DEPARTMENT OF REAL ESTATE
320 West Fourth Street, Ste. 350
Los Angeles, California 90013

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FILED

AUG 03 2011

DEPARTMENT OF REAL ESTATE
BY: _____

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

To:	
NEWKEY FINANCIAL CORP, or any other fictitious names used by New Key Financial; KYLE EDWARD O'KELLY, Individually and as designated officer of NewKey Financial Corp; and RICHARD LEE	NO. H- 37422 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 NEWKEY FINANCIAL CORP, formerly known as. Mac One Investments, (hereinafter "NFC") , KYLE EDWARD O'KELLY (hereinafter "O'KELLY"), and RICHARD LEE (hereinafter "LEE"). Based on that investigation, the Commissioner has determined that NFC, O'KELLY and LEE have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting violations of the California Business and Professions Code ("Code") and/or Title 10, California Code of Regulations ("Regulations"), including the business of, acting in the capacity of, and/or

advertising or assuming to act as, a real estate broker in the State of California within the meaning of Code Section 10131(d) (performing services for borrowers in connection with loans secured by real property) and 10131.2 (advance fee handling) of the Code. Based on the findings of that investigation, set forth below, the Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086 of the Code.

Whenever acts referred to below are attributed to NFC, O'KELLY, or LEE, those acts are alleged to have been done by NFC, acting by itself or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including, but not limited to NFC and using the names "NewKey Financial Corp," "Futura Realty of NFC," "NewKey Home Lending," "Pinnacle Home Loan," "NewKey Home Lending Pinnacle dba Mac One Investments, Inc." or other names or fictitious names unknown at this time.

Whenever acts referred to below are attributed to NFC or O'KELLY, those acts are alleged to have been done by O'KELLY, acting by himself or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including, but not limited to NFC and using the names "NewKey Financial Corp," "Futura Realty of NFC," "NewKey Home Lending," "Pinnacle Home Loan," "NewKey Home Lending Pinnacle dba Mac One Investments, Inc." or other names or fictitious names unknown at this time.

Whenever acts referred to below are attributed to NFC or LEE, those acts are alleged to have been done by LEE, acting by himself or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including, but not limited to NFC and using the names "NewKey Financial Corp," "Futura Realty of NFC," "NewKey Home Lending," "Pinnacle

Home Loan," "NewKey Home Lending Pinnacle dba Mac One Investments, Inc." or other names or fictitious names unknown at this time.

FINDINGS OF FACT

1. NFC is presently licensed by the Department as a real estate corporation. KYLE EDWARD O'KELLY was the designated officer of NFC until May 19, 2010. Prior to O'KELLY, Neal Arrington was the designated officer of NFC until September 18, 2009. The d.b.a.s listed by NFC with the Department are: Futura Realty of NFC, NewKey Home Lending, and Pinnacle Financial Group. NFC was licensed by the Department of Corporations as a residential mortgage lender and mortgage loan servicer until its license was revoked on or about December 9, 2009. NFC is a registered corporation incorporated under the laws of the State of California. Mac One Investments filed Articles of Organization with the Secretary of State on May 3, 2001 with Maria Looney listed as the Agent for Service of Process. NFC filed a Certificate of Amendment with the Secretary of State on June 1, 2004 to change its name to "NewKey Financial Corp." NFC filed a Statement of Information with the Secretary of State on June 23, 2009 listing NFC's address as 20422 Beach Boulevard, Suite #115, Huntington Beach, CA 92648, and listing Richard Lee as the Chief Executive Officer, Secretary, and Chief Financial Officer and Cristal Pickersgill as the Agent for Service of Process. Cristal Pickersgill filed a Resignation of Agent Upon Whom Process May Be Served on January 25, 2010. Pinnacle Financial Group, Pinnacle Home Loan, and Newkey Home Lending had Fictitious Business Name Statements filed with the Orange County listing Mac One Investments, Inc. as the owner; these Fictitious Business Name Statements have expired. On or about March 24, 2010, NFC's HUD/FHA mortgagee approval pursuant to 24 C.F.R. Part 25 for a period of one

year was withdrawn by the Department of Housing Development Mortgagee Review Board for NFC's violation of the HUD's Regulations at 24 C.F.R. Part 202. At the times set forth below, NFC solicited borrowers to negotiate loans secured by real property for compensation or in expectation of compensation to NFC.

