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DEPARTMENT OF REAL ESTAT

BY:

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of GROUP BANKERS FUNDING, INC. and ARMANDO FELIPE PEREZ, individually and as designated officer of Group Bankers Funding, Inc., Respondents.	DRE No. H-37394 LA OAH No. 2012010188
To: GROUP BANKERS FUNDING, INC.; INFINITY REAL ESTATE AND HOME LOANS; INFINITY PROFESSIONAL SERVICES LOANS; INFINITY PROFESSIONAL SERVICE; GREEN LIGHT INVESTMENTS; CENTRO LEGAL LA LEY; CLUB MUJERES EXITOS; ARMANDO FELIPE PEREZ; ADELA VARGAS; SILVIO PRIETO; VENANCIO R. BEBERAJE; RAFAEL HERNANDEZ; SERGIO SANTIBANEZ; and JAVIER TELLEZ. Respondents.	DRE No. H-37453 LA OAH No. 2011120747

DECISION

The Proposed Decision dated June 19, 2013, 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 August 12, 2013.

IT IS SO ORDERED 7/17/2013.

REAL ESTATE COMMISSIONER

Wayne S. Bell

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation Against: GROUP BANKERS FUNDING, INC. and ARMANDO FELIPE PEREZ, individually and as designated officer of Group Bankers Funding, Inc. Respondents.	Case No. H-37394 LA OAH No. 2012010188 ACCUSATION
To: GROUP BANKERS FUNDING INC.; INFINITY REAL ESTATE AND HOME LOANS; INFINITY PROFESSIONAL SERVICES; GREEN LIGHT INVESTMENTS; CENTRO LEGAL LA LEY; CLUB MUJERES EXITOS; ARMANDO FELIPE PEREZ; ADELA VARGAS; SILVIO PRIETO; VENANCIO R. BEBERAJE; RAFAEL HERNANDEZ; SERGIO SANTIBANEZ; and JAVIER TELLEZ.	Case No. H-37453 OAH No. 2011120747 ORDER TO DESIST AND REFRAIN (B&P Code Section 10086)

PROPOSED DECISION

This matter was heard by Michael A. Scarlett, Administrative Law Judge, Office of Administrative Hearings, State of California, on July 10, 2012, in Los Angeles.

Lissette Garcia, Counsel, represented Maria Suarez, Deputy Real Estate Commissioner (Complainant), California Department of Real Estate (Department).

Neither Group Bankers Funding, Inc. (Respondent GBFI), Adela Vargas, Centro Legal La Ley (CLLL), and Club Mujeres Exitos (CME), nor any representative for these parties, appeared at the hearing. Consequently, the hearing proceeded in default pursuant to Government Code section 11520 against Respondent GBFI with regards to the Accusation and Desist and Refrain Order, and against Adela Vargas, CLLL, and CME with regards to the Desist and Refrain Order.[1]

[1] On December 21, 2011, the Department dismissed the Accusation and Desist and Refrain Order against Respondent Armando Felipe Perez because he died on July 25, 2011. Infinity Real Estate and Home Loans, Infinity Professional Services Loans, Infinity

Oral and documentary evidence was received and the matter was submitted for decision on July 10, 2012.

FACTUAL FINDINGS

1. On July 12, 2011, Complainant issued the Accusation in her official capacity. On July 28, 2011, Barbara J. Bigby, Acting Real Estate Commissioner for the Department, issued the Order to Desist and Refrain in her official capacity pursuant to Business and Professions Code section 10086. On August 26, 2011, Adela Vargas submitted a request for hearing on the on behalf of Respondent GBFI, Armanda Felipe Perez, CLLL, CME and herself. Neither Respondent GBIF, Adela Vargas, CLLL and CME, nor any representative on their behalf, appeared at the hearing. The Department established that proper notice of the hearing had been given to all parties. Subsequently, all jurisdictional requirements were met to proceed with this hearing in default pursuant to Government Code section 11520. At hearing the Department made a motion to consolidate the hearing on the Accusation and Desist and Refrain Order, which was granted.

