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APR 1 2010

DEPARTMENT OF REAL ESTATE

BY:

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Desist and Refrain Order SCOTT M. DORMAIER, Respondent.	)	No. H-36398 LA L-2010010942

DECISION

The Proposed Decision dated March 15, 2010, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock noon on APR 21 2010.

IT IS SO ORDERED 3/29/2010.

JEFF DAVI
Real Estate Commissioner

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Desist and Refrain Order against: INFINITY GROUP SERVICES; KAHRAM ZAMANI, individually, and as designated officer for Infinity Group Services; ARTHUR PALENCIA PANDES; CHRISTOPHER SERAFINO SANTA MARIA; MARK CHRISTOPHER BALTES; ARTHUR R. MACK; JUSTIN MICHAEL COUGHLIN; JEREMIAH JOSEPH COONEN; BRIAN C. MACKEY; MICHAEL WILLIAM RUGGLES; HENRY HEDMAN; MICHAEL D. PRAHM; ANDREW KEITH SWANSON; **SCOTT M. DORMAIER**; NICHOLAS J. VAN VRANKEN GREEN; BRIAN GOSHERT; EVELYN ANGUIANO; CHRIS SAMAYOA; JEREMY REYNOLDS; JENNY MOHOFF; JARED SHERMAN; CYNTHIA WILKISON; KRISTINA HOPP; CHAD LAW; KIRK KNEPPER; KIRK SMITH; STEPHEN PARD; JAIME RUIZ; ROBERT SANCHEZ;SCOTT ANDERSON; JOSHUA WHITE; TONY HO; SAMUEL RODRIGUEZ; JAY LEE; and OLGA BOYD, Respondents.	Case No. H-36398 LA OAH No. 2010010942

PROPOSED DECISION

Jennifer M. Russell, Administrative Law Judge, California Office of Administrative Hearings, heard this matter in Los Angeles, California on February 11, 2010.

Complainant, the Commissioner of the California Department of Real Estate (Commissioner), was represented by Cheryl D. Keily, Real Estate Counsel, Department of Real Estate.

Respondent Scott M. Dormaier (hereinafter respondent Dormaier) appeared and represented himself. None of the other named respondents appeared, and no one entered an appearance on their behalf.

The jurisdictional documents were presented, official notice taken, documentary evidence and sworn testimony were received, closing arguments were given, the record was closed, and the matter was submitted on February 11, 2010.

FACTUAL FINDINGS

Jurisdictional Matters

1. On or about December 28, 2009, the complainant issued a Desist and Refrain Order, pursuant to Business and Professions Code section 10086,[1] directing the respondents to desist and refrain from certain alleged activities.

2. On or about January 25, 2010, respondent Dormaier filed a Request for Hearing Regarding Order to Desist and Refrain as that Order pertains to him.

3. None of the other named respondents requested a hearing to review the Order to Desist and Refrain.

4. On or about January 28, 2010, a Notice of Hearing on Order to Desist and Refrain was served on respondent Dormaier setting an administrative hearing for February 11, 2010.

Respondent Dormaier's Background and Responsibilities at Infinity Group Services

5. Respondent Dormaier holds a real estate salesperson license that expires on March 23, 2012, unless renewed. From May 2007 to February 2009 his sponsoring real estate broker was Universal Residential Funding, Inc., where he served as a loan officer and managing partner with responsibilities for originating and funding mortgage loans.

6. From March 2009 to August 2009 respondent Dormaier was employed as a modification operations manager at Infinity Group Services (Infinity), a corporation licensed by the Department of Real Estate and a named respondent in the Desist and Refrain Order

7. Infinity hired respondent Dormaier to bring order to a pre-existing loan modification processing operation. After respondent Dormairer was hired there were no new originations of loan modifications. Infinity did not notify the Department of Dormaier's employment with Infinity. Infinity's processing operations were conducted as follows:

(A) Respondent Dormaier hired and trained members of the team of employees processing loan modification documents. The 12-member team consisted of negotiators who mainly dealt with lenders and borrowers acquiring updates on the status of a

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[1] All further references are to the Business and Professions Code unless specified otherwise.

requested loan modification; processors who worked with negotiators to gather from clients the information needed (tax return, pay check stubs, bank statements, etc.) to meet a particular lender's requirements, packaged the information, and submitted the information for the lender's consideration; and a customer advocate who dealt with disgruntled clients.

