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MAY 21 2013

DEPARTMENT OF REAL ESTATE

BY: *James B. Chen*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of:)

No. H-37168 LA

PACIFIC LOAN SOLUTIONS INC,)
PACIFIC RESIDENTIAL INC, JEFFREY)
TORREZ and ANDREW JONATHAN)
HUXHOLD.)

Respondents.)

ORDER SUSPENDING REAL ESTATE LICENSE

TO: Andrew Jonathan Huxhold
1998 Orange Tree Lane
Redlands, CA 92374

On July 18, 2012, a Stipulation and Agreement was
filed by the Department of Real Estate regarding the
Accusation against Andrew Jonathan Huxhold, in Case No.
H-37168 LA. Among the terms and conditions of this
Stipulation and Agreement, which became effective on August
7, 2012, was an order that:

"Respondent ANDREW JONATHAN HUXHOLD shall within six
(6) months from the effective date of the Decision
herein, take and pass the Professional Responsibility

1 Examination administered by the Department including
2 the payment of the appropriate examination fee. If
3 Respondent ANDREW JONATHAN HUXHOLD fails to satisfy
4 this condition, the Commissioner may order suspension
5 of Respondent ANDREW JONATHAN HUXHOLD's license until
6 Respondent passes the examination."

7 The Commissioner has determined that, as of
8 February 7, 2013, Respondent has failed to satisfy this
9 condition.

10 NOW, THEREFORE, IT IS ORDERED that the real estate
11 salesperson license heretofore issued to Respondent and the
12 exercise of any privileges thereunder are hereby suspended
13 until such time as Respondent provides proof satisfactory to
14 the Department of compliance with the condition(s) referred
15 to above.

16 IT IS FURTHER ORDERED that all license certificates
17 and identification cards issued by Department which are in
18 the possession of Respondent be immediately surrendered by
19 personal delivery or by mailing in the enclosed, self-
20 addressed envelope to:

21 Department of Real Estate
22 Attn: Flag Section
23 P. O. Box 187000
24 Sacramento, CA 95818-7000

25 This Order shall be effective immediately.

26 DATED: May 13, 2013

27 Real Estate Commissioner



By: Jeffrey Mason
Chief Deputy Commissioner

1 the right to the issuance of a restricted real estate broker license
2 subject to the provisions of Section 10156.7 of the California
3 Business and Professions Code (hereinafter "Code") and to enumerated
4 additional terms, conditions and restrictions imposed under
5 authority of Section 10156.6 of said Code. Among those terms,
6 conditions and restrictions, Respondent was required to provide
7 proof satisfactory to the Real Estate Commissioner, within 6 months
8 of the effective date of the Decision, of paying restitution as
9 follows: 1) \$6,400 to James McNamara; 2) \$11,600 to Jerry Barton;
10 and 3) \$8,000 to Victor Salaiza. The Commissioner has determined
11 that as of December 11, 2012, Respondent has failed to satisfy this
12 condition, and as such, is in violation of Section 10177(k) of the
13 Code. (Respondent has no right to renew the restricted license if
14 this condition isn't satisfied by the date of its expiration.
15 (Section 10156.7 of the Business and Professions Code.)

16 NOW, THEREFORE, IT IS ORDERED under authority of Section
17 10156.7 of the Business and Professions Code of the State of
18 California that the restricted real estate broker license heretofore
19 issued to Respondent and the exercise of any privileges there under
20 is hereby suspended until such time as Respondent provides proof
21 satisfactory to the Department of compliance with the condition(s)
22 referred to above, or pending final determination made after hearing
23 (see "Hearing Rights" set forth below), or pending a subsequent
24 agreement with the Department.

25 ///

1 IT IS FURTHER ORDERED that all license certificates and
2 identification cards issued by Department which are in the
3 possession of Respondent be immediately surrendered by personal
4 delivery or by mailing in the enclosed, self-addressed envelope
5 to:

6 Department of Real Estate
7 Attn: Flag Section
8 P. O. Box 187000
9 Sacramento, CA 95818-7000

10 HEARING RIGHTS: Pursuant to the provisions of Section
11 10156.7 of the Business and Professions Code, you have the right to
12 a hearing to contest the Commissioner's determination that you are
13 in violation of Section 10177(k) of the Code. If you desire a
14 hearing, you must submit a written request. The request may be in
15 any form, as long as it is in writing and indicates that you want a
16 hearing. Unless a written request for a hearing, signed by or on
17 behalf of you, is delivered or mailed to the Department at Los
18 Angeles, California, within 20 days after the date that this Order
19 was mailed to or served on you, the Department will not be obligated
20 or required to provide you with a hearing.

21 This Order shall be effective immediately.

22 DATED: 4/17/13

23 REAL ESTATE COMMISSIONER

24 by: 
25 Awet P. Kidane
26 Chief Deputy Commissioner
27

Sacto
2/2/12

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OCT - 2 2012

DEPARTMENT OF REAL ESTATE
BY: *Jana B. Cron*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-37168 LA
)	
)	
<u>PACIFIC LOAN SOLUTIONS INC,</u>)	
<u>PACIFIC RESIDENTIAL INC; JEFFREY</u>)	
<u>TORREZ, and ANDREW JONATHAN</u>)	
<u>HUXHOLD,</u>)	
)	
Respondents.)	

ORDER EXTENDING TIME

On April 24, 2012, a Stipulation and Agreement was rendered herein. The Stipulation and Agreement, which became effective on June 11, 2012, was subject to certain limitations, conditions and restrictions, including a requirement that Respondents shall pay the Commissioner reasonable cost for:

"a subsequent audit to determine if Respondent has corrected the trust fund violations found in the Determination of Issues . . . Respondent shall pay such costs within 60 days of receiving an invoice

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from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may, in her discretion, vacate and set aside the stay order, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner"

Good cause having been shown, the time during which Respondents must satisfy the condition described above is hereby extended to January 23, 2013.