2. From January 16, 2007, through January 15, 2011, Respondent GBFI was licensed by the Department as a real estate corporation, License No. 01783077. At all times relevant to the allegations in the Accusation and Desist and Refrain Order, Respondent GBFI was licensed to do business as California First Realty and Home Loans and Infinity Financial Group. Respondent GBFI also conducted business under the fictitious business names of Centro Legal La Ley (CLLL), Club Mujeres Exitos (CME), Infinity Professional Service, Infinity Professional Services Loans, Green Light Investments, and Infinity Real Estate and Home Loans.

3. From September 28, 1992, until his death, Armando Felipe Perez (Perez) was licensed by the Department as a real estate broker, License No. 00646553. From November 5, 2007, through January 15, 2011, Perez was license as a real estate broker and as the broker-officer of Respondent GBFI and was responsible for ensuring GBFI's compliance with the Real Estate Law pursuant to Business and Professions Code section 10159.2.

4. Venancio R. Beberaje, Adela Vargas, and Rafael Hernandez were not licensed in any capacity by the Department during the time periods relevant to the Accusation and Desist and Refrain Order in this case. On August 15, 2006, Beberaje, Vargas and Hernandez formed GBFI, a California corporation. Beberaje was Respondent GBFI's chief executive officer, secretary and agent for service of process. Beberaje, Vargas and Hernandez were officers or directors for Respondent GBFI.

Professional Service, Green Light Investments, Silvio Prieto, Venancio R. Beberaje, Rafael Hernandez, Sergio Sanibanez, and Javier Tellez did not request a hearing to appeal the Desist and Refrain Order and are therefore not parties to this proceeding.

5. Silvio Prieto, Sergio Santibanez and Javier Tellez were not licensed in any capacity by the Department during the time periods relevant to the Accusation and Desist and Refrain Order.

6. CLLL, CME, Infinity Real Estate and Home Loans, Infinity Professional Services Loans, Infinity Professional Service, nor Green Light Investments were ever licensed in any capacity by the Department during the relevant time periods in the Accusation and Desist and Refrain Order.

7. At all times relevant, Respondent GBFI, CLLL, CME and Adele Vargas were engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California, within the meaning of Business and Professions Code sections 10131, subdivision (d), and 10131.2, including negotiating loans or performing services for borrowers and collecting or contracting for the collection of advance fees, within the meaning of Business and Professions Code section 10026.

8. On July 25, 2008, Gilberto Campos was contacted by Silvio Prieto, a representative from Infinity Financial Group, to inquire whether Campos was interested in processing a loan modification on his home for a fee of $2,400. On July 30, 2008, Campos entered into an agreement with Infinity Financial Group to process a modification on his home loan and Campos paid a cash deposit of $1,200 to Esther Espinoza, a representative of Infinity Financial Group. Campos worked with Adela Vargas and Silvio Prieto to complete the loan modification process. Campos' original lender for his home mortgage requested that he pay approximately $8,000 in past due mortgage payments before the loan modification would be accepted. Vargas and Prieto had advised Campos to discontinue paying his mortgage payments until the modification was approved by his original lender. The loan modification was never completed and Campos lost his home to foreclosure. When Campos attempted to contact Infinity Financial Group to obtain a refund of the $1,200 deposit, he learned that the name had been changed to "Centro Legal La Ley." Campos never received a refund of his $1,200 deposit.

9. On August 4, 2008, Rafael Escalante entered into an agreement with Respondent GBFI to process a loan modification for his home located at 81295 Palmyra Avenue, Indio, California 92201. On August 4, 2008, Escalante paid $700 in cash and was charged $500 on his VISA account, for a total of $1,200, as the deposit for the loan modification. On October 2, 2008, Escalante paid "Infinity Professional Service" $1,000, and on November 13, 2008, he paid another $300 to "Infinity Financial Services." Escalante stated that Silvio Prieto was the contact person for the loan modification with Respondent GBFI. Escalante paid a total of $2,500 to GBFI, but a loan modification was never processed. He received an eviction notice in March 2009.

