

1 DEPARTMENT OF REAL ESTATE
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FILED

JUL 15 2009

DEPARTMENT OF REAL ESTATE

By K. Contreras

8 BEFORE THE
9 DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 TO:)
13)
14 RMR GROUP,)
15 MICHAEL SCOTT ARMENDARIZ,)
16 ERIC BERNARDINO-BECERRA,)
17 SERGIO CHAVEZ,)
18 JOSE NINO,)
19 LINDA RODRIGUEZ,)
LYDIA BUSTOS,)
RICARDO HAAG,)
SHIPPEY & ASSOCIATES, P.C., and)
KARLA SHIPPEY, ESQ.)

NO. H-2403 FR

ORDER TO DESIST AND REFRAIN
(B & P Code Section 10086)

20 The Commissioner (Commissioner) of the California Department of Real Estate
21 (Department) caused an investigation to be made of the activities of RMR GROUP (RMR),
22 MICHAEL SCOTT ARMENDARIZ (ARMENDARIZ), ERIC BERNARDINO BECERRA
23 (BECERRA), SERGIO CHAVEZ (CHAVEZ), JOSE NINO (NINO), LINDA RODRIGUEZ
24 (RODRIGUEZ), LYDIA BUSTOS (BUSTOS), RICARDO HAAG (HAAG), SHIPPEY &
25 ASSOCIATES, P.C. (SHIPPEY P.C.), and KARLA SHIPPEY, ESQ. (SHIPPEY ESQ.),
26 (collectively referred to as "you") have engaged in, are engaging in, or are attempting to engage
27 in, acts or practices constituting violations of the California Business and Professions Code

1 (Code) and/or Title 10, Chapter 6, California Code of Regulations (Regulations), including the
2 business of, acting in the capacity of, and/or advertising or assuming to act as, real estate brokers
3 in the State of California within the meaning of Section 10131(d) (performing services for
4 borrowers in connection with loans secured by real property) of the Code. Additionally, you
5 have violated Sections 10130 (unlicensed activity), 10085 (advanced fee agreements), 10085.5
6 (advance fee payments), 10146 (depositing advanced fees into a trust account), 10176(a)
7 (misrepresentation), (b) (false promises), (c) (continued and flagrant course of misrepresentation
8 and/or making false promises), and (i) (fraud and dishonest dealing by licensee), and 10177(d)
9 (violating the real estate law), (g) (negligence) and/or (j) (fraud and dishonest dealing) of the
10 Code and Sections 2970 (advance fee materials) and 2972 (accounting content) of the California
11 Code of Regulations (Regulations). Furthermore, based on the investigation, the Commissioner
12 hereby issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order
13 under the authority of Section 10086 of the Code.

14 Whenever acts referred to below are attributed to RMR, ARMENDARIZ,
15 BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C., and
16 SHIPPEY, ESQ., those acts are alleged to have been done by RMR, ARMENDARIZ,
17 BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C., and
18 SHIPPEY, ESQ., acting by themselves, or by and/or through one or more agents, associates,
19 affiliates, and/or co-conspirators, known or unknown.

20 FINDINGS OF FACT

- 21 1. RMR is not now, and has never been, licensed by the Department in any
22 capacity.
- 23 2. ARMENDARIZ has been licensed by the Department as a real estate
24 broker since April 11, 2002; said license will expire April 10, 2010.
- 25 3. BECERRA has been licensed by the Department as a real estate
26 salesperson effective September 4, 2004; said license was suspended due to education
27 requirements not filed, effective March 5, 2006; which suspension was removed, as education

1 requirements were met, effective October 23, 2006; said license was revoked with the right to
2 restricted license effective May 6, 2009 and will expire May 5, 2013. During the time
3 BECERRA was licensed as a real estate salesperson, he performed activities requiring he be
4 employed by a real estate broker and be acting under the supervision and control of said
5 broker, when in fact, at all times mentioned herein, BECERRA was not employed by a real
6 estate broker.