This Order shall be effective immediately.

DATED: 9/19, 2012

Real Estate Commissioner



By WAYNE S. BELL
Chief Counsel

SACTO
Flag

1 Department of Real Estate
320 W. 4TH Street, Suite 350
2 Los Angeles, CA 90013-1105

3 Telephone: (213) 576-6982
4

FILED

JUL 18 2012

DEPARTMENT OF REAL ESTATE
BY: *Veronica Valencia*

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9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)

No. H-37168 LA

13 PACIFIC LOAN SOLUTIONS INC,)
14 PACIFIC RESIDENTIAL INC, JEFFREY)
15 TORREZ and ANDREW JONATHAN)
16 HUXHOLD.)

STIPULATION
AND
AGREEMENT

17 Respondents.)
18)
19)
20)
21)
22)

23 It is hereby stipulated by and between ANDREW JONATHAN
24 HUXHOLD and the Complainant, acting by and through James A.
25 Demus, Counsel for the Department of Real Estate, as follows for
26 the purpose of settling and disposing of the Accusation filed on
27 March 24, 2011, 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

1 submitted solely on the basis of the provisions of this
2 Stipulation and Agreement ("Stipulation").

3 2. Respondent has received, read and understands the
4 Statement to Respondent, the Discovery Provisions of the APA and
5 the Accusation filed by the Department of Real Estate in this
6 proceeding.

7 3. This Stipulation is based on the factual
8 allegations contained in the Accusation. In the interest of
9 expedience and economy, Respondent chooses not to contest these
10 allegations, but to remain silent and understands that, as a
11 result thereof, these factual allegations, without being admitted
12 or denied, will serve as a prima facie basis for the disciplinary
13 action stipulated to herein. The Real Estate Commissioner shall
14 not be required to provide further evidence to prove said factual
15 allegations.

16 4. This Stipulation is made for the purpose of
17 reaching an agreed disposition of this proceeding and is
18 expressly limited to this proceeding and any other proceeding or
19 case in which the Department of Real Estate ("Department"), the
20 state or federal government, or any agency of this state, another
21 state or federal government is a party.

22 5. It is understood by the parties that the Real
23 Estate Commissioner may adopt this Stipulation as his Decision in
24 this matter thereby imposing the penalty and sanctions on
25 Respondent's real estate license and license rights as set forth
26 in the "Order" herein below. In the event that the Commissioner
27 in his discretion does not adopt the Stipulation, it shall be

1 void and of no effect and Respondents shall retain the right to a
2 hearing and proceeding on the Accusation under the provisions of
3 the APA and shall not be bound by any stipulation or waiver made
4 herein.

5 6. The Order or any subsequent Order of the Real
6 Estate Commissioner made pursuant to this Stipulation shall not
7 constitute an estoppel, merger or bar to any further
8 administrative or civil proceedings by the Department of Real
9 Estate with respect to any matters which were not specifically
10 alleged to be causes for Accusation in this proceeding but do
11 constitute a bar, estoppel and merger as to any allegations
12 actually contained in the Accusation against Respondents herein.

13 DETERMINATION OF ISSUES

14 By reason of the foregoing, it is stipulated and agreed
15 that the following determination of issues shall be made:

16 I.

17 The conduct of ANDREW JONATHAN HUXHOLD as described in
18 Paragraph 3, hereinabove, is in violation of Business and
19 Professions Code ("Code") Sections 10130 and 10131(d) and
20 provides a basis for discipline of his license and license rights
21 pursuant to Code Sections 10177(d) and 10177(g).

22 ORDER

23 WHEREFORE, THE FOLLOWING ORDER is hereby made:

24 I.

25 All licenses and licensing rights of Respondent
26 ANDREW JONATHAN HUXHOLD under the Real Estate Law are suspended
27 for a period of ninety (90) days from the effective date of this

1 Decision; provided, however, that ninety (90) days of said
2 suspension, shall be stayed for two (2) years upon the following
3 terms and conditions:

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

7 B. That no final subsequent determination be made,
8 after hearing or upon stipulation that cause for disciplinary
9 action occurred within two (2) years of the effective date of
10 this Decision. Should such a determination be made, the
11 Commissioner may, in his discretion, vacate and set aside the
12 stay order and reimpose all or a portion of the stayed
13 suspension. Should no such determination be made, the stay
14 imposed herein shall become permanent.

15 II.

16 Respondent ANDREW JONATHAN HUXHOLD shall within six (6)
17 months from the effective date of the Decision herein, take and
18 pass the Professional Responsibility Examination administered by
19 the Department including the payment of the appropriate
20 examination fee. If Respondent ANDREW JONATHAN HUXHOLD fails to
21 satisfy this condition, the Commissioner may order suspension of
22 Respondent ANDREW JONATHAN HUXHOLD's license until Respondent
23 passes the examination.

24
25 DATED: 5/15/12

26 James A. Demus
27 JAMES A. DEMUS, Counsel for
the Department of Real Estate

EXECUTION OF THE STIPULATION

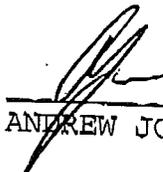
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 2 I have read the Stipulation and Agreement and its
 3 terms are understood by me and are agreeable and acceptable to
 4 me. I understand that I am waiving rights given to me by the
 5 California Administrative Procedure Act (including but not
 6 limited to Sections 11506, 11508, 11509 and 11513 of the
 7 Government Code), and I willingly, intelligently and voluntarily
 8 waive those rights, including the right of requiring the
 9 Commissioner to prove the allegations in the Accusation at a
 10 hearing at which I would have the right to cross-examine
 11 witnesses against me and to present evidence in defense and
 12 mitigation of the charges.