10. On November 15, 2008, Aroon Bernal entered into an agreement with Respondent GBFI, dba, Infinity Professional Service, to process a loan modification for his home located 15052 Crestknoll Drive, Sylmar, California 91342. The loan modification fee was $2,700. Bernal stated that he paid GBFI $2,727 for the loan modification. Credit card

receipts established that Bernal paid "Infinity Professional Services" a total of $1,377 on November 15 and 17, 2008. The loan modification was never processed by GBFI and the bank was scheduled to foreclose on Bernal's home on November 4, 2009, almost one year after Bernal initiated the loan modification process with Respondent GBFI. Bernal worked with Adela Vargas to complete the loan modification. He requested a refund of his money but was unsuccessful. On February 8, 2010, in the Superior Court of California, County of Los Angeles, Case No. LAS 09S02841, Bernal received a small claims judgment against Respondent GBFI, dba Infinity Professional Services, in the amount of $1,467 in principal and $60 costs for failing to perform the loan modification as agreed.

11. On January 2, 2009, Francisco Magana entered into an agreement with Respondent GBFI, dba, Infinity Real Estate & Home Loans, to process a loan modification for his home located at 1313 Phillip Way, Suisun City, CA 94585. Magana paid Infinity Financial Group $2,700 for the loan modification. Over the next two months, Magana discovered that Respondent GBFI had contacted his bank only one time regarding the loan modification. Consequently, Magana requested a full refund of the $2,700 he paid for the loan modification. The loan modification was never completed and Magana did not receive a refund.

12. Between February 26, 2010, and June 15, 2010, Maria Orquiz paid Green Light Investments and Sergio Santibanez $3,750 for services connected to a Real Estate Short Payoff Purchase Agreement to sell Orquiz's home located at 7819 Gephart Avenue, Bell Gardens, California 90201.[2] CLLL was also known as Green Light Investments. Orquiz testified that she believed the agreement with CLLL/Green Light Investments was to refinance her home loan, not to sell the home in a Short Payoff transaction. Orquiz was residing in her home at the time of hearing and the CLLL/Green Light Investments had not completed the Short Payoff purchase transaction. Orquiz requested a refund of the $3,750 paid to CLLL/Green Light Investment, but was unsuccessful.

13. On June 18, 2010, Jose De La Cruz, Margarita De La Cruz, and Manuel De La Cruz entered into a Short Payoff Purchase/Service Agreement with CLLL/Green Light Investments for a an apartment building located at 841 Fedora Street, Los Angeles, CA 90005. CLLL/Green Light Investments agreed to assist the De La Cruzes in structuring an arrangement between a private investor and their existing lender to purchase their existing mortgage at a discount to avoid foreclosure. Manuel De La Cruz testified that he dealt primarily with Adela Vargas and Sergio Santibanez to complete the agreement for services with CLLL/Green Light Investments. Sergio Santibanez was to be the private investor/buyer for the De La Cruz property on behalf of CLLL/Green Light Investments. CLLL/Green

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[2] A "Short Payoff" or principal reduction agreement typically involves the owner of a property or borrower selling their property to a "private investor" or entity such as GBFI or Green Light Investment at an amount less than the total mortgage owed. A "lease to purchase" agreement is then entered into between the private investor or GBFI and the borrower/seller which allows the borrower/seller to repurchase the property, typically after credit repair, at the new lower principal loan amount of the mortgage.

Light Investments supposedly would then work with the De La Cruzes to retain possession of the property by obtaining new short and/or long term financing to allow them to repurchase the property based upon the new discounted mortgage negotiated with the original lender. On June 18, 2010, the De La Cruzes paid CLLL/Green Light Investments $3,500 to process the Short Payoff Purchase/Service Agreement. The De La Cruzes contacted Midland Mortgage, the bank that held the mortgage on the Fedora property, and inquired whether CLLL/Green Light Investments had contacted the bank to negotiate on their behalf to attempt to stop the foreclosure. They were told CLLL/Green Light Investments had not contacted Midland Mortgage. The De La Cruzes contacted another entity to assist them with avoiding the foreclosure of their property, and promptly requested a refund from CLLL/Green Light Investments. On November 30, 2010, CLLL/Green Light Investments agreed to give the De La Cruzes a full refund of the $3,500 paid pursuant to the Short Payoff Purchase/Service Agreement. On December 17, 2010, and January 19, 2011, two payments of $1,000 each were made to Manuel De La Cruz by CLLL/Green Light Investments for a refund of $2,000 of the $3,500 paid. The De La Cruzes ultimately loss their property to foreclosure.