(B) Respondent Dormaier had no role in the solicitation of clients or lenders for real estate loan modifications. Clients were solicited directly by other persons at Infinity or by radio advertisement. When, for example, a listener called in after hearing a radio advertisement for real estate loan modification, the listener was directed to a loan officer or negotiator. The loan officer spoke with the client about retaining Infinity and about paying an advance fee in connection with the loan modification. The client was then sent a package of documents to fill out and to return to Infinity. The exact point in a transaction when an advance fee payment occurs was not established at hearing. Nonetheless, upon receipt of payment of the advance fee along with the requested documents, a file is created and then turned over to a loan processer.

(C) The complainant offered no evidence of respondent Dormaier claiming, demanding, collecting or receiving payment of advance fees. Dormaier's role with respect to advance fees was limited to informing clients of their eligibility for a refund after advance fees were already contracted for and collected or received by other persons.

(D) If and when required, a loan processor followed up to verify that a lender had the documents it required. A log of all interactions with and transactions on behalf of a client is maintained.

(E) When a client complained, a loan processor made an initial assessment and attempted to resolve the matter. Should the situation escalate, respondent Dormaier spoke with the client and reviewed the situation. He had no set script. Every situation was different and depended on the nature of the call. It is possible that he would have required a client to present additional information in order to go forward. A client would not be entitled to a refund of any portion of an advance fee paid when work was completed according to the terms of the client's contract with Infinity.

8. Infinity paid respondent Dormaier a salary of approximately $4,000 each month. He received no commissions. Based on how things were going some of the months he received a discretionary bonus of about $1,000 or $2,000. His employment with Infinity ended around September 1, 2009. Since then, Infinity has filed for bankruptcy.

The Marcellus Loan Modification Transaction

9. In February 2009, Irene Marcellus was having trouble paying her mortgage on her property located at 14580 Ashton Court, Moreno Valley, California 92555. She heard an advertisement on KFI AM 640 radio for "Hope to Homeowners" guaranteeing that it could convince mortgage lenders to reduce the principal on home loans. Marcellus called the phone number announced on the radio in the advertisement and spoke to a person identifying

himself as Andrew Swanson. Thereafter, Swanson forwarded information about the Hope to Homeowners program to Marcellus by e-mail. Marcellus reviewed the forwarded information and conducted an independent investigation before signing up with Swanson.

10. Marcellus signed a "Loss Mitigation/Modification & Representation Fee Acknowledgment" (Fee Acknowledgement) that in part contains the following language:

> I understand that Infinity Group Services aka Hope to Homeowners and its agents cannot guarantee me specific results in its attempt to "modify" my loan or debt structure. I agree to cooperate in any way possible to allow Infinity Group Services aka Hope to Homeowners and its agents to keep my home from being lost through foreclosure.
>
> I waive any claim against Infinity Group Services aka Hope to Homeowners, its employees or its agents and hold them harmless and indemnify them as a result of acts undertaken because of this Agreement, including those actions that may be ultimately unsuccessful or my home is conveyed or foreclosed upon for any reason.

11. Marcellus used her Washington Mutual debit card to pay an initial fee of $995 to Infinity. The Fee Acknowledgement required an additional payment of $2995 upon a successful Hope to Homeowners modification.

12. Weeks passed by and Marcellus heard nothing from anyone at Infinity. In March 2009, Marcellus was referred to Stephen Park at Infinity, who told her she did not qualify for the Hope to Homeowners program, but that Infinity "could do the loan modification negotiations for me."

13. On April 6, 2009, Marcellus and Cynthia Wilkison at Infinity had a conversation in which Wilkison requested Marcellus to update certain items in her application for loan modification, including bank statements, pay stubs and employee retirement statements.