13 Respondent can signify acceptance and approval of the
 14 terms and conditions of this Stipulation by faxing a copy of its
 15 signature page, as actually signed by Respondent, to the
 16 Department at the following telephone/fax number: James A. Demus
 17 at (213) 576-6917. Respondent agrees, acknowledges and
 18 understands that by electronically sending to the Department a
 19 fax copy of Respondent's actual signature as it appears on the
 20 Stipulation, that receipt of the faxed copy by the Department
 21 shall be as binding on Respondent as if the Department had
 22 received the original signed Stipulation.

24 DATED: 5/8/2012

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 ANDREW JONATHAN HUXHOLD

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The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondent ANDREW JONATHAN HUXHOLD
and shall become effective at 12 o'clock noon on
AUG 07 2012, 2012.

IT IS SO ORDERED July 2, 2012.

Real Estate Commissioner



By WAYNE S. BELL
Chief Counsel

SFACTO
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JUL 09 2012

DEPARTMENT OF REAL ESTATE
BY: *Shirley A. Allen*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-37168 LA
)	
PACIFIC LOAN SOLUTIONS INC, <u>PACIFIC</u>)	
<u>RESIDENTIAL INC</u> , JEFFREY TORREZ and)	
ANDREW JONATHAN HUXHOLD,)	
)	
Respondents.)	
)	

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 May 31, 2012 and the findings of fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On December 21, 2010, Joseph Aiu made the Accusation in his 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, and by regular mail to PACIFIC RESIDENTIAL INC's ("PRI") last known mailing address on file with the Department on March 24, 2011. The mailings were returned to sender by the postal service no forwarding address.

On May 31, 2012, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, PRI's default was entered herein.

2.

PRI is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code") as a corporate real estate broker. PRI's corporate real estate broker license was initially issued on October 18, 2004.

3.

At all relevant times herein, PRI engaged in the business of a real estate broker in the State of California within the meaning of Code Sections 10131(d) and 10131.2, including brokering mortgage loans and performing loan modification activities and claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee, within the meaning of Code Section 10026, including, but not limited to, loan modification activities with respect to loans which were secured by liens on real property.

4.

On January 21, 2009, the Department of Real Estate ("Department") issued a letter to PRI claiming no objection to PRI's use of an advance fee agreement, as submitted by PRI. Pacific Loan Solutions Inc ("PLSI") was not mentioned in the agreement submitted by PRI. Nor has PLSI ever submitted an advance fee agreement to the Department.

5.

On or about January 31, 2009, James McNamara signed a Loan Modification Contact, in which he agreed to pay PLSI \$6,400 in advance fees for PLSI to negotiate a loan modification on his behalf. Also included in this contract was an Authorization to Release Credit Information to PRI/PLSI. On September 3, 2009, PLSI sent Mr. McNamara a Notice of Cancellation, which claimed Mr. McNamara had entered into a contract with PLSI on January 31, 2009 for \$4,600 and offered to refund 50% of this amount (\$2,300).

///

6.

On or about February 10, 2009, Jerry Barton signed a Loan Modification Contract, in which he agreed to pay PLSI \$11,600 in advance fees for PLSI to negotiate a loan modification on his behalf. Also included in this contract was an Authorization to Release Credit Information to PRI. Between February 10, 2009 and April 15, 2009, at the request of PLSI, Mr. Barton sent three checks for a total of \$11,600 in advance fees to PLSI for loan modification services.

7.

On or about February 12, 2009, Victor Salaiza signed a Loan Modification Contract, in which he agreed to pay PLSI \$8,000 in advance fees for PLSI to negotiate a loan modification on his behalf. Some pages on this contract contained a heading for PRI. On September 28, 2009, PLSI sent Mr. Salaiza a Notice of Cancellation, which promised to refund half of the \$8,000 in advance fees paid by Mr. Salaiza.

DETERMINATION OF ISSUES

1.

The conduct of PRI, as described in Paragraph 5 above, constitutes a substantial misrepresentation, providing cause for the suspension or revocation of the licenses and license rights of PRI pursuant to Code Section 10176(a).

2.

PRI failed to submit the advance fee agreements, described in paragraphs 5 through 7 above, to the Commissioner ten days before using them, in violation of Code Section 10085 and Regulation 2970. The conduct, acts and/or omissions of PRI, as set forth in paragraphs 6 through 8 above, is cause for the suspension or revocation of the licenses and license rights of PRI, pursuant to Code Sections 10085, 10177(d) and/or 10177(g).

3.

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

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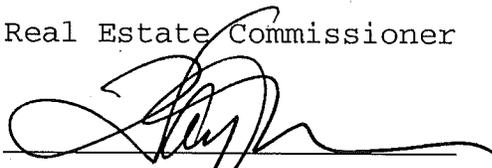
ORDER

All licenses and license rights of PACIFIC RESIDENTIAL
INC 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 JUL 30 2012

DATED: 6/29/2012.

Real Estate Commissioner



By WAYNE S. BELL
Chief Counsel

1 Department of Real Estate
320 West Fourth Street, Suite 350
2 Los Angeles, CA 90013

FILED

3 (213) 576-6982

MAY 31 2012

DEPARTMENT OF REAL ESTATE
BY: Guadalupe Valencia

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
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No. H-37168 LA

DEFAULT ORDER

Respondent PACIFIC RESIDENTIAL INC, 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 May 31, 2012.