14. On June 22, 2010, Elizabeth Garcia entered into a Short Payoff Purchase/Service Agreement with CLLL/Green Light Investments for her home located 6027 Greenwood Avenue, Commerce, CA 90040. Garcia stated that Sergio Santibanez was the sales representative that assisted her in completing the Short Payoff agreement. Garcia paid CLLL/Green Light Investments $5,000 to process the Short Payoff in which Sergio Santibanez was identified as the buyer on behalf of CLLL/Green Light Investments. Garcia paid CLLL/Green Light Investments $2,500 on June 22, 2010, and $2,500 on July 22, 2010. Garcia contacted her lender, Suntrust Bank, who advised her that CLLL/Green Light Investments had lied about what they were able to accomplish through a Short Payoff agreement and that CLLL/Green Light agreement was essentially a proposal for the short sale of her home. Garcia believed she had agreed to have CLLL/Green Light Investments to process a loan modification for her home. Garcia demanded a refund of the $5,000 paid to CLLL/Green Light Investments, and on November 5, 2010, CLLL/Green Light Investments refunded $5,000 to Garcia.

15. On October 11, 2010, Jose D. Tortoledo entered into a Short Payoff Purchase/Service Agreement with CLLL/Green Light Investments for his home located at 360 E. 62nd Street, Los Angeles, CA 90003. Tortoledo stated that he met with Javier Tellez on at least two occasions to process the Short Payoff with CLLL/Green Light Investments. He also spoke with Sergio Santibanez by telephone on multiple occasions regarding the Short Payoff agreement. Tortoledo paid CLLL/Green Light Investments $3,500 to process the Short Payoff in which Santibanez was identified as the buyer on behalf of CLLL/Green Light Investments. Toroledo believed that he had agreed to have CLLL/Green Light Investments process a loan modification on his home. CLLL/Green Light Investments failed to perform a loan modification or the Short Payoff on behalf of Tortoledo. Tortoledo requested a full refund of the $3,500, but on May 13, 2011, he only received a $1,500 refund from CLLL/Green Light Investments.

16. Respondent GBFI and the numerous fictitious business names operating on behalf of GBFI, including CLLL, CME, Green Light Investments, Infinity Professional Services Loans, Infinity Professional Service, Infinity Real Estate and Home Loans, all solicited homeowners to modify or negotiate the purchase loans secured by real property, and collected advance fees as part of the agreements with borrowers to provide these services. Respondent GBFI and its numerous entities failed to perform the loan modification and loan negotiation services that had been promised to the borrowers and refused in many cases to refund the borrowers advance fees when requested.

17. For the transactions that occurred prior to October 11, 2009, referenced in Factual Findings 8 through 12, Respondent GBFI failed to submit the advance fee agreements that it provided to the borrowers to the Department prior to using the advance fee agreements as required by Business and Professions Code section 10085 and California Code of Regulations, Title 10, chapter 6, section 2970.

18. For the transactions that occurred after October 11, 2009, referenced in Factual Findings 13 through 15, Respondent GBFI charged and collected advance fees as compensation for offering to perform loan modification and/or other forms of loan mortgage loan forbearance for borrowers, in violation of Business and Professions Code sections 10085.5 and 10085.6.

19. Infinity Real Estate and Home Loans, Infinity Professional Services Loans, Infinity Professional Service, Green Light Investments, CLLL, CME, Adela Vargas, Silvio Prieto, Venancio R. Beberaje, Sergio Santibanez and Javier Tellez engaged in activities requiring a real estate license without first obtaining a broker license from the Department, in violation of Business and Professions Code section 10130.

20. Respondent GBFI employed and/or compensated Silvio Prieto, Sergio Santibanez and Javier Tellez, who were not licensed as real estate salespersons or as brokers to perform activities requiring a license, including soliciting borrowers to contract for, and to perform, loan modification services, negotiating loans secured by real property, negotiating the purchase, sale or exchange of real property, and collecting advance fees, in violation of Business and Professions Code section 10137.