14. On April 18, 2009, Marcellus e-mailed Kahram Zamani, CEO of Infinity, who responded to Marcellus stating in part the following:

> Looking at correspondence on (*sic*) your file its (*sic*) seems that you preferred to cancel and wanted a refund rather than see your application completed.
>
> We can offer to continue to work on your file and work diligently to seek a resolution from Aurora your lender.
>
> The outcome of our negotiation is not guaranteed but based on our recent successes we may be able to assist you in modifying your loan so that you can remain in your home with a more affordable payment.

On Monday one of our processors or negotiators will be in contact with you.

You may also email our Modification Ops Manager Scott Dormaier at 949-267-1630.

I ask that you work with us and be patient as it is not easy getting lenders to side with applications (*sic*) in their quests for a modification but know we have skilled negotiators that will work hard on your behalf.

16. On April 20, 2009, Dormaier and Wilkinson called Marcellus who hung up on them as they tried to explain to her what was needed to update her files to attain a more affordable mortgage.

17. Marcellus objected to the submission of additional documentation because she wanted a refund of the $995 she paid to Infinity. In a telephone conversation Dormaier responded to Marcellus' request telling her that "too much work had been done on . . . [her] file to qualify for a refund." Marcellus lost her home in foreclosure.

18. The complainant offered no evidence that respondent Dormaier solicited Marcellus or that he was involved in the substantive negotiations regarding the terms of a loan modification for Marcellus. The complainant offered no evidence that respondent Dormaier participated in assigning Marcellus' loan modification application to a lender. The complainant offered no evidence that respondent Dormaier brought any expert knowledge to bear on the Marcellus loan modification attempt or any other loan modification application. Nor did the complainant offer evidence that respondent Dormaier exercised any judgment or offered any opinion regarding the terms of the Marcellus transaction or any other loan modification application.

The Infinity Audit

19. Between May 20, 2009 and October 30, 2009, the Department conducted an audit of Infinity's books and records for the audit period May 1, 2006 through July 31, 2009. At the time of the audit Infinity had a California Finance Lender license under which it engaged in mortgage loan packaging. Additionally, Infinity was an FHA approved mortgagee conducting loan modification activities for borrowers applying for but not qualifying for FHA loans. Infinity handled approximately 1,300 loan modifications applications that were submitted to lenders, and completed approximately 350 loan modification transactions with terms that were proposed by the lenders. Infinity collected advance fees of approximately $1,430,000 for the nine-month period covered in the audit. Infinity deposited the advance fees collected from borrowers seeking loan modifications into a trust account. Approximately 300 transactions were cancelled, and Infinity refunded approximately $300,000 to borrowers.

20. The auditor made several findings with respect to Infinity and its books and records that are not pertinent here. The auditor's findings relating to respondent Dormaier include a finding that "Infinity collected advance fees from borrowers for the loan modification transactions without maintaining or providing to borrowers the accounting content showing the services to be rendered, the trust account in which funds were to be deposited, and the details of how funds were to be distributed." Another finding that "Infinity employed salespersons licensees without notifying the Department of the employment and termination in a timely manner" implicates respondent Dormaier. The auditor did not testify at hearing.

The Desist and Refrain Order

21. The Commissioner's Order states, in part, that the Commissioner determined that respondent Dormaier performed or participated in loan solicitation, negotiation and modification activities which require a real estate broker license under sections 10131, subdivision (d), and 10131.2 when not licensed as a real estate broker nor employed as a real estate salesperson by the broker on whose behalf the activities were performed in violation of section 10130. The Order commands respondent Dormaier to desist and refrain from performing any acts within the state of California for which a real estate broker license is required. In particular, to desist and refrain from charging, demanding, claiming collecting or receiving advance fees, in any form, and under any conditions, with respect to the performance of loan modification or any other form of mortgage loan forbearance service in connection with loans on residential property containing four or fewer dwelling units; or for any other real estate related services offered to others.

LEGAL CONCLUSIONS

Functions and Duties of " Real Estate Broker," " Real Estate Salesperson," and "Loan Processor"

1. Section 10130 makes it unlawful for any person to engage in the business, act in the capacity of, advertise or assume to act as a real estate broker or a real estate salesman without first obtaining a real estate license from the Department.