7 4. CHAVEZ has been licensed by the Department as a real estate salesperson
8 effective September 6, 2005; said license was suspended due to education requirements not filed,
9 effective March 7, 2007; which suspension was removed, as education requirements were met,
10 effective April 30, 2007 and his license will expire September 5, 2009; CHAVEZ has had no
11 employing broker since April 30, 2007. During the time CHAVEZ was licensed as a real estate
12 salesperson, he performed activities requiring he be employed by a real estate broker and be
13 acting under the supervision and control of said broker; when in fact, at all times mentioned
14 herein, CHAVEZ, was not employed by a real estate broker.

15 5. NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY, ESQ., and SHIPPEY
16 P.C., are not now, and have never been, licensed by the Department in any capacity.

17 6. During the period of time set out below, RMR, ARMENDARIZ,
18 BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C., and
19 SHIPPEY, ESQ., solicited borrowers and negotiated to do one or more of the following acts for
20 another or others, for or in expectation of compensation: negotiate one or more loans for, or
21 perform services for, borrowers and/or lenders in connection with loans secured directly or
22 collaterally by one or more liens on real property; and charge, demand or collect an advance fee
23 for any of the services offered.

24 Arturo Cortez transaction

25 7. In about March 2008, RMR, through an unidentified man and woman,
26 solicited Arturo Cortez (Cortez) in order to provide loan modification services to save Cortez'
27 home from being lost in foreclosure.

1 8. In furtherance of RMR's plan and scheme to provide loan modification
2 services to Cortez, RMR requested an advance fee of \$2,500 to \$3,000 from Cortez. In reliance
3 on RMR's representations, Cortez signed the RMR contract and paid part of the fee at his home.
4 RMR did not provide a successful and/or sustainable loan modification to Cortez.

5 Margaret Casares transaction

6 9. On about April 29, 2008, HAAG, on behalf of RMR, Corona, California,
7 claimed, demanded, charged, received, collected, and contracted for a fee of at least \$2,000 in
8 advance from Margaret Casares, the owner of real estate property located in California, for
9 services to be performed thereafter regarding obtaining a modification of loan terms for a loan
10 secured by said property. RMR did not provide a successful and/or sustainable loan modification
11 to Casares.

12 Francisco Dominguez transaction

13 10. On about July 26, 2008, CHAVEZ, on behalf of RMR, SHIPPEY P.C.,
14 and SHIPPEY ESQ., claimed, demanded, charged, received, collected, and contracted for a fee
15 of at least \$2,500 in advance from Francisco Dominguez, the owner of real property located in
16 California, for services to be performed thereafter regarding obtaining a modification of loan
17 terms for a loan secured by said property. RMR did not provide a successful and/or sustainable
18 loan modification to Dominguez.

19 Jesus Martinez transaction

20 11. On about August 26, 2008, ARMENDARIZ and CHAVEZ, on behalf of
21 RMR, SHIPPEY P.C., and SHIPPEY, ESQ., claimed, demanded, charged, received, collected,
22 and contracted for a fee of at least \$3,000 in advance from Jesus Martinez, the owner of real
23 property located in California, for services to be performed thereafter regarding obtaining a
24 modification of loan terms for a loan secured by said property. RMR did not provide a
25 successful and/or sustainable loan modification to Martinez.

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1 Fidela Vallejo transaction

2 12. In about November 2008, NINO, on behalf of RMR, Fresno, California,
3 solicited Fidela Vallejo (Vallejo) in order to provide loan modification services to lower her
4 mortgage payments, reduce her interest rate, and provide representation in negotiations with her
5 lender.

6 13. In furtherance of RMR's plan and scheme to provide loan modification
7 services to Vallejo, NINO requested an advance fee of \$3,000 from Vallejo, which included a
8 cash payment of \$850. In reliance on NINO's representations, Vallejo paid \$850, with the
9 balance to be paid in biweekly payments. Vallejo, through her common law spouse, Ramon
10 Morales, signed a loan modification agreement with an estimated service fee of \$3,295 for the
11 loan modification. RMR did not provide a successful and/or sustainable loan modification to
12 Vallejo.

13 Ramon Morales transaction

14 14. In about November 2008, NINO, on behalf of RMR, SHIPPEY P.C., and
15 SHIPPEY ESQ., claimed, demanded, charged, received, collected, and contracted for a fee of at
16 least \$3,000 in advance from Ramon Morales, the owner of real property located in California,
17 for services to be performed thereafter regarding obtaining a modification of loan terms for a
18 loan secured by said property. RMR did not provide a successful and/or sustainable loan
19 modification to Morales.