21. Respondent GBFI acted without the Department's authorization in using the fictitious business names Centro Legal La Ley, Club Mujeres Exitos, Infinity Professional Service, Infinity Professional Services Loans, Green Light Investments, and Infinity Real Estate and Home Loans. GBFI engaged in activities requiring a real estate license while using these unlicensed fictitious business names, in violation of Business and Professions Code section 10159.5 and California code of Regulations, title 10, section 2731.

LEGAL CONCLUSIONS

Accusation

1. The Commissioner may suspend or revoke the license of a real estate licensee who has willfully disregarded or violated the Real Estate Law or the rules and regulations of the Commissioner for the administration and enforcement of the Real Estate Law, or who has demonstrated negligence or incompetence in performing an act for which the licensee is required to hold a license. (Bus. & Prof. Code, § 10177, subds. (d) and (g).)

2. It is 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 real estate salesman within this state without first obtaining a real estate license from the Department. (Bus. & Prof. Code, § 10130.) A real estate broker "solicits borrowers or lenders for or negotiates loans or collects payments 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." (Bus. & Prof. Code, § 10131, subd. (d).)

3. The Commissioner may require that any or all materials used in obtaining advance fee agreements be submitted to him or her at least 10 days before they are used. (Bus. & Prof. Code, § 10085.) It is unlawful for any person to claim, demand, charge, receive, collect, or contract for an advance fee for performing services for borrowers in connection with a loan secured by real property, or to perform any other activity for which a license is required, unless the person is a licensed real estate broker. (Bus. & Prof. Code, § 10085.5, subd. (a).) An "advance fee" is a fee, regardless of 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. (Bus. & Prof. Code,§ 10026.)

4. Every person applying for a real estate license who desires to have such license issued under a fictitious business name shall file with the application for licensure a certified copy of the fictitious business name statement filed with the county clerk. (Bus. & Prof. Code, § 10159.5; Cal. Code Regs., tit. 10, § 2731.)

5. Cause exists to revoke Respondent GBFI's real estate corporation broker license pursuant to Business and Professions Code section 10177, subdivisions (d) and (g), in that GBFI entered into written advance fee agreements prior to having the advance fee agreements approved by the Department, in violation of Business and Professions Code sections 10085 and 10085.5, by reason of Factual Findings 2 through 17.

6. Cause exists to revoke Respondent GBFI's real estate corporation license pursuant to Business and Professions Code section 10177, subdivisions (d) and (g), in that GBFI collected advance fees after October 11, 2009, in violation of Business and Professions Code sections 10085.5 and 10085.6, by reason of Factual Findings 2 through 7, 12 through 16, and 18.

7. Cause exists to revoke Respondent GBFI's real estate corporation license pursuant to Business and Professions Code section 10177, subdivisions (d) and (g), in that GBFI employed and/or compensated persons, including Silvio Prieto, Sergio Santibanez and Javier Tellez, who were not licensed as real estate salespersons or as brokers to perform activities that required a license, in violation of Business and Professions Code sections 10137 and 10131, subdivisions (a) and (d), by reason of Factual Findings 2 through 15.

8. Cause exists to revoke Respondent GBFI's real estate corporation license pursuant to Business and Professions Code section 10177, subdivisions (d) and (g), in that GBFI failed to file the fictitious business names of Centro Legal La Ley, Club Mujeres Exitos, Infinity Professional Service, Infinity Professional Services Loans, Green Light Investments, and Infinity Real Estate and Home Loans with the Department, in violation of Business and Professions Code section 10159.5 and California Code of Regulations, title 10, section 2731, by reason of Factual Findings 2 through 3, 6 through 16, 19 and 21.

9. There is insufficient evidence to conclude that Respondent GBFI failed to deposit advance fees collected from borrowers into a trust account or that GBFI failed to provide an accounting of the advance fees to the borrowers as required by Business and Professions Code section 10146. There is also insufficient evidence to include that Respondent GBFI made false and misleading representations in order to induce borrowers to enter into loan modification agreements or to negotiate Short Payoff Purchase Agreements, pursuant to Business and Professions Code sections 10176, subdivision (a), and 10177, subdivision (j).