2. Section 10131 defines a real estate broker in pertinent part as follows:

> A real estate broker . . . is a person who, for compensation or in expectation of a compensation, regardless of the form or time of payment, does or negotiates to do one or more of the following acts or another or others:
>
> [¶] . . . [¶]
>
> (d) Solicits borrowers or lenders for or negotiates loans or collects payment or performs services for borrowers or lenders or note owners in connection with

loans secured directly or collaterally by liens on real property or on a business opportunity.

3. Section 10131.2 further indicates that a real estate broker is also a person who engages in the business of claiming, demanding, charging receiving, collecting or contracting for the collection of an advance fee[2] in connection with any employment undertaken to promote the sale or lease of real property or of a business opportunity by advance fee listing , advertisement or other offering to sell, lease, exchange or rent property or a business opportunity, or to obtain a loan or loans thereon.

4. Section 10132 defines a real estate salesperson as a natural person who, for a compensation, is employed by licensed real estate broker to do one or more of the acts set forth in sections 10131; 10131.1; 10131.2; 10131.3; 10131.4 and 10131.6 of the Business and Professions Code.[3] The licensed real estate activities that are pertinent to this matter are set forth in Legal Conclusions 2 and 3.[4]

5. There is no statutory definition of a "loan processor" in the context presented here. However, sketchy analysis emerging out of recent cases indicates that loan processors are distinct from licensed real estate professionals such as brokers and salespersons. See, e.g., *Smith v. Chase Mortgage Credit Group* (E.D. Cal. 2009) 653 F. Supp. 2d 1035.

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[2] Section 10026 defines "advance fee" as follows:

> . . . a fee, regardless of the form, claimed, demanded, charged, received, or collected by a licensee from a principal before fully completing each and every service the licensee contracted to perform, or represented would be performed. Neither an advance fee nor the services to be performed shall be separated or divided into components for the purpose of avoiding the application of this section. The term applies to a fee for a listing, advertisement or offer to sell or lease property, other than in a newspaper of general circulation, issued primarily for the purpose of promoting the sale or lease of business opportunities or real estate or for referral to real estate brokers or salesmen, or soliciting borrowers or lenders for, or to negotiate loans on, business opportunities or real estate. As used in this section, "advance fee" does not include "security" as that term is used in Section 1950.5 of the Civil Code, or a "screening fee" as that term is used in Section 1950.6 of the Civil Code. This section does not exempt from regulation the charging or collecting of a fee under Section 1950.5 or 1950.6 of the Civil Code, but instead regulates fees that are not subject to those sections.

[3] Sections 10131; 10131.1; 10131.2; 10131.3 and 10131.6 define the activities of a real estate broker.

[4] Section 10133 enumerates persons and services to which the foregoing definitions do not apply. The exceptions there enumerated do not apply here.

6. Whether a person performed activities requiring licensure is not to be determined by a mere labeling process. As stated by the court in *Batson v. Strehlow* (1968) 68 Cal.2d 662, 670, "we do not adjudicate . . . [a respondent's] legal status by a mere labeling process. In scrutinizing the record, we assess his function in the transaction by the role he played as well as by his description on the cast; we consider what he did, as well as what he was called."

Soliciting Borrowers or Lenders or Negotiating Loans

7. Cause does not exist to issue an order, pursuant to Business and Professions Code section 10086, to respondent Dormaier to desist and refrain from performing or participating in loan solicitation, negotiation and modification activities requiring a real estate broker license; or requiring employment as a real estate salesperson by the broker on whose behalf the solicitation, negotiation and modification activities are performed.

This conclusion is based on Factual Findings 5 through 18, inclusive, and on Legal Conclusions 2, 3, 4 and 5.

8. Respondent Dormaier managed the team of employees processing loan modification applications at Infinity. He hired and trained personnel charged with ensuring proper supporting documentation for loans and maintaining files detailing problems and correspondence. The evidence presented at hearing failed to establish that his management, hiring and training responsibilities constitute activity requiring licensure. The evidence presented at hearing failed to establish that he played any role in the solicitation of homeowners seeking a loan modification or that he negotiated any loan terms. The evidence presented at hearing failed to establish that he participated in assigning loan modification applications to lenders or that he relied on expert knowledge or judgment in securing any loan terms or conditions. No evidence established that he received a commission or a fee for service. He was a salaried employee receiving a flat rate of pay each month. The evidence offered at hearing failed to establish that respondent Dormaier's activities were within the scope of the acts of a real estate broker or real estate salesperson as defined in sections 10131 and 10132 respectively.

