FINANCIAL CORP. and asked him to sign it. BARRAGAN

represented to Mr. Jimenez that after purchasing the property in a short sale, AFFORDABLE FINANCIAL CORP. would transfer title back to him.

15. On or about October 1, 2008, ANGEL GUTIERREZ signed the above-referenced "Purchase Agreement/Offer" pertaining to the purchase of 1963 Harbison Canyon Rd., El Cajon, CA, as agent for the selling and listing firm, AFFORDABLE FINANCIAL CORP.

CONCLUSIONS OF LAW

16. Based on the findings contained in Paragraphs 1 through 15 above, MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORRINNA NEVAREZ, and FERNANDA BARRAGAN, 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, which acts require a real estate broker license under Sections 10131(d) and 10131.2 of the Code, during a period of time when they were not licensed by the Department as real estate brokers, or as salespersons employed by brokers, in violation of Code Section 10130.

17. Based on the findings of fact contained in paragraphs 1 through 16 above, AFFORDABLE FINANCIAL CORP., ANGEL GUTIERREZ and FERNANDA BARRAGAN, solicited sellers and/or buyers of real property, and performed services for those sellers and/or buyers in expectation of compensation, which acts required a real estate broker license under Code Sections 10131(a), during a period of time when AFFORDABLE FINANCIAL CORP. did not have an active designated broker-officer and when GUTIERREZ and BARRAGAN were not licensed by the Department in any capacity, in violation of Code Section 10130.

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DESIST AND REFRAIN ORDER

1. Based on the Findings of Fact and Conclusions of Law stated herein, you, MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORRINNA NEVAREZ, and FERNANDA BARRAGAN, whether doing business under your own names, or any other names, or fictitious names, ARE HEREBY ORDERED to:

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 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. Based on the Findings of Fact and Conclusions of Law stated herein, you, AFFORDABLE FINANCIAL CORP., whether doing business under your own name, or any other name, or fictitious names, ARE HEREBY ORDERED to:

Immediately desist and refrain from performing any acts within the State of California for which a real estate broker license is required unless and until you demonstrate and provide evidence satisfactory to the Commissioner that you are in compliance with Code Sections 10159.2 and Regulation 2740. 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.

DATED: 6-3-09

JEFF DAVI
Real Estate 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: AFFORDABLE FINANCIAL CORP.
6422 Bellingham Avenue, #201
North Hollywood, CA 91606

MAJESTIC INVESTMENT GROUP
6422 Bellingham Avenue, #208
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