10. The evidence established that Respondent GBFI entered into eight contractual agreements to provide loan modification and/or negotiate short payoff services for borrowers on loans secured by real property from July 2008 through October 2010. GBFI used multiple fictitious business names, including Centro Legal La Ley, Club Mujeres Exitos, Infinity Professional Service, Infinity Professional Services Loans, Green Light Investments, and Infinity Real Estate and Home Loans to process these transactions. The fictitious business names were not licensed by the Department, nor did Respondent GBFI file an application with the Department seeking to use these fictitious business names to conduct activities that required a real estate license. GBFI collected advance fees from the borrowers and failed to provide the services it agreed to provide. GBFI failed to obtain prior approval from the Department for the written advance fee agreements used prior to October 11, 2009, and unlawfully collected advance fees in the transactions that occurred after October 11, 2009. Finally, the evidence established that GBFI employed Silvio Prieto, Sergio Santibanez, and Javier Tellez, unlicensed persons, to perform activities related to the loan modification and/or short payoff agreements that required a real estate salesperson or broker license. The evidence also established that Adela Vargas conducted activities on behalf of Respondent GBFI that required a real estate license which she did not have.

Desist and Refrain Order

11. Pursuant to section 10086, when "the commissioner determines through an investigation that a person has engaged or is engaging in an activity which is a violation of a provision [of the Real Estate Law], the commissioner may direct the person to desist and refrain from such activity by issuance of an order." By this statute, the Commissioner has jurisdiction to issue such an order against Respondents, even though they are not licensed by the Department. It is 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 real estate salesman within this state without first obtaining a real estate license from the Department. (Bus. & Prof. Code, § 10130.)

12. Cause exists to affirm the Department's Desist and Refrain Order against Respondent GBFI, Adela Vargas, CLLL and CME, by reason of Factual Findings 1 through 21 and Legal Conclusions 1 through 11.

ORDER

1. All licenses and licensing rights of Respondent Group Bankers Funding, Inc., Corporation License No. 01783007, under the Real Estate Law are revoked.

2. The July 28, 2011 Order to Desist and Refrain issued against Respondent Group Bankers Funding, Inc., Adela Vargas, Centro Legal La Ley, and Club Mujeres Exitos is affirmed.

DATED: June 19, 2013

MICHAEL A. SCARLETT
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 Accusation of GROUP BANKERS FUNDING, INC. and ARMANDO FELIPE PEREZ, individually and as designated officer of Group Bankers Funding, Inc., Respondents.	DRE NO. H-37394 LA

DISMISSAL

The Department of Real Estate filed an Accusation against Respondent ARMANDO FELIPE PEREZ on July 15, 2011. Respondent ARMANDO FELIPE PEREZ deceased on July 25, 2011. Based thereon, the Accusation filed on July 15, 2011, against Respondent ARMANDO FELIPE PEREZ is hereby DISMISSED.

IT IS SO ORDERED 12/21/11.

BARBARA J. BIGBY
Acting Real Estate Commissioner

LISSETE GARCIA, Counsel (SBN 211552)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982
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FILED
JUL 15 2011
DEPARTMENT OF REAL ESTATE
By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of GROUP BANKERS FUNDING, INC. and ARMANDO FELIPE PEREZ, individually and as designated officer of Group Bankers Funding, Inc. Respondents.	NO. H-37394 LA A C C U S A T I O N

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against GROUP BANKERS FUNDING, INC. and ARMANDO FELIPE PEREZ, individually and as designated officer of Group Bankers Funding, Inc. (collectively "Respondents"), is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, makes this Accusation

in her official capacity.

2.

Respondents are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code, "Code").

3.

From January 16, 2007, through January 15, 2011, Respondent GROUP BANKERS FUNDING, INC. ("GBFI") was licensed by the Department of Real Estate ("Department") as a real estate corporation, Department License No. 01783077. At all times relevant herein, GBFI was licensed to do business as California First Realty and Home Loans and Infinity Financial Group.

4.

From September 28, 1992, through the present, Respondent ARMANDO FELIPE PEREZ ("PEREZ") has been licensed by the Department as a real estate broker, Department License No. 00646553. From on or about November 5, 2007, through January 15, 2011, Respondent PEREZ was licensed as a real estate broker and as the broker-officer of Respondent GBFI to be responsible for ensuring its compliance with the Real Estate Law pursuant to Code Section 10159.2.

5.