Advance Fee Handling

9. Cause does not exist to issue an order, pursuant to Business and Professions Code section 10086, to respondent Dormaier to desist and refrain from receiving advance fees, in any form, and under any conditions, with respect to the performance of loan modifications or any other form or mortgage loan forbearance service in connection with loans on residential property containing four or fewer dwelling units. The evidence did not establish that respondent Dormaier received or collected advance fees. After advance fees were solicited, contracted for and collected, respondent Dormaier had a limited role informing clients on their eligibility for a refund. The evidence offered at hearing failed to establish that respondent Dormaier's activities were within the scope of the acts of a real estate broker or real estate salesperson as defined in sections 10131 and 10132 respectively.

This conclusion is based on Factual Findings 7(B), 7(C) and 17, and on Legal Conclusions 2, 3, 4 and 5.

ORDER

The Order to Desist and Refrain is vacated as to respondent Scott Dormaier.

DATED: March 15, 2010

JENNIFER M. RUSSELL
Administrative Law Judge
Office of Administrative Hearings

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DEPARTMENT OF REAL ESTATE

BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Order to Desist and Refrain to INFINITY GROUP SERVICES; KAHRAM ZAMANI, individually, and as designated officer for Infinity Group Services; ARTHUR PALENCIA PANDES; CHRISTOPHER SERAFINO SANTA; MARK CHRISTOPHER BALTES; ARTHUR R. MACK; JUSTIN MICHAEL COUGHLIN; JEREMIAH JOSEPH COONEN; BRIAN C. MACKEY; MICHAEL WILLIAM RUGGLES; HENRY HEDMAN; MICHAEL D. PRAHM; **ANDREW KEITH SWANSON**; SCOTT M. DORMAIER; NICHOLAS J. VAN VRANKEN GREEN; BRIAN GOSHERT; EVELYN ANGUIANO; CHRIS SAMAYOA; JEREMY REYNOLDS; JENNY MOHOFF; JARED SHERMAN; CYNTHIA WILKISON; KRISTINA HOPP; CHAD LAW; KIRK KNEPPER; KIRK SMITH; STEPHEN PARK; JAIME RUIZ; ROBERT SANCHEZ; SCOTT ANDERSON; JOSHUA WHITE; TONY HO; SAMUEL RODRIGUEZ; JAY LEE; and OLGA BOYD.	NO. H-36398 LA

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DISMISSAL

The Order to Desist and Refrain herein filed on December 28, 2009, against Respondent, ANDREW KEITH SWANSON, is DISMISSED.

IT IS SO ORDERED this 10th of March.

JEFF DAVI
Real Estate Commissioner

Department of Real Estate
320 West Fourth Street, Ste. 350
Los Angeles, California 90013