Real Estate Commissioner

By: Phillip Ihde
PHILLIP IHDE
Regional Manager

SACTO
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1 Department of Real Estate
2 320 W. 4TH Street, Suite 350
3 Los Angeles, CA 90013-1105

MAY 10 2012

4 Telephone: (213) 576-6982

DEPARTMENT OF REAL ESTATE
BY: Shirley Allen

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9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)

No. H-37168 LA
2011090586

13 PACIFIC LOAN SOLUTIONS INC,)
14 PACIFIC RESIDENTIAL INC, JEFFREY)
15 TORREZ and ANDREW JONATHAN)
16 HUXHOLD.)

STIPULATION
AND
AGREEMENT

17 Respondents.)

18 It is hereby stipulated by and between PACIFIC LOAN
19 SOLUTIONS INC and JEFFREY TORREZ, represented by Edward O. Lear,
20 Esq., and the Complainant, acting by and through James A. Demus,
21 Counsel for the Department of Real Estate, as follows for the
22 purpose of settling and disposing of the Accusation filed on
23 March 24, 2011, in this matter:

24 1. All issues which were to be contested and all
25 evidence which was to be presented by Complainant and Respondents
26 at a formal hearing on the Accusation, which hearing was to be
27 held in accordance with the provisions of the Administrative

1 Procedure Act ("APA"), shall instead and in place thereof be
2 submitted solely on the basis of the provisions of this
3 Stipulation and Agreement ("Stipulation").

4 2. Respondents have received, read and understand the
5 Statement to Respondent, the Discovery Provisions of the APA and
6 the Accusation filed by the Department of Real Estate in this
7 proceeding.

8 3. Respondents timely filed a Notice of Defense
9 pursuant to Section 11506 of the Government Code for the purpose
10 of requesting a hearing on the allegations in the Accusation.
11 Respondents hereby freely and voluntarily withdraw said Notice of
12 Defense. Respondents acknowledge that they understand that by
13 withdrawing said Notice of Defense they thereby waive the right
14 to require the Commissioner to prove the allegations in the
15 Accusation at a contested hearing held in accordance with the
16 provisions of the APA and that they will waive other rights
17 afforded to them in connection with the hearing such as the right
18 to present evidence in their defense of the allegations in the
19 Accusation and the right to cross-examine witnesses.

20 4. This Stipulation is based on the factual
21 allegations contained in the Accusation. In the interest of
22 expedience and economy, Respondents choose not to contest these
23 allegations, but to remain silent and understand that, as a
24 result thereof, these factual allegations, without being admitted
25 or denied, will serve as a prima facie basis for the disciplinary
26 action stipulated to herein. The Real Estate Commissioner shall
27 not be required to provide further evidence to prove said factual

1 allegations.

2 5. This Stipulation is made for the purpose of
3 reaching an agreed disposition of this proceeding and is
4 expressly limited to this proceeding and any other proceeding or
5 case in which the Department of Real Estate ("Department"), the
6 state or federal government, or any agency of this state, another
7 state or federal government is a party.

8 6. It is understood by the parties that the Real
9 Estate Commissioner may adopt this Stipulation as her Decision in
10 this matter thereby imposing the penalty and sanctions on
11 Respondents' real estate licenses and license rights as set forth
12 in the "Order" herein below. In the event that the Commissioner
13 in her discretion does not adopt the Stipulation, it shall be
14 void and of no effect and Respondents shall retain the right to a
15 hearing and proceeding on the Accusation under the provisions of
16 the APA and shall not be bound by any stipulation or waiver made
17 herein.

18 7. The Order or any subsequent Order of the Real
19 Estate Commissioner made pursuant to this Stipulation shall not
20 constitute an estoppel, merger or bar to any further
21 administrative or civil proceedings by the Department of Real
22 Estate with respect to any matters which were not specifically
23 alleged to be causes for Accusation in this proceeding but do
24 constitute a bar, estoppel and merger as to any allegations
25 actually contained in the Accusation against Respondents herein.

26 8. Respondents understand that by agreeing to this
27 Stipulation, Respondents agree to pay, pursuant to Business and

1 Professions Code Section 10148, the cost of the audit which led
2 to this disciplinary action. The amount of said cost is
3 \$2,676.50.

4 9. Respondents have received, read, and understand the
5 "Notice Concerning Costs of Subsequent Audit." Respondents
6 further understand that by agreeing to this Stipulation, the
7 findings set forth below in the Determination of Issues become
8 final, and the Commissioner may charge Respondents for the cost
9 of any subsequent audit conducted pursuant to Business and
10 Professions Code Section 10148 to determine if the violations
11 have been corrected. The maximum cost of the subsequent audit
12 will not exceed \$2,676.50.

13 DETERMINATION OF ISSUES

14 By reason of the foregoing, it is stipulated and agreed
15 that the following determination of issues shall be made:

16 I.

17 The conduct of PACIFIC LOAN SOLUTIONS INC as described
18 in Paragraph 4, hereinabove, is in violation of Business and
19 Professions Code ("Code") Sections 10145 and 10085 and provides a
20 basis for discipline of its license and license rights pursuant
21 to Code Sections 10177(d) and 10177(g).

22 II.

23 The conduct of JEFFREY TORREZ, as described in
24 Paragraph 4, hereinabove, is in violation of Business and
25 Professions Code ("Code") Sections 10145, 10159.2 and 10085 and
26 provides a basis for discipline of its license and license rights
27 pursuant to Code Sections 10177(d), 10177(g) and 10177(h).

1 3. Respondent shall not be eligible to apply for the
2 issuance of an unrestricted real estate license nor for the
3 removal of any of the conditions, limitations or restrictions
4 of a restricted license until one year has elapsed from the
5 effective date of this Decision.

