Department of Real Estate
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FILED

AUG 19 2009

DEPARTMENT OF REAL ESTATE
BY: [signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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To: NEWPORT LENDING CORPORATION, and MATT SHANE GREEN, individually, and as designated broker officer for Newport Lending Corporation,	No. H-36184 LA 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 NEWPORT LENDING CORPORATION ("NEWPORT LENDING") and MATT SHANE GREEN ("GREEN"), individually, and as designated broker officer for NEWPORT LENDING. Based on that investigation the Commissioner has determined that NEWPORT LENDING and GREEN have acted in the capacity of, or are acting in the capacity of, advertising or assuming to act as a real estate broker in the State of California within the meaning of California Business and Professions Code ("Code") Section

10131(d) (performing services for borrowers in connection with loans secured by real property) of the Code, and, further, have engaged in or are engaging in the business of claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee in connection with employment undertaken to promote the sale or lease of real property or to obtain a loan or loans on real property, including the performance of loan negotiation and loan modification services with respect to loans which are secured by liens on real property, within the meaning of Code Section 10131.2. In addition, the Commissioner has determined that NEWPORT LENDING and GREEN have engaged in or are engaging in activities which constitute violations of the Code and Title 10, California Code of Regulations ("Regulations"). 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.

FINDINGS OF FACT

1. NEWPORT LENDING is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate corporation.

2. GREEN is presently licensed and/or has license rights under the Real Estate Law as a real estate broker. GREEN is the designated broker officer of NEWPORT LENDING.

3. Whenever acts referred to below are attributed to NEWPORT LENDING, those acts are alleged to have been done by

NEWPORT LENDING, acting by itself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including but not limited to GREEN, and using the name NEWPORT LENDING or any fictitious name unknown at this time.

4. NEWPORT LENDING and GREEN engaged in the business of claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee, including but not limited to the activities described in Paragraph 5, below.

5. On or about June 6, 2008, NEWPORT LENDING and GREEN entered into an agreement with Timothy Doran ("Doran") to negotiate a loan modification with respect to a loan secured by a lien(s) on the real property located at 1826 Lancewood Avenue, Hacienda Heights, California 91745 in exchange for an advance fee payment by Doran of $2,995.

6. NEWPORT LENDING and GREEN collected the advance fees described in Paragraphs 4 and 5, above, pursuant to the provisions of a document entitled "Loan Modification - Home Saver Program."

7. NEWPORT LENDING and GREEN failed to submit the advance fee agreement referred to in Paragraph 6, above, to the Commissioner ten days before using it.

8. NEWPORT LENDING and GREEN accepted or received trust funds from borrowers, and thereafter made disbursements of such funds in connection with the activities referred to in Paragraphs 4-6, above.

9. On or about March 11, 2009, the Department completed an audit examination of the books and records of NEWPORT LENDING pertaining to the real estate activities described in Paragraphs 4-6, above, covering a period from March 1, 2006, to February 28, 2009. The audit examination revealed violations of the Code and of the Regulations, as set forth in the following paragraphs, and more fully discussed in Audit Report No. LA 080213 along with the exhibits and work papers attached to the audit report.

10. NEWPORT LENDING and GREEN failed to keep a trust account during the period of the audit.

CONCLUSIONS OF LAW

11. Based on the information contained in Paragraph 6, above, the document entitled "Loan Modification - Home Saver Program" constitutes an advance fee agreement within the meaning of Code Section 10026.

12. Based on the information contained in Paragraphs 4-7, above, the failure by NEWPORT LENDING and GREEN to submit the advance fee agreement to the Commissioner ten days before using it constitutes a violation of Code Section 10085 and Section 2970 of the Regulations.

13. Based on the information contained in Paragraphs 4-10, above, NEWPORT LENDING and GREEN failed to deposit the advance fees collected into a real estate broker trust account in violation of Code Section 10146.

14. Based on the information contained in Paragraphs 4-10, above, NEWPORT LENDING and GREEN failed to maintain a

control record in the form of a columnar record in chronological order of all trust funds including advance fees received, deposited and disbursed, in violation of Code Section 10145 and Section 2831 of the Regulations.

15. Based on the information contained in Paragraphs 4-10, above, NEWPORT LENDING and GREEN failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all advance fees collection, in violation of Code Section 10145 and Section 2831.1 of the Regulations.

16. Based on the information contained in Paragraphs 4-10, above, NEWPORT LENDING and GREEN failed to maintain a monthly reconciliation of the balance of all separate beneficiary or transaction records maintained pursuant to Section 2831.1 of the Regulations with the record of all trust funds received and disbursed from the general account for loan modification services, in violation of Code Section 10145 and Section 2831.2 of the Regulations.

17. Based on the information contained in Paragraphs 4-10, above, NEWPORT LENDING and GREEN failed to provide a complete description of the services to be rendered to each borrower in ten (10) point type font and failed to provide an allocation and disbursement of the amount collected as an advance fee in violation of Code Section 10146 and Section 2972 of the Regulations.

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DESIST AND REFRAIN ORDER

Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW stated herein, it is hereby ordered that NEWPORT LENDING CORPORATION and MATT SHANE GREEN 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 they demonstrate and provide evidence satisfactory to the Commissioner that they have done the following:

(i) submitted an advance fee agreement to the Commissioner in compliance with Code Section 10085 and Section 2970 of the Regulations;

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

(iii) complied with the provisions of Code Section 10145 and Sections 2831, 2831.1 and 2831.2 of the Regulations with respect to any trust account into which advance fees are deposited; and

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(iv) provided an accounting to trust fund owner-beneficiaries from whom advance fees have previously been collected in compliance with Code Section 10146 and Section 2972 of the Regulations.

DATED: 8/17, 2009.

JEFF DAVI
Real Estate Commissioner

BY: Barbara J. Bigby
Chief Deputy Commissioner

cc: Newport Lending Corporation
3 San Joaquin Plaza, Suite 255
Newport Beach, California 92660

Matt Shane Green
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