Telephone: (213) 576-6982

FILED

DEC 28 2009

DEPARTMENT OF REAL ESTATE
BY: _____

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

To: INFINITY GROUP SERVICES; KAHRAM ZAMANI, individually, and as designated officer for Infinity Group Services; ARTHUR PALENCIA PANDES; CHRISTOPHER SERAFINO SANTA MARIA; MARK CHRISTOPHER BALTES; ARTHUR R. MACK; JUSTIN MICHAEL COUGHLIN; JEREMIAH JOSEPH COONEN; BRIAN C. MACKEY; MICHAEL WILLIAM RUGGLES; HENRY HEDMAN; MICHAEL D. PRAHM; ANDREW KEITH SWANSON; SCOTT M. DORMAIER; NICHOLAS J. VAN VRANKEN GREEN; BRIAN GOSHERT; EVELYN ANGUIANO; CHRIS SAMA-YOA; JEREMY REYNOLDS; JENNY MOHOFF; JARED SHERMAN; CYNTHIA WILKISON; KRISTINA HOPP; CHAD LAW; KIRK KNEPPER; KIRK SMITH; STEPHEN PARK; JAIME RUIZ; ROBERT SANCHEZ; SCOTT ANDERSON; JOSHUA WHITE; TONY HO; SAMUEL RODRIGUEZ; JAY LEE; and OLGA BOYD.	No. H-36398 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 INFINITY GROUP SERVICES ("INFINITY); KAHRAM ZAMANI ("ZAMANI"), individually, and as designated officer for Infinity Group Services; ARTHUR PALENCIA PANDES ("PANDES"); CHRISTOPHER SERAFINO SANTA MARIA ("SANTA MARIA"); MARK CHRISTOPHER BALTES ("BALTES"); ARTHUR R. MACK ("MACK"); JUSTIN MICHAEL COUGHLIN ("COUGHLIN"); JEREMIAH JOSEPH COONEN ("COONEN"); BRIAN C. MACKEY ("MACKEY"); MICHAEL WILLIAM RUGGLES ("RUGGLES"); HENRY HEDMAN ("HEDMAN"); MICHAEL D. PRAHM ("PRAHM"); ANDREW KEITH SWANSON ("SWANSON"); SCOTT M. DORMAIER ("DORMAIER"); NICHOLAS J. VAN VRANKEN GREEN ("GREEN"); BRIAN GOSHERT ("GOSHERT"); EVELYN ANGUIANO ("ANGUIANO"); CHRIS SAMAYOA ("SAMOYA"); JEREMY REYNOLDS ("REYNOLDS"); JENNY MOHOFF ("MOHOFF"); JARED SHERMAN ("SHERMAN"); CYNTHIA WILKISON ("WILKISON"); KRISTINA HOPP ("HOPP); CHAD LAW ("LAW"); KIRK KNEPPER ("KNEPPER"); KIRK SMITH ("SMITH"); STEPHEN PARK ("PARK"); JAIME RUIZ ("RUIZ"); ROBERT SANCHEZ ("SANCHEZ"); SCOTT ANDERSON ("ANDERSON"); JOSHUA WHITE ("WHITE"); TONY HO ("HO"); SAMUEL RODRIGUEZ ("RODRIGUEZ"); JAY LEE ("LEE"); and OLGA BOYD ("BOYD"), and has determined that each of them engaged in or is engaging in acts or practices constituting violations of the California Business and Professions Code ("Code") and/or Title 10, California Code of Regulations ("Regulations"). Said parties are engaging in the business of, acting in the capacity of, advertising, or assuming to act, as real estate broker in the State of California within the meaning of Section 10131(d)

(soliciting borrowers or lenders or negotiating loans) and Section 10131.2 (advance fee handling). Based on the findings of that investigation, as set forth below, the Commissioner hereby issues the following Findings of Fact and Desist and Refrain Order pursuant to Section 10086 of the Code.

FINDINGS OF FACT

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

2. ZAMANI is presently licensed and/or has license rights under the Real Estate Law as a real estate broker. ZAMANI is the designated broker officer for INFINITY.

3. PANDES, RUGGLES, HEDMAN, PRAHM, SWANSON, and DORMAIER, are presently licensed and/or have license rights under the Real Estate Law as real estate salespersons.

4. SANTA MARIA is presently licensed and/or has license rights under the Real Estate Law as a restricted real estate salesperson.

5. BALTES was formerly licensed under the Real Estate Law as a real estate salesperson. His real estate license expired on or about March 9, 2003.

6. MACK was formerly licensed under the Real Estate Law as a real estate salesperson. His real estate license expired on or about June 30, 1995.

7. COUGHLIN was formerly licensed under the Real Estate Law as a real estate broker. His real estate broker

license was revoked on or about May 21, 2007.

8. COONEN was formerly licensed under the Real Estate Law as a real estate salesperson. His real estate salesperson license was revoked on or about July 16, 1996.

9. MACKEY was formerly licensed under the Real Estate Law as a real estate salesperson. His real estate salesperson license expired on or about October 1, 2002.

10. GREEN was formerly licensed under the Real Estate Law as a real estate salesperson. His real estate salesperson license expired on or about February 28, 2003.