20 Vilma R. Moline transaction

21 15. On about November 10, 2008, ARMENDARIZ, on behalf of RMR,
22 SHIPPEY P.C., and SHIPPEY, ESQ., claimed, demanded, charged, received, collected, and
23 contracted for a fee of at least \$3,000 in advance from Vilma R. Moline, the owner of real
24 property located in California, for services to be performed thereafter regarding obtaining a
25 modification of loan terms for a loan secured by said property. RMR did not provide a
26 successful and/or sustainable loan modification to Moline.

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1 Elias and Christine Rocha transaction

2 16. On about December 16, 2008, NINO, on behalf of RMR, Fresno,
3 California, SHIPPEY P.C., and SHIPPEY, ESQ., claimed, demanded, charged, received,
4 collected, and contracted for a fee of at least \$3,600 in advance from Elias and Christine Rocha,
5 the owners of real property located in California, for services to be performed thereafter
6 regarding obtaining a modification of loan terms for a loan secured by said property. RMR did
7 not provide a successful and/or sustainable loan modification to the Rocha's.

8 Juan Manzano transaction

9 17. On about December 16, 2008, BUSTOS, on behalf of RMR, Fresno,
10 California, SHIPPEY P.C., and SHIPPEY, ESQ., claimed, demanded, charged, received,
11 collected, and contracted for a fee of at least \$6,000 in advance from Juan Manzano, the owner
12 of real property located in California, for services to be performed thereafter regarding obtaining
13 a modification of loan terms for a loan secured by said property. RMR did not provide a
14 successful and/or sustainable loan modification to Manzano.

15 RODRIGUEZ' solicitation to Department employee Rene Esquivel

16 18. On about January 16, 2009, RODRIGUEZ, on behalf of RMR, Fresno,
17 California, SHIPPEY P.C., and SHIPPEY, ESQ., solicited Department employee, Rene Esquivel
18 (Esquivel) to engage RMR, SHIPPEY P.C., SHIPPEY, ESQ., and its agents to represent
19 Esquivel in negotiating with his lender, modification of one or more loans which was represented
20 to RODRIGUEZ to be in arrears or in default. In connection with that solicitation,
21 RODRIGUEZ represented to Esquivel that an advance fee would be claimed, charged and
22 collected from him for services RODRIGUEZ' was to perform on behalf of RMR, SHIPPEY
23 P.C., and SHIPPEY, ESQ., thereafter regarding obtaining a modification of loan terms for one or
24 more loans secured by the real property owned by Esquivel.

25 BUSTOS' solicitation to Department employee Ernie Ruiz

26 19. On about February 5, 2009, BUSTOS, on behalf of RMR, Fresno,
27 California, SHIPPEY P.C., and SHIPPEY, ESQ., solicited Department employee Ernie Ruiz

1 (Ruiz) to engage RMR, SHIPPEY P.C., SHIPPEY, ESQ., and its agents to represent Ruiz in
2 negotiating with his lender, modifications of one or more loans which were represented to
3 BUSTOS to be in arrears or in default. In connection with that solicitation, BUSTOS
4 represented to Ruiz that an advance fee would be claimed, charged and collected from him for
5 services BUSTOS was to perform on behalf of RMR, SHIPPEY P.C., and SHIPPEY, ESQ.,
6 thereafter regarding obtaining a modification of loan terms for one or more loans secured by the
7 real property owned by Ruiz.

8 CONCLUSIONS OF LAW

9 1. Based on the Findings of Fact contained in Paragraphs 1 through 19,
10 RMR, BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C. and
11 SHIPPEY, ESQ., acting by themselves, or by and/or through one or more agents, associates,
12 affiliates, and/or co-conspirators, solicited borrowers and the Department's own employees, to
13 perform services for those borrowers and said employees and their lenders in connection with
14 loans secured directly or collaterally by one or more liens on real property, and charged,
15 demanded or collected advance fees for the services to be provided, which acts require a real
16 estate broker license under Sections 10130 (unlicensed activity), 10131(d) (mortgage loans), and
17 10131.2 (advance fees) of the Code, during a period of time when RMR, BECERRA, CHAVEZ,
18 NINO, RODRIGUEZ, BUSTOS, HAAG, SHIPPEY P.C. and SHIPPEY, ESQ., were not
19 licensed by the Department as real estate brokers.