At no time mentioned herein have Venancio R. Beberaje, Adela Vargas or Rafael Hernandez ever been licensed by the Department in any capacity. On August 15, 2006, Venancio R. Beberaje, Adela Vargas and Rafael Hernandez formed GBFI, a

California corporation. Venancio R. Beberaje is GBFI's chief executive officer, secretary and agent for service of process. Venancio R. Beberaje, Adela Vargas and Rafael Hernandez are officers or directors for GBFI.

6.

All further references to "Respondents" include the parties listed in Paragraphs 3 through 5, above, as well as the officers, agents and employees of the parties listed in Paragraphs 3 through 5, above. Respondents engaged in the activities set forth below while doing business as GBFI, Infinity Professional Services, Infinity Professional Services Loans, Infinity Professional Service, Infinity Real Estate and Home Loans, Green Light Investments, Centro Legal La Ley, and Club Mujeres Exitos.

7.

At no time mentioned herein have Infinity Professional Services, Infinity Professional Services Loans, Infinity Professional Service, Infinity Real Estate and Home Loans, Green Light Investments, Centro Legal La Ley, and Club Mujeres Exitos ever been licensed by the Department in any capacity.

8.

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California, by doing or negotiating to do the following acts for another or others, for compensation or in expectation of compensation:

(1) sell or offer to sell, solicit prospective sellers or purchasers of, solicit or obtain listings of, or negotiate the purchase, sale or exchange of real property within the meaning of Code Section 10131(a); and (2) solicit borrowers, negotiate loans, collect payments or perform services for borrowers in connection with loans secured directly or collaterally by liens on real property within the meaning of Code Section 10131(d).

FIRST CAUSE OF ACCUSATION
(Advance Fee Violations/Dishonest Dealing)

9.

For an unknown period of time beginning no later than July 30, 2008, Respondents engaged in the business of soliciting to modify or negotiate loans secured by real property, offering to negotiate the purchase, sale or exchange of real property, and claimed, demanded, charged, received, collected or contracted for the collection of advance fees, within the meaning of Code Section 10026, for borrowers including, but not limited to, those listed below:

DATE	**BORROWER**	**ADVANCE FEE COLLECTED**
July 30, 2008	Gilberto Campos	$2,400
Aug. 4, 2008	Rafael Escalante	$2,500
Nov. 15, 2008	Aroon M. Bernal	$2,727
Jan. 2, 2009	Francisco Magana	$2,700
Feb. 19, 2010	Maria Orquiz	$4,375

DATE	BORROWER	ADVANCE FEE COLLECTED
June 18, 2010	Manuel De La Cruz	$3,500
June 22, 2010	Elizabeth Garcia	$5,000
Oct. 11, 2010	Jose D. Tortoledo	$3,500

10.

Respondents failed to perform the loan modification and negotiation services that had been promised to the borrowers mentioned in Paragraph 9, above. Respondents refused the borrowers' demands for a refund of their advance fees.

11.

For the above-mentioned transactions that occurred prior to October 11, 2009, the advance fee agreements that Respondents provided to those borrowers were not submitted to the Department prior to use as is required under Code Section 10085 and Section 2970, Title 10, Chapter 6, California Code of Regulations ("Regulations").

12.

The advance fees collected by Respondents were not deposited in a trust account as required under Code Section 10146. Respondents did not provide an accounting to principals, in violation of Code Section 10146 and Section 2972 of the Regulations.

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13.

The conduct, acts and/or omissions of Respondents GBFI and PEREZ, as set forth above, in collecting advance fees from prospective borrowers pursuant to a written fee agreement, which agreement was not submitted to the Department for review prior to use, was in violation of Code Sections 10085 and 10085.5 and Regulation Section 2970, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents GBFI and PEREZ, pursuant to Code Sections 10177(d) or 10177(g).

14.

The conduct, acts and/or omissions of Respondents GBFI and PEREZ as set forth above, in collecting advance fees from prospective borrowers and failing to deposit the advance fees into a trust account and provide an accounting to principals, was in violation of Code Section 10146 and Regulation Section 2972, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents GBFI and PEREZ pursuant to Code Sections 10177(d) or 10177(g).

15.