6 4. Pursuant to Section 10148 of the Business and
7 Professions Code, Respondent shall pay the Commissioner's
8 reasonable cost for: a) the audit which led to this disciplinary
9 action and b) a subsequent audit to determine if Respondent has
10 corrected the trust fund violations found in the Determination of
11 Issues. In calculating the amount of the Commissioner's
12 reasonable cost, the Commissioner may use the estimated average
13 hourly salary for all persons performing audits of real estate
14 brokers, and shall include an allocation for travel costs,
15 including mileage, time to and from the auditor's place of work
16 and per diem. Respondent shall pay such costs within 60 days of
17 receiving an invoice from the Commissioner detailing the
18 activities performed during the audit and the amount of time
19 spent performing those activities. The Commissioner may, in her
20 discretion, vacate and set aside the stay order, if payment is
21 not timely made as provided for herein, or as provided for in a
22 subsequent agreement between the Respondent and the Commissioner.
23 The vacation and the set aside of the stay shall remain in effect
24 until payment is made in full, or until Respondent enters into an
25 agreement satisfactory to the Commissioner to provide for
26 payment.

1 II.

2 All licenses and licensing rights of Respondent JEFFREY
3 TORREZ, under the Real Estate Law are revoked; provided, however,
4 a restricted real estate broker license shall be issued to
5 Respondent pursuant to Section 10156.5 of the Business and
6 Professions Code, if Respondent makes application therefore and
7 pays to the Department the appropriate fee within 90 days from
8 the effective date of this Decision.

9 The restricted license issued to Respondent shall be
10 subject to all of the provisions of Section 10156.7 of the
11 Business and Professions Code and to the following limitations,
12 conditions and restrictions imposed under authority of Section
13 10156.6 of that code:

14 1. The restricted license issued to Respondent may be
15 suspended prior to hearing by Order of the Real Estate
16 Commissioner in the event of Respondent's conviction or plea of
17 nolo contendere to a crime which is substantially related to
18 Respondent's fitness or capacity as a real estate licensee.

19 2. The restricted license issued to Respondent may be
20 suspended prior to hearing by Order of the Real Estate
21 Commissioner on evidence satisfactory to the Commissioner that
22 Respondent has violated provisions of the California Real Estate
23 Law, the Subdivided Lands Law, Regulations of the Real Estate
24 Commissioner, or conditions attaching to this restricted
25 license.

1 3. Respondent shall not be eligible to apply for the
2 issuance of an unrestricted real estate license nor for the
3 removal of any of the conditions, limitations or restrictions
4 of a restricted license until one year has elapsed from the
5 effective date of this Decision.

6 4. Respondent shall, within nine months from the
7 effective date of this Decision, present evidence satisfactory
8 to the Real Estate Commissioner that Respondent has, since the
9 most recent issuance of an original or renewal real estate
10 license, taken and successfully completed the continuing
11 education requirements of Article 2.5 of Chapter 3 of the Real
12 Estate Law for renewal of a real estate license. If Respondent
13 fails to satisfy this condition, the Commissioner may order the
14 suspension of the restricted license until the Respondent
15 presents such evidence. The Commissioner shall afford
16 Respondent the opportunity for a hearing pursuant to the
17 Administrative Procedure Act to present such evidence.

18 5. Pursuant to Section 10148 of the Business and
19 Professions Code, Respondent shall pay the Commissioner's
20 reasonable cost for: a) the audit which led to this disciplinary
21 action and b) a subsequent audit to determine if Respondent has
22 corrected the trust fund violations found in the Determination of
23 Issues. In calculating the amount of the Commissioner's
24 reasonable cost, the Commissioner may use the estimated average
25 hourly salary for all persons performing audits of real estate
26 brokers, and shall include an allocation for travel costs,
27 including mileage, time to and from the auditor's place of work

1 and per diem. Respondent shall pay such costs within 60 days of
2 receiving an invoice from the Commissioner detailing the
3 activities performed during the audit and the amount of time
4 spent performing those activities. The Commissioner may, in his
5 discretion, vacate and set aside the stay order, if payment is
6 not timely made as provided for herein, or as provided for in a
7 subsequent agreement between the Respondent and the Commissioner.
8 The vacation and the set aside of the stay shall remain in effect
9 until payment is made in full, or until Respondent enters into an
10 agreement satisfactory to the Commissioner to provide for
11 payment.

12 III

13 Respondent JEFFREY TORREZ shall within six (6) months
14 from the effective date of the Decision herein, take and pass the
15 Professional Responsibility Examination administered by the
16 Department including the payment of the appropriate examination
17 fee. If Respondent JEFFREY TORREZ fails to satisfy this
18 condition, the Commissioner may order suspension of Respondent
19 JEFFREY TORREZ's license until Respondent passes the examination.

20 IV

21 Respondent JEFFREY TORREZ shall, prior to and as a
22 condition of the issuance of the restricted license, submit proof
23 satisfactory to the Commissioner, of having taken and
24 successfully completed the continuing education course on trust
25 fund accounting and handling specified in paragraph (3) of
26 subdivision (a) of Section 10170.5 of the Business and
27 Professions Code. Proof of satisfaction of this requirement

1 includes evidence that respondent has successfully completed the
2 trust fund account and handling continuing education course
3 within 120 days prior to the effective date of the Decision in
4 this matter.

5 V.

6 Respondents shall provide proof satisfactory to the
7 Real Estate Commissioner that restitution has been paid as
8 follows: 1) \$6,400 to James McNamara; 2) \$11,600 to Jerry
9 Barton; and 3) \$8,000 to Victor Salaiza. If Respondents fail to
10 satisfy this condition within 6 months of the effective date of
11 the Decision herein, the Real Estate Commissioner may order
12 suspension of Respondents' licenses until Respondents provide
13 proof of restitution satisfactory to the Real Estate
14 Commissioner.

