

1 engaged in or are engaging in acts or attempting to engage in the business of, acting in the capacity
2 of, and/or advertising or assuming to act as real estate brokers in the State of California within the
3 meaning of Business and Professions Code (“Code”) Sections 10131(a) (solicit prospective sellers
4 or purchasers of or negotiate the purchase, sale or exchange of real property) 10131(d) (solicit
5 borrowers for or negotiate loans or perform services for borrowers in connection with loans
6 secured by liens on real property), and 10131.2 (engage in the business of claiming, demanding,
7 charging, receiving, collecting or contracting for the collection of an advance fee in connection
8 with offering to obtain a loan on real property).

9 In addition, based on that investigation, the Commissioner has determined that
10 MAGNUS FINANCIAL CORP.; MAGNUS FINANCIAL CO.; NEW HORIZON FINANCIAL
11 SERVICES; NEW HORIZON CREDIT; PHILFORD FLOYD JEFFORDS; ELIZABETH
12 VENULDA DEBURGO; KRISTIANA NICOLE COLLINS; DAVID MEDINA; and ANTHONY
13 SISON have engaged in or are engaging in acts or are attempting to engage practices constituting
14 violations of the Code and/or Title 10, California Code of Regulations (“Regulations”). Based on
15 the findings of that investigation, set forth below, the Commissioner hereby issues the following
16 Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section
17 10086 of the Code.

18 FINDINGS OF FACT

19 1. From June 4, 2008, through June 3, 2012, MAGNUS FINANCIAL CORP.
20 (“MAGNUS”) was licensed by the Department as a corporate real estate broker, Department ID
21 01845066. MAGNUS was licensed to do business as MAGNUS FINANCIAL CO.

22 2. From September 6, 2007, through September 5, 2011, KRISTIANA NICOLE
23 COLLINS (“COLLINS”) was licensed by the Department as a real estate broker, Department ID
24 01832431.

25 3. From June 4, 2008, through June 3, 2012, MAGNUS was acting by and through
26 COLLINS as its officer pursuant to Code Section 10159.2 to be responsible for ensuring
27 compliance with the Real Estate Law.

1 4. MAGNUS is a California corporation. PHILFORD FLOYD JEFFORDS
2 (“JEFFORDS”) is the Chief Executive Officer and a director of MAGNUS. ELIZABETH
3 VENULDA DEBURGO (“DEBURGO”) is the Secretary for MAGNUS.

4 5. JEFFORDS, DEBURGO, DAVID MEDINA, and ANTHONY SISON have
5 never been licensed in any capacity by the Department.

6 6. For an unknown period of time beginning no later than October 6, 2009, through
7 the present, Respondents, while doing business as MAGNUS FINANCIAL, MAGNUS
8 FINANCIAL CO., NEW HORIZON FINANCIAL SERVICES, or NEW HORIZON CREDIT
9 solicited and offered loan services to consumers, including services to assist them in negotiating
10 with lenders, foreclosure forbearance, or obtaining a loan modification. Respondents, while
11 licensed to do business in California, engaged in the business of claiming, demanding, charging
12 receiving, collecting or contracting for the collection of advance fees, within the meaning of Code
13 Section 10026 including, but not limited to, the following loan activities with respect to loans
14 which were secured by liens on real property.

15 Justin T.

16 7. On or about October 6, 2009, Respondents solicited and offered to assist
17 borrower Justin T. with loan modification and negotiation services. Justin T. entered into a written
18 advance fee agreement with MAGNUS FINANCIAL CO. for loan modification and negotiation
19 services in connection with a loan secured by a lien on real property. Justin T. paid an advance fee
20 of \$2,900 to MAGNUS FINANCIAL CO. for loan modification and negotiation services.

21 Respondents made misrepresentations to Justin T. in order to induce Justin T. to enter into the
22 advance fee agreement including, among others, that Justin T. would receive a full refund of his
23 advance fee if MAGNUS FINANCIAL CO. could not obtain a loan modification for Justin T.

24 Moreover, on July 15, 2010, Justin T. received a notice from DEBURGO and JEFFORDS that

25 Justin T. would be required to pay an additional monthly service fee of \$145 to MAGNUS

26 FINANCIAL CO., or its subsidiaries NEW HORIZON FINANCIAL SERVICES / NEW

27 HORIZON CREDIT, or work on Justin T's loan modification would cease. Respondents failed to

1 perform the loan modification and negotiation services that had been promised to Justin T.

2 Respondents failed to provide an accounting of any services done for Justin T. or an accounting of
3 the advance fees collected from Justin T.