11. At no time herein mentioned have GOSHERT, ANGUIANO, SAMAYOA, REYNOLDS, MOHOFF, SHERMAN, WILKISON, HOPP, LAW, KNEPPER, SMITH, PARK, RUIZ, SANCHEZ, ANDERSON, WHITE, HO, RODRIGUEZ, LEE, and BOYD been licensed by the Department in any capacity.

12. Whenever acts referred to below are attributed to INFINITY, those acts are alleged to have been done by INFINITY, acting by itself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including but not limited to each of those named herein, and using the names Hope to Homeowners, or any fictitious name unknown at this time.

13. INFINITY employed and/or compensated individuals, including those named herein, who were not licensed as real estate salespersons or as real estate brokers to perform some or all of the services alleged in Paragraph 16, below.

14. INFINITY engaged in the business of claiming,

demanding, charging, receiving, collecting or contracting for the collection of an advance fee, as defined by Code Section 10026, including but not limited to the activities described in Paragraph 16, below.

15. INFINITY failed to submit the advance fee agreements and radio advertising referred to in Paragraph 16, below, to the Commissioner ten days before using them.

16. At the times set forth below INFINITY engaged in the business of, acted in the capacity of, or advertised a real estate loan service and advance fee brokerage offering to perform solicitation, negotiation and modification of loans secured by liens on real property for compensation or in expectation of compensation and for fees collected in advance including, but not limited to, the following:

a. On or about December 31, 2008, Kristi Hampton paid an advance fee of $995 to KNEPPER on behalf of INFINITY, which was using the name "Hope to Homeowners". The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by INFINITY with respect to a loan secured by the real property located at 14324 Squirrel Lane, Victorville, California 92394.

b. On or about January 10, 2009, after hearing an advertisement on the radio station KFI for loan modification services, Danny Walls paid an advance fee of $995 to MACK on behalf of INFINITY, which was using the name "Hope to

Homeowners." The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by INFINITY, by and through, among others, WILKISON, with respect to a loan secured by the real property located at 1083 North Glendora Avenue, Covina, California 91724.

c. On or about January 30, 2009, after hearing an advertisement on the radio station KFI for loan modification services, Robert Stelmar paid an advance fee of $995 to ANDERSON on behalf of INFINITY, which was using the name "Hope to Homeowners". The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by INFINITY, by and through, among others, ANDERSON, with respect to a loan secured by the real property located at 11668 Goldendale Drive, La Mirada, California 90638.

d. On or about February 1, 2009, Andrew Carlson paid an advance fee of $995 to INFINITY. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by INFINITY with respect to a loan secured by the real property located at 10082 Palo Alto Street, Rancho Cucamonga, California 91730.

e. On or about February 11, 2009, Irene Marcellus paid an advance fee of $995 to INFINITY using the name "Hope to Homeowners". The advance fee was collected pursuant to the

provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by INFINITY with respect to a loan secured by the real property located at 14580 Ashton Court, Moreno Valley, California 92555.

f. On or about March 20, 2009, after hearing an advertisement on the radio station KFI for mortgage refinancing services, George Francis Sylvia paid $995 to GREEN, on behalf of INFINITY, to obtain refinancing of his mortgage loan. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by INFINITY with respect to a loan secured by the real property located at 14390 Oliver Street, Moreno Valley, California 92555.

g. On or about March 30, 2009, Carol Fleming paid $995 to SHERMAN, on behalf of INFINITY, to obtain refinancing of her mortgage loan. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by INFINITY with respect to a loan secured by the real property located at 1239 N. Keystone Street, Burbank, California 91506.

h. On or about April 1, 2009, Rebecca Reily paid an advance fee of $995 to BALTES, on behalf of INFINITY using the name "Hope to Homeowners". The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by INFINITY with respect to a loan secured by the real

property located at 36580 Hilltop Lane, Murrieta, California 92563.

CONCLUSIONS OF LAW

17. The activities described in Paragraph 16, above, require a real estate license under Section 10131(d) and Section 10131.2 of the Code.