2. O'KELLY has been licensed by the Department as a real estate salesperson since May 1, 2002, and as a real estate broker since April 18, 2006. O'KELLY was the designated officer of NewKey Financial Corp. until he was cancelledl May 19, 2010. O'KELLY is presently the designated officer for O'Kelly Enterprises.

3. LEE is not now, and has never been, licensed by the Department in any capacity

4. On or about October 10, 2008, Katie R. paid $2,995.00 via credit card to NFC and NFC representative Chad Brown as advance fees, pursuant to an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by NFC with respect to a loan secured by real property located at 441 South Maple, #37, Mesa, AZ 85206. After ten months, Katie R. received no results on her loan and learned that NFC had not worked on negotiating or modifying the terms of her loan on the Woodside property. On or about June 1, 2009, Katie R. notified NFC that it was no longer authorized to represent her in her loan modification, and requested a full refund. Katie R. received a refund of $1,505.00 from her credit card company on or about September 29, 2009.

CONCLUSIONS OF LAW

5. Based on the findings of fact contained in paragraphs 1 through 4, NFC, acting by itself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including, but not limited to O'KELLY and LEE, and using the name "NEWKEY FINANCIAL CORP," or other names or fictitious names unknown at this time, solicited borrowers to negotiate loans or perform services, in connection with loans secured directly or collaterally by one or

more liens on real property. These acts, which require a real estate broker license under Section 10131(d) of the Code, were performed during a period of time when LEE was CEO of NFC, but was not licensed by the Department as a real estate broker, a violation of Code Section 10130.

6. Based on the findings of fact contained in paragraphs 1 through 4, the agreement between Katie R. and NFC constitutes an advance fee agreement within the meaning of Code Section 10026. The failure by NFC and O'KELLY to submit the advance fee agreement to the Commissioner two days before using it constitutes a violation of Code Section 10085 and Regulation 2970.

DESIST AND REFRAIN ORDER: RICHARD LEE

Based upon the Findings of Fact and Conclusions of Law stated herein, it is hereby ordered that RICHARD LEE, whether doing business under your own name or as NewKey Financial Corp., or any other name(s) or fictitious name(s), IS HEREBY ORDERED to immediately desist and refrain from performing any acts within the State of California for which a real estate broker license is required, unless you are so licensed. In particular you are ORDERED TO DESIST AND REFRAIN from:

1. 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; and
2. 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.

DESIST AND REFRAIN ORDER:

NEWKEY FINANCIAL CORP and EDWARD KYLE O'KELLY

Based upon the Findings of Fact and Conclusions of Law stated herein, it is hereby ordered that NEWKEY FINANCIAL CORP and EDWARD KYLE O'KELLY, whether doing business under your own name or any other name(s) or fictitious name(s), ARE HEREBYORDERED to:

1. 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 loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services, 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);
2. 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 NEWKEY FINANCIAL CORP and EDWARD KYLE O'KELLY demonstrate and provide evidence satisfactory to the Commissioner that NEWKEY FINANCIAL CORP and EDWARD KYLE O'KELLY:
   a. Have an advance fee agreement which has been submitted to the Commissioner in compliance with Code Section 10085 and Section 2970 of the Regulations;
   b. Have placed all previously collected advance fees into a trust account for that purpose in compliance with the provisions of Code Section 10146;

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

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

DATED: 7/29 2011

BARBARA J. BIGBY
Acting Real Estate Commissioner

By _____

Notice: Business and Professions Code Section 10139 provides that "Any person acting as a real estate broker or real estate salesperson without a license or who advertises using words indicating that he or she is a real estate broker without being so licensed shall be guilty of a public offense punishable by a fine not exceeding twenty thousand dollars ($20,000), or by imprisonment in the county jail for a term not to exceed six months, or by both fine and imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars ($60,000)."

cc: NEWKEY FINANCIAL CORP
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