For those transactions described in Paragraph 9, above, that occurred after October 11, 2009, Respondents charged and collected advance fees as compensation for offering to perform loan modification or other form of loan forbearance for said borrowers, in violation of Code Sections 10085.5 and 10085.6

16.

The conduct, acts and/or omissions of Respondents GBFI and PEREZ, as set forth above, in collecting advance fees from prospective borrowers after October 11, 2009, was in violation of Code Sections 10085.5 and 10085.6, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents GBFI and PEREZ, pursuant to Code Sections 10177(d) and/or 10177(g).

17.

The conduct, acts and/or omissions of Respondents as set forth in Paragraphs 9 through 12, above, in making false and/or misleading representations in order to induce borrowers to enter into a loan modification or negotiation agreement and in otherwise engaging in fraudulent and dishonest dealing, constitutes cause for the suspension or revocation of the licenses and license rights of Respondents GBFI and PEREZ pursuant to Code Sections 10176(a) and/or 10177(j).

SECOND CAUSE OF ACCUSATION
(Unlawful Employment or Compensation of Unlicensed Person)

18.

There is hereby incorporated in this Second, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 17 above, with the same force and effect as if herein fully set forth.

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19.

At no time mentioned herein have Silvio Prieto, Sergio Santibanez and Javier Tellez ever been licensed by the Department in any capacity.

20.

The activities described in Paragraph 9, above, require a real estate license under Code Sections 10131(a) and 10131(d). Respondents GBFI and PEREZ violated Code Section 10137 by employing and/or compensating individuals including, but not limited to, Silvio Prieto, Sergio Santibanez and Javier Tellez, who were not licensed as real estate salespersons or as brokers to perform activities requiring a license. Respondents GBFI and PEREZ employed or compensated Silvio Prieto, Sergio Santibanez and Javier Tellez, to solicit borrowers and perform some or all of the services alleged in Paragraph 9, above, though they were not licensed as a real estate salesperson or broker.

21.

The conduct, acts and/or omissions of Respondents GBFI and PEREZ as set forth in Paragraph 20, above, violate Code Section 10137, and are cause for the suspension or revocation of the licenses and license rights of Respondents GBFI and PEREZ pursuant to Code Sections 10137, 10177(d) or 10177(g).

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THIRD CAUSE OF ACCUSATION
(Use of Unlicensed Fictitious Business Name)

22.

There is hereby incorporated in this Third, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 21 above, with the same force and effect as if herein fully set forth.

23.

The activities described in Paragraph 9, above, require a real estate license under Code Sections 10131(a) and 10131(d). Use of a fictitious business name for activities requiring the issuance of a real estate license requires the filing of an application for the use of such name with the Department in accordance with the provisions of Code Section 10159.5 and Regulation 2731.

24.

Respondents acted without Department authorization in using the fictitious business names Infinity Professional Services, Infinity Professional Services Loans, Infinity Professional Service, Infinity Real Estate and Home Loans, Green Light Investments, Centro Legal La Ley, and Club Mujeres Exitos to engage in activities requiring the issuance of a real estate license.

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25.

The conduct, acts and/or omissions of Respondents GBFI and PEREZ, as set forth in Paragraphs 23 and 24 above, violate Code Section 10159.5 and Regulation 2731, and are cause for the suspension or revocation of the licenses and license rights of Respondents GBFI and PEREZ pursuant to Code Sections 10177(d) and/or 10177(g).

FOURTH CAUSE OF ACCUSATION
(Failure to Supervise)

26.

There is hereby incorporated in this Fourth, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 25, above, with the same force and effect as if herein fully set forth.

27.

Respondent PEREZ' failure to supervise the activities of Respondent GBFI and its employees to ensure compliance with the Real Estate Law, is in violation of Code Section 10159.2 and Regulation 2725 which constitutes grounds to suspend or revoke Respondent PEREZ' license and license rights pursuant to Code Sections 10177(h), 10177(d) or 10177(g).

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights of Respondents GROUP BANKERS FUNDING, INC. and ARMANDO FELIPE PEREZ, individually and as designated officer of Group Bankers Funding, Inc., under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

this 12th day of July, 2011.

MARIA SUAREZ
Deputy Real Estate Commissioner

cc: Group Bankers Funding, Inc.
Armando Felipe Perez
Maria Suarez
Sacto.