4 Edgar A.

5 8. On or about November 12, 2009, ANTHONY SISON, an unlicensed person
6 working on behalf of Respondents, solicited and offered to assist borrower Edgar A. with loan
7 modification and negotiation services. Edgar A. entered into a written advance fee agreement with
8 MAGNUS FINANCIAL CO. for loan modification and negotiation services in connection with a
9 loan secured by a lien on real property. Edgar A. paid an advance fee of \$2,475 to MAGNUS
10 FINANCIAL CO. for loan modification and negotiation services. Respondents made
11 misrepresentations to Edgar A. in order to induce Edgar A. to enter into the advance fee agreement
12 including, among others, that Edgar A. would receive a full refund of his advance fee if MAGNUS
13 FINANCIAL CO. could not obtain a loan modification for Edgar A.

14 Najma P.

15 9. On or about November 12, 2009, DAVID MEDINA, an unlicensed person
16 working on behalf of Respondents, solicited and offered to assist borrower Najma P. with loan
17 modification and negotiation services. Najma P. entered into a written advance fee agreement with
18 MAGNUS FINANCIAL CO. for loan modification and negotiation services in connection with a
19 loan secured by a lien on real property. Najma P. paid an advance fee of \$3,000 to MAGNUS
20 FINANCIAL CO. for loan modification and negotiation services. Respondents made
21 misrepresentations to Najma P. in order to induce Najma P. to enter into the advance fee agreement
22 including, among others, that Najma P. would receive a full refund of her advance fee if MAGNUS
23 FINANCIAL CO. could not obtain a loan modification for Najma P.

24 Alice C.

25 10. On or about December 2, 2009, Respondents solicited and offered to assist
26 borrower Alice C. with loan modification and negotiation services. Alice C. entered into a written
27 advance fee agreement with MAGNUS FINANCIAL CO. for loan modification and negotiation

1 services in connection with a loan secured by a lien on real property. Alice C. paid an advance fee
2 of \$3,000 to MAGNUS FINANCIAL CO. for loan modification and negotiation services.

3 Respondents made misrepresentations to Alice C. in order to induce Alice C. to enter into the
4 advance fee agreement including, among others, that Alice C. would receive a full refund of her
5 advance fee if MAGNUS FINANCIAL CO. could not obtain a loan modification for Alice C.

6 CONCLUSIONS OF LAW

7 11. Based on the information contained in Paragraphs 1 through 10, above, NEW
8 HORIZON FINANCIAL SERVICES; NEW HORIZON CREDIT; PHILFORD FLOYD
9 JEFFORDS; ELIZABETH VENULDA DEBURGO; DAVID MEDINA; and ANTHONY SISON
10 violated Code Section 10130 by engaging in activities requiring a real estate license without first
11 obtaining a broker license from the Department.

12 12. Based on the information contained in Paragraph 7, above, MAGNUS
13 FINANCIAL CORP., MAGNUS FINANCIAL CO., and KRISTIANA NICOLE COLLINS
14 violated Code Section 10085 and Regulation 2970 by failing to submit any written solicitation or
15 written agreement calling for payment of an advance fee as defined in Section 10026 of the Code,
16 to the Commissioner ten days prior to using them.

17 13. Based on the information contained in Paragraphs 8 through 10, above,
18 MAGNUS FINANCIAL CORP., MAGNUS FINANCIAL CO., and KRISTIANA NICOLE
19 COLLINS violated Code Sections 10085.5 and 10085.6 by claiming, demanding, charging,
20 receiving, collecting or contracting for advance fees for performing services for borrowers in
21 connection with loans to be secured directly or collaterally by a lien on real property.

22 14. Based on the information contained in Paragraphs 8 through 10, above,
23 MAGNUS FINANCIAL CORP., MAGNUS FINANCIAL CO., and KRISTIANA NICOLE
24 COLLINS violated Code Section 10137 by employing and/or compensating individuals who were
25 not licensed as a real estate salesperson or as a broker to perform activities requiring a real estate
26 license.

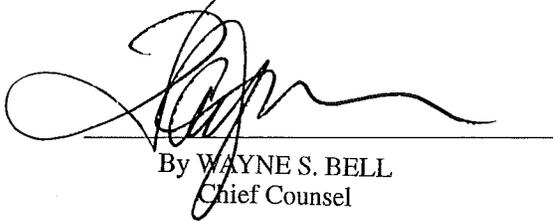
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(b) have placed all previously collected advance fees into a trust account for that purpose and is in compliance with Section 10146 of the Code; and

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

DATED: 8/31, 2012.

Real Estate Commissioner



By WAYNE S. BELL
Chief Counsel

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

cc: Magnus Financial Corp.; Magnus Financial Co.; New Horizon Financial Services; New Horizon Credit; Philford Floyd Jeffords; Elizabeth Venulda Deburgo; Kristiana Nicole Collins; David Medina; Anthony Sison
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