15 VI.

16 All proof of payment and completed coursework shall be
17 submitted to Department Counsel James A. Demus, Attention: Legal
18 Section, Department of Real Estate, 320 W. Fourth St., Suite 350,
19 Los Angeles, California 90013-1105, on or before the dates set
20 forth above.

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DATED: 3/22/12

James A. Demus
JAMES A. DEMUS, Counsel for
the Department of Real Estate

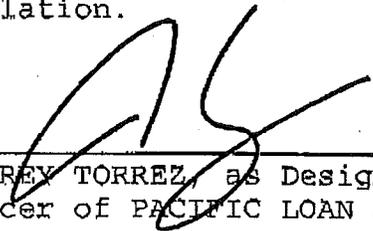
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EXECUTION OF THE STIPULATION

1
2 I have read the Stipulation and discussed it with my
3 counsel. Its terms are understood by me and are agreeable and
4 acceptable to me. I understand that I am waiving rights given to
5 me by the California Administrative Procedure Act (including but
6 not limited to Sections 11506, 11508, 11509 and 11513 of the
7 Government Code), and I willingly, intelligently and voluntarily
8 waive those rights, including the right of requiring the
9 Commissioner to prove the allegations in the Accusation at a
10 hearing at which I would have the right to cross-examine
11 witnesses against me and to present evidence in defense and
12 mitigation of the charges.

13
14 Respondent can signify acceptance and approval of the
15 terms and conditions of this Stipulation by faxing a copy of its
16 signature page, as actually signed by Respondent, to the
17 Department at the following telephone/fax number: James A. Demus
18 at (213) 576-6917. Respondent agrees, acknowledges and
19 understands that by electronically sending to the Department a
20 fax copy of Respondent's actual signature as it appears on the
21 Stipulation, that receipt of the faxed copy by the Department
22 shall be as binding on Respondent as if the Department had
23 received the original signed Stipulation.

24
25 DATED: 03/19/2012


26 _____
27 JEFFREY TORREZ, as Designated
Officer of PACIFIC LOAN SOLUTIONS
INC

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DATED: 03/19/2012



JEFFREY TORREZ, Respondent

DATED: 3/21/12



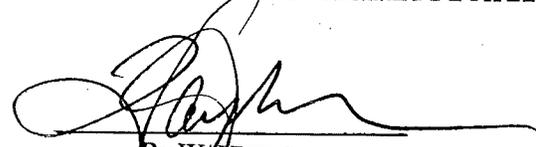
EDWARD O. LEAR
Attorney for Respondents

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondents PACIFIC LOAN SOLUTIONS
INC and JEFFREY TORREZ and shall become effective at 12 o'clock
noon on JUN 11 2012, 2012.

IT IS SO ORDERED April 24, 2012.

Real Estate Commissioner



By WAYNE S. BELL
Chief Counsel

FILED

MAR 24 2011

DEPARTMENT OF REAL ESTATE

BY: James B. Olson

1 JAMES DEMUS, Counsel (SBN 225005)
2 Department of Real Estate
3 320 West Fourth St., #350
4 Los Angeles, CA 90013

5 (213) 576-6982
6 (213) 576-6910 (direct)
7
8

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13)
14 PACIFIC LOAN SOLUTIONS INC, PACIFIC)
15 RESIDENTIAL INC, JEFFREY TORREZ and)
16 ANDREW JONATHAN HUXHOLD,)
17)
18 Respondents.)

No. H- 37168-LA

A C C U S A T I O N

19 The Complainant, Joseph Aiu, a Deputy Real Estate
20 Commissioner of the State of California, for cause of
21 Accusation against PACIFIC LOAN SOLUTIONS INC, PACIFIC
22 RESIDENTIAL INC, JEFFREY TORREZ and ANDREW JONATHAN HUXHOLD is
23 informed and alleges as follows:

24 1.

25 The Complainant, Joseph Aiu, a Deputy Real Estate
26 Commissioner of the State of California, makes this Accusation
27 in his official capacity.

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2.

PACIFIC LOAN SOLUTIONS INC, (hereinafter "PLSI") is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a corporate real estate broker. PLSI's corporate real estate broker license was initially issued on December 13, 2008.

3.

PACIFIC RESIDENTIAL INC, (hereinafter "PRI") is presently licensed and/or has license rights under the Real Estate Law, as a corporate real estate broker. PLSI's corporate real estate broker license was initially issued on October 18, 2004.

4.

JEFFREY TORREZ, (hereinafter "TORREZ") is presently licensed and/or has license rights under the Real Estate Law, as a real estate broker. TORREZ has been the designated officer of PLSI since December 13, 2008. TORREZ has been the designated officer of PRI since October 18, 2008.

5.

ANDREW JONATHAN HUXHOLD, (hereinafter "HUXHOLD") is presently licensed and/or has license rights under the Real Estate Law, as a real estate salesperson. Huxhold was initially licensed as a real estate salesperson on February 9, 2010. From May 11, 2010 to July 2, 2010, HUXHOLD was employed as a salesperson by PRI.

1 FIRST CAUSE OF ACCUSATION

2 (Advance Fee Violations)

3 6.

4 On January 21, 2009, the Department of Real Estate
5 ("Department") issued a letter to PRI claiming no objection to
6 PRI's use of an advance fee agreement, as submitted by PRI.
7 PLSI was not mentioned in the agreement submitted by PRI. Nor
8 has PLSI ever submitted an advance fee agreement to the
9 Department.

10 7.

11 Neither Zachary Gonzalez, nor "Zachary Gonzalez, LLC"
12 have ever been licensed by the Department in any capacity.
13 Neither PLSI nor PRI ever submitted an advance fee agreement to
14 the Department for Zachary Gonzalez or Zachary Gonzalez, LLC.

