

FILED

APR - 7 2011

DEPARTMENT OF REAL ESTATE
By R. M. [Signature]

1 Department of Real Estate
2 P. O. Box 187007
3 Sacramento, CA 95818-7007

4 Telephone: (916) 227-0789
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6

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

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10 To:)
11) NO. H-4180 SD
12 EXPEDIA MARKETING FIRM)
13) ORDER TO DESIST AND REFRAIN
14) (B&P Code Section 10086)

15 The Commissioner (hereafter "the Commissioner") of the California Department
16 of Real Estate (hereafter "the Department") caused an investigation to be made of the activities
17 of EXPEDIA MARKETING FIRM, individually and doing business as "Expedia Consulting
18 Firm" (hereafter "Respondent"). Based on that investigation, the Commissioner has determined
19 that Respondent has engaged in, is engaging in, or is attempting to engage in, acts or practices
20 constituting violations of the California Business and Professions Code ("Code") and/or Title
21 10, Chapter 6, California Code of Regulations ("Regulations"), including acting in the capacity
22 of, advertising or assuming to act as a real estate broker in the State of California within the
23 meaning of Section 10131(d) (performing services for borrowers and/or lenders in connection
24 with loans secured by real property), 10131.2 (collection of advance fees), 10085 (advance fee
25 agreements and materials) and 10085.5 (collecting unauthorized advance fees) of the Code.

26 Furthermore, based on the investigation, the Commissioner hereby issues the following Findings

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1 of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086
2 of the Code.

3 FINDINGS OF FACT

4 1. At no time has Respondent been licensed by the Department in any capacity.
5 During the period of time set out below, Respondent performed services for one or more
6 borrowers and negotiated to do one or more of the following acts for another or others, for or in
7 expectation of compensation: negotiate one or more loans for, or perform services for,
8 borrowers and/or lenders with respect to the collection of advance fees and loan modification,
9 loan refinance, principal reduction, foreclosure abatement or short sale services and/or those
10 borrowers' lenders in connection with loans secured directly or collaterally by one or more liens
11 on real property; and charged, demanded or collected an advance fee for any of the services
12 offered.

13 2. In furtherance of its plan and scheme to solicit advance fees and provide loan
14 modification services, on or about December 2008, Respondent's employee, Ian Pulu, solicited
15 Karen A. and promised that he could negotiate with her mortgage lender for a loan modification
16 which would include a \$225,000 principal reduction, lowering her interest rate to 2% and
17 lowering her mortgage payment to \$700 per month. Ian Pulu told Karen A. that Respondent's
18 attorneys would perform a forensic audit for \$3,800, after which Respondent would offer her
19 free loan modification services. On or about January 25, 2010, Karen A. entered into a "Forensic
20 Loan Audit Retainer Agreement" with Respondent. Karen A. made payments to Respondent in
21 exchange for its forensic audit and loan modification services on the following dates:

<u>Date</u>	<u>Payment Amount</u>
02/17/10	\$600
02/27/10	\$600
03/08/10	\$600
03/10/10	\$200
03/17/10	\$600
03/22/10	\$600
03/31/10	<u>\$600</u>
	\$3,800

1 Respondent failed to secure a loan modification for Karen A. and has not repaid the money
2 received from her.

3 3. In further of its plan and scheme to solicit advance fees, on or about March 14,
4 2010, Michael S. entered into a "Forensic Loan Audit Retainer Agreement" with Respondent
5 through its representative, Marcus Wilson. Michael S. made payments to Respondent for its
6 forensic audit and loan modification services on the following dates:

<u>Date</u>	<u>Payment Amount</u>
04/16/10	\$1,500
04/19/10	<u>\$1,300</u>
	\$2,800

11 Respondent has not obtained a loan modification for Michael S. and has not returned the money
12 it received from him.

CONCLUSIONS OF LAW

14 Based on the Findings of Fact contained in Paragraphs 1 through 3, above, EXPEDIA
15 MARKETING FIRM, solicited borrowers and/or performed services for those borrowers with
16 respect to the collection of advance fees and loan modification, loan refinance, principal
17 reduction, foreclosure abatement or short sale services and/or those borrowers' lenders in
18 connection with loans secured directly or collaterally by one or more liens on real property; and
19 charged, demanded or collected advance fees for the services to be provided, which acts require
20 a real estate broker license under Sections 10131(d) and 10131.2 of the Code.

21 EXPEDIA MARKETING FIRM used a form of advance fee agreement which had not
22 been provided to the Department for its prior review and consideration, in violation of Sections
23 10085 and 10085.5 of the Code, and Section 2970 (submission of advance fee materials) of the
24 Regulations.

DESIST AND REFRAIN ORDER


26 Based on the Findings of Fact and Conclusions of Law stated herein, EXPEDIA
27 MARKETING FIRM, individually and doing business as "Expedia Consulting Firm", and

1 whether doing business under your own name, or any other name or fictitious name, IS HEREBY
2 ORDERED to immediately desist and refrain from:

- 3 1. Performing any acts within the State of California that require a real estate broker
4 license unless and until you are properly licensed by the Department as a real
5 estate broker.
- 6 2. Charging, demanding, claiming, collecting and/or receiving advance fees, as that
7 term is defined in Section 10026 of the Code, for any of the services you offer to
8 others, unless and until you demonstrate and provide evidence satisfactory to the
9 Commissioner that you are properly licensed by the Department as a real estate
10 broker and that EXPEDIA MARKETING FIRM:
- 11 (a) Has an advance fee agreement which has been submitted to the Department
12 and which is in compliance with Sections 2970 and 2972 of the Regulations;
- 13 (b) Has placed all previously collected advance fees into a trust account for that
14 purpose and are in compliance with Section 10146 (deposit of advance fees
15 into trust account) of the Code; and
- 16 (c) Has provided an accounting to trust fund owner-beneficiaries pursuant to
17 Section 2972 of the Regulations.
- 18 3. Demanding, claiming, collecting and/or receiving advance fees, as that term is
19 defined in Section 10026 of the Code, in any form, and under any conditions,
20 with respect to the performance of loan modification or any other form of
21 mortgage loan forbearance services in connection with loans on residential
22 property containing four or fewer dwelling units.

23 DATED: 3/22/2011

24 JEFF DAVI
25 Real Estate Commissioner

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1 **Notice:** Business and Professions Code Section 10139 provides that, "Any person acting
2 as a real estate broker or real estate salesperson without a license or who advertises using words
3 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
4 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by
5 imprisonment in the county jail for a term not to exceed six months, or by both fine and
6 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
7 (\$60,000)...."

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9 cc: **EXPEDIA MARKETING FIRM**
10 Agent for Service of Process:
11 Hector Ortega
12 9672 Via Excelencia, Suite 201
 San Diego, CA 92126

13 **EXPEDIA MARKETING FIRM**
14 Agent for Service of Process:
15 Hector Ortega
16 177 Polk Street
 Oceanside, CA 92057

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