18. Based on the information contained in Paragraphs 13 through 16, above, PANDES, RUGGLES, HEDMAN, PRAHM, SWANSON, DORMAIER, SANTA MARIA, BALTES, MACK, COUGHLIN, COONEN, MACKEY, GREEN, GOSHERT, ANGUIANO, SAMAYOA, REYNOLDS, MOHOFF, SHERMAN, WILKISON, HOPP, LAW, KNEPPER, SMITH, PARK, RUIZ, SANCHEZ, ANDERSON, WHITE, HO, RODRIGUEZ, LEE, and BOYD performed and/or participated in loan solicitation, negotiation and modification activities which require a real estate broker license under the provisions of Code Sections 10131(d) and 10131.2 during a period of time when none of them licensed by the Department as a real estate broker nor employed as a real estate salesperson by the broker on whose behalf the activities were performed in violation of Section 10130 of the Code.

19. Based on the information contained in Paragraphs 13 and 16, above, INFINITY violated Section 10137 of the Code by employing and/or compensating individuals who were not licensed as a real estate salesperson or as a broker to perform activities requiring a real estate license.

20. Based on the information contained in Paragraphs 14 and 16, above, INFINITY collected fees pursuant to an

agreement which constitutes an advance fee agreement within the meaning of Code Section 10085.

21. Based on the information contained in Paragraphs 14, 15, and 16, above, the failure by INFINITY to submit the advance fee agreement and radio advertising to the Commissioner ten days before using it constitutes a violation of Code Section 10085 and Section 2970 of the Regulations.

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein:

1. IT IS HEREBY ORDERED that INFINITY GROUP SERVICES and KAHRAM ZAMANI, whether doing business under their own names, or any other names, or any fictitious name:

(i) Immediately desist and refrain from charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, in any form, and under any conditions, with respect to the performance of loan modification or any other form of mortgage loan forbearance services in connection with loans on residential property containing four or fewer dwelling units (Code Section 10085.6).

(ii) Immediately desist and refrain from charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any of the other real estate related services offered to others, unless and until INFINITY GROUP SERVICES and KAHRAM ZAMANI, and each of

them, demonstrate and provide evidence satisfactory to the Commissioner that each:

(a) has an advance fee agreement which has been submitted to the Department and which is in compliance with Section 10085 of the Code and Section 2970 of the Regulations;

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

(c) has 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.

2. INFINITY GROUP SERVICES and KAHRAM ZAMANI immediately desist and refrain from employing or compensating any person for performing any act for which a real estate license is required unless that person is licensed as a real estate broker, or as a real estate salesman licensed under the broker employing or compensating him. In particular, INFINITY GROUP SERVICES and KAHRAM ZAMANI are ordered to desist and refrain from:

(i) employing or compensating any person who does not hold a real estate license from 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.

3. IT IS HEREBY ORDERED that ARTHUR PALENCIA PANDES; CHRISTOPHER SERAFINO SANTA MARIA; MARK CHRISTOPHER BALTES;

ARTHUR R. MACK; JUSTIN MICHAEL COUGHLIN; JEREMIAH JOSEPH COONEN; BRIAN C. MACKEY; MICHAEL WILLIAM RUGGLES; HENRY HEDMAN; MICHAEL D. PRAHM; ANDREW KEITH SWANSON; SCOTT M. DORMAIER; NICHOLAS J. VAN VRANKEN GREEN; BRIAN GOSHERT; EVELYN ANGUIANO; CHRIS SAMAYOA; JEREMY REYNOLDS; JENNY MOHOFF; JARED SHERMAN; CYNTHIA WILKISON; KRISTINA HOPP; CHAD LAW; KIRK KNEPPER; KIRK SMITH; STEPHEN PARK; JAIME RUIZ; ROBERT SANCHEZ; SCOTT ANDERSON; JOSHUA WHITE; TONY HO; SAMUEL RODRIGUEZ; JAY LEE; and OLGA BOYD, whether doing business under their own names, or any other names, or any fictitious name, 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 each of them is ORDERED TO DESIST AND REFRAIN from:

(i) charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, in any form, and under any conditions, with respect to the performance of loan modifications or any other form of mortgage loan forbearance service in connection with loans on residential property containing four or fewer dwelling units (Code Section 10085.6); and

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(ii) charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any other real estate related services offered by them to others.

DATED: 12/22, 2009.

JEFF DAVI
Real Estate Commissioner

BY WAYNE S. BELL
Chief Counsel

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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