15 8.

16 At all relevant times herein, PLSI and PRI engaged in
17 the business of real estate brokers in the State of California
18 within the meaning of Code Sections 10131(d) and 10131.2,
19 including brokering mortgage loans and performing loan
20 modification activities and claiming, demanding, charging,
21 receiving, collecting or contracting for the collection of an
22 advance fee, within the meaning of Code Section 10026,
23 including, but not limited to, the following loan modification
24 activities with respect to loans which were secured by liens on
25 real property.

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9.

James McNamara Transaction

On or about January 31, 2009, James McNamara signed a Loan Modification Contract, in which he agreed to pay PLSI \$6,400 in advance fees for PLSI to negotiate a loan modification on his behalf. Also included in this contract was an Authorization to Release Credit Information to PRI/PLSI. On September 3, 2009, PLSI sent Mr. McNamara a Notice of Cancellation, which claimed Mr. McNamara had entered into a contract with PLSI on January 31, 2009 for \$4,600 and offered to refund 50% of this amount (\$2,300).

10.

Jerry Barton Transaction

On or about February 10, 2009, Jerry Barton signed a Loan Modification Contract, in which he agreed to pay PLSI \$11,600 in advance fees for PLSI to negotiate a loan modification on his behalf. Also included in this contract was an Authorization to Release Credit Information to PRI. Between February 10, 2009 and April 15, 2009, at the request of PLSI, Mr. Barton sent three checks for a total of \$11,600 in advance fees to PLSI for loan modification services.

11.

Victor Salaiza Transaction

On or about February 12, 2009, Victor Salaiza signed a Loan Modification Contract, in which he agreed to pay PLSI \$8,000 in advance fees for PLSI to negotiate a loan modification on his behalf. Some pages on this contract

1 contained a heading for PRI. On September 28, 2009, PLSI sent
2 Mr. Salaiza a Notice of Cancellation, which promised to refund
3 half of the \$8,000 in advance fees paid by Mr. Salaiza.

4 12.

5 Shahla O'Sullivan Transaction

6 On or about April 8, 2009, Shahla O'Sullivan
7 submitted a Loan Modification Application to PLSI. In
8 response, PLSI supplied Ms. O'Sullivan with a Residential Loan
9 Modification Retainer Agreement for "Zachary Gonzalez, LLC".
10 This agreement arranged for Ms. O'Sullivan to pay \$10,925 in
11 advance fees. Between April 8, 2009 and June 2, 2009, Ms.
12 Sullivan paid \$10,926 in advance fees to "Pacific Loan
13 Solutions." Ms. O'Sullivan was subsequently issued a Loan
14 Modification Update from PLSI.

15 13.

16 Robert Moreno Transaction

17 In Response to a solicitation from PLSI, Robert
18 Moreno arranged a meeting with HUXHOLD to discuss loan
19 modification services. PLSI supplied Mr. Moreno with a
20 Residential Loan Modification Retainer Agreement for "Zachary
21 Gonzalez, LLC", which Moreno signed on May 4, 2009. This
22 agreement arranged for Mr. Moreno to pay \$5,317 in advance
23 fees. On or about May 15, 2009, Mr. Moreno received a Loan
24 Modification Update from PLSI. After paying \$5,317 in advance
25 fees to Zachary Gonzalez, Mr. Moreno issued \$1,000 checks to
26 "Pacific Loan Solution" as advance fees for a loan modification
27 on September 5, 2009 and September 19, 2009.

14.

2 Klara Melman Transaction

3 On or about September 10, 2009, Klara Melman was
4 solicited by PLSI regarding loan modification services. PLSI
5 supplied Ms. Melman with a Residential Loan Modification
6 Retainer Agreement for "Zachary Gonzalez, LLC", which Moreno
7 signed on September 16, 2009. This agreement arranged for Ms.
8 Melman to pay \$7,859 in advance fees. Ms. Melman subsequently
9 received a letter from PLSI which stated "we will be processing
10 your file along with Zachary Gonzalez Jr. LLC".

15.

12 Enrique Saavedra Transaction

13 On or about September 5, 2009 Enrique Saavedra made
14 an appointment to discuss loan modification with HUXHOLD, in
15 response to a solicitation mailed by PLSI. PLSI supplied Mr.
16 Saavedra with a Residential Loan Modification Retainer
17 Agreement for "Zachary Gonzalez, LLC", which Mr. Saavedra
18 signed on September 5, 2009. This agreement arranged for Mr.
19 Saavedra to pay \$7,724 in advance fees. Mr. Saavedra
20 subsequently received a letter from PLSI which stated "we will
21 be processing your file along with Zachary Gonzalez Jr. LLC".

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1 16.

2 Javier Garcia Transaction

3 In or about April 2009, Javier Garcia received a
4 solicitation regarding loan modification from PLSI. PLSI
5 supplied Mr. Garcia with a Residential Loan Modification
6 Retainer Agreement for "Zachary Gonzalez, LLC", which Mr.
7 Garcia signed on April 18, 2009. This agreement arranged for
8 Mr. Garcia to pay \$4,020 in advance fees.

9 17.

10 The conduct of PLSI and PRI, as described in
11 Paragraph 9 above, constitutes a substantial misrepresentation,
12 providing cause for the suspension or revocation of the
13 licenses and license rights of PLSI and PRI pursuant to Code
14 Section 10176(a).

15 18.