20 2. Based on the Findings of Fact contained in Paragraphs 1 through 19,
21 RMR, ARMENDARIZ, BECERRA, CHAVEZ, NINO, RODRIGUEZ, BUSTOS, HAAG,
22 SHIPPEY P.C. and SHIPPEY, ESQ., acting by themselves, or by and/or through one or more
23 agents, associates, affiliates, and/or co-conspirators, known or unknown, solicited borrowers and
24 performed services for those borrowers and/or those borrowers' lenders in connection with loans
25 secured directly or collaterally by one or more liens on real property, and charged, demanded or
26 collected advance fees for the services to be provided, in violation of Sections 10085 (advanced
27 fee agreements), 10085.5 (advance fee payments), 10146 (depositing advanced fees into a trust

1 account), 10176(a) (misrepresentation), (b) (false promises), (c) (continued and flagrant course
2 of misrepresentation and/or making false promises), and (i) (fraud and dishonest dealing by
3 licensee), and 10177(d) (violating the real estate law), (g) (negligence) and/or (j) (fraud and
4 dishonest dealing) of the Code and Sections 2970 (advance fee materials) and 2972 (accounting
5 content).

6 DESIST AND REFRAIN ORDER

7 Based on the Findings of Fact and Conclusions of Law stated herein, you, RMR
8 GROUP, MICHAEL SCOTT ARMENDARIZ, ERIC BERNARDINO BECERRA, SERGIO
9 CHAVEZ, JOSE NINO, LINDA RODRIGUEZ, LYDIA BUSTOS, RICARDO HAAG,
10 SHIPPEY & ASSOCIATES, P.C., and KARLA SHIPPEY, ESQ., whether doing business under
11 your own names, or any other names or fictitious names, ARE HEREBY ORDERED to:

12 1. immediately desist and refrain from performing any acts within the State of
13 California for which a real estate broker license is required until and unless you have obtained a
14 broker license. And, in particular, you are ordered to desist and refrain from:

15 (i) soliciting borrowers and/or performing services for borrowers or
16 lenders in connection with loans secured directly or collaterally by one or more liens on real
17 property, and,

18 (ii) from charging, demanding, or collecting an advance fee for any of the
19 services you offer to others, unless and until you obtain a real estate broker license issued by
20 the Department, and until you demonstrate and provide evidence satisfactory to the
21 Commissioner that you are in full compliance with all of the requirements of the Code and
22 Regulations relating to charging, collecting, and accounting for advance fees.

23 2. immediately desist and refrain from collecting advance fees, as that term in
24 defined in Section 10026 of the Code, in any form and particularly with respect to loan
25 modification, loan refinance, principal reduction, foreclosure abatement or short sale services,
26 unless and until you demonstrate and provide evidence satisfactory to the Commissioner that
27 you have:

1 (i) an advance fee agreement which has been submitted to the Department and
2 which is in compliance with Sections 2970 and 2972 of the Regulations;

3 (ii) placed all previously collected advance fees into a trust account for that
4 purpose and are in compliance with Section 10146 of the Code; and

5 (iii) provided an accounting to trust fund owner-beneficiaries pursuant to Section
6 2972 of the Regulations.

7 DATED: 7-14-09

9 JEFF DAVI
10 Real Estate Commissioner

11 By 
12 BARBARA J. BIGBY
13 Chief Deputy Commissioner

14 -NOTICE-

15 Business and Professions Code Section 10139 provides that "Any person acting as
16 a real estate broker or real estate salesperson without a license or who advertises using words
17 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
18 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by
19 imprisonment in the county jail for a term not to exceed six months, or by both fine and
20 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
21 (\$60,000)....."

22 cc: RMR Group, Attn: Michael Armendariz, Agent for Service of Process
23 1318 East Shaw Avenue Suite 200
Fresno, CA 93710

24 RMR Group, Attn: Michael Armendariz, Agent for Service of Process
25 109 Maple Street, Suite C
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26 RMR Group, Attn: Michael Armendariz, Agent for Service of Process
27 5011 Argosy Avenue, Suite 13
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