16 The agreements described in Paragraphs 9 through 16
17 above, constitute advance fee agreements within the meaning of
18 Code Section 10026. PLSI failed to submit the advance fee
19 agreements referred to in Paragraphs 9 through 16 above, to the
20 Commissioner ten days before using them, in violation of Code
21 Section 10085 and Section 2970 of Title 10, California Code of
22 Regulations ("Regulations"). The conduct, acts and/or
23 omissions of PLSI, are cause for the suspension or revocation
24 of the licenses and license rights of PLSI, pursuant to Code
25 Sections 10085, 10177(d) and/or 10177(g).

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19.

PRI failed to submit the advance fee agreements, described in paragraphs 9 through 11 above, to the Commissioner ten days before using them, in violation of Code Section 10085 and Regulation 2970. The conduct, acts and/or omissions of PRI, as set forth in paragraphs 9 through 11 above, is cause for the suspension or revocation of the licenses and license rights of PRI, pursuant to Code Sections 10085, 10177(d) and/or 10177(g).

20.

HUXHOLD negotiated the advance fee agreements, described in paragraphs 13 and 15 above, prior to being licensed as a real estate salesperson, in violation of Code Sections 10130 and 10131(d). HUXHOLD also failed to submit the advance fee agreements to the Commissioner ten days before using them, in violation of Code Section 10085 and Regulation 2970. The conduct, acts and/or omissions of HUXHOLD, as set forth in paragraphs 13 and 15 above, is cause for the suspension or revocation of the licenses and license rights of PRI, pursuant to Code Sections 10085, 10177(d) and/or 10177(g).

SECOND CAUSE OF ACCUSATION

(AUDIT VIOLATIONS)

21.

On February 26, 2010, the Department completed audit examinations of the books and records of PLSI pertaining to the mortgage and loan activities described in Paragraph 8 that require a real estate license. The audit examination covered a period of time beginning from September 1, 2008 to October 31,

1 2009. The audit examinations revealed violations of the Code
2 and the Regulations as set forth in the following paragraphs,
3 and more fully discussed in Audit Report SD090016 and the
4 exhibits and workpapers attached to said audit report.

5 TRUST ACCOUNT

6 22.

7 During the audit period, PLSI did not maintain a
8 trust account.

9 VIOLATIONS OF THE REAL ESTATE LAW

10 23.

11 In the course of activities described in Paragraph 8
12 above and during the examination period described in Paragraph
13 21, PLSI acted in violation of the Code and the Regulations in
14 that it:

15 (a) deposited advance fees collected from borrowers
16 for loan modifications into PLSI's general operating account,
17 in violation of Code Sections 10145 and 10146 and Regulation
18 2832.

19 (b) did not provide itemized accounting of advance
20 fees collected, in violation of Code Section 10146 and
21 Regulation 2972.

22 (c) did not maintain a columnar record for the
23 advance fees PLSI collected and handled through its general
24 accounts, in violation of Code Section 10145 and Regulation
25 2831.

26 (d) did not maintain a separate record for the
27 advance fees PLSI collected and handled through its general

1 accounts, in violation of Code Section 10145 and Regulation
2 2831.1.

3 (e) allowed an unlicensed individual to perform acts
4 requiring a real estate license, in violation of Code Section
5 10130.

6 (f) claimed to have a "general trust account" in its
7 loan modification agreement, when it only had a general
8 operating account, in violation of Code Section 10176(a)

9 (g) failed to retain records of loan modification
10 transactions, trust fund records, bank statements, deposit and
11 disbursement records, transaction flow sheets and fax
12 confirmation sheets for loan modification activity, in
13 violation of Code Section 10148

14 24.

15 The conduct of PLSI, as described in Paragraph
16 23, above, violated the Code and the Regulations as set forth
17 below:

18	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
19	23(a)	Code Sections 10145/10146 and
20		Regulation 2832
21		
22	23(b)	Code Section 10146 and Regulation
23		2972
24	23(c)	Code Section 10145 and Regulation
25		2831
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- 23 (d) Code Section 10145 and Regulation 2831.1
- 23 (e) Code Section 10130
- 23 (f) Code Section 10176(a)
- 23 (g) Code Section 10148

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of PLSI, under the provisions of Code Sections 10176(a), 10177(d) and/or 10177(g).

NEGLIGENCE

25.

The overall conduct of PLSI and TORREZ constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of PLSI and TORREZ pursuant to Code Section 10177(g).

SUPERVISION AND COMPLIANCE

26.

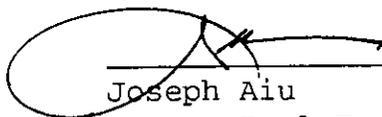
The overall conduct of TORREZ constitutes a failure on his part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of PLSI as required by Code Section 10159.2, and to keep PLSI in compliance with the Real Estate Law, and is cause for the suspension or revocation of the real estate license and license rights of TORREZ pursuant

1 to the provisions of Code Sections 10177(d), 10177(g) and
2 10177(h).

3 WHEREFORE, Complainant prays that a hearing be
4 conducted on the allegations of this Accusation and that upon
5 proof thereof, a decision be rendered imposing disciplinary
6 action against all the licenses and license rights of
7 Respondents PACIFIC LOAN SOLUTIONS INC, PACIFIC RESIDENTIAL INC
8 JEFFREY TORREZ and ANDREW JONATHAN HUXHOLD under the Real
9 Estate Law, and for such other and further relief as may be
10 proper under other applicable provisions of law.

11 Dated at San Diego, California

12 this 11 day of December

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15 
16 _____
17 Joseph Aiu
18 Deputy Real Estate Commissioner
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24 cc: PACIFIC LOAN SOLUTIONS INC
25 PACIFIC RESIDENTIAL INC
26 JEFFREY TORREZ
27 ANDREW JONATHAN HUXHOLD
Joseph Aiu-SDDO
Sacto.
S.D. Audits - Gina King