

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
4
5 Telephone: (916) 227-0789
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FILED

DEC 18 2007

DEPARTMENT OF REAL ESTATE

[Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

11 TO:)
12) NO. H-4902 SAC
13 JAMES M. FOSTER)
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ORDER TO
DESIST AND REFRAIN

16 The Real Estate Commissioner of the State of
17 California (hereinafter "Commissioner") has caused an
18 investigation to be made of your activities and based upon the
19 findings herein below set forth, is of the opinion that you,
20 JAMES M. FOSTER, as a real estate broker, have violated Section
21 10235 of the California Business and Professions Code
22 (hereinafter Code) and Sections 2847.3 and 2848(2), (5), and
23 (6), Title 10, California Code of Regulations (hereinafter the
24 "Regulations") by knowingly advertising or causing or permitting
25 to be advertised a statement or representation with regard to
26 rates, terms, or conditions for making or negotiating loans
27 which is false, misleading or deceptive.

1 I

2 At all times herein mentioned you, JAMES M. FOSTER,
3 were and are licensed by the Department as a real estate broker
4 dba J Morgan Funding.

5 II

6 On or about March 19, 2007, you, JAMES M. FOSTER dba J
7 Morgan Funding, caused to be published with SHOPWISE,
8 advertisements which included (1) an offer of a fixed interest
9 rate of 5.625% which appears to be lower than the rates then
10 available without providing evidence that such rates are
11 available; (2) offering guaranteed "low rate" "low costs" loans
12 without explaining what "low" means and without providing
13 evidence that you can guarantee the low rates and costs; (3)
14 offers of "no down payment" and "cash at close" without
15 providing all conditions and limitations; (4) an introductory
16 rate, terms, or conditions for making or negotiating loans which
17 are false, misleading or deceptive in that the representations
18 of a specific installment in repayment of a loan was not
19 accompanied by an equally prominent disclosure of (a) the amount
20 of the payments scheduled to the date of maturity; and (b) the
21 balance due at maturity (balloon payment) if not fully
22 amortized; (5) the amount of the payment without specifying the
23 loan's lien priority; and (6) a failure to state that you are
24 licensed by the Department of Real Estate as a real estate
25 broker.

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1 III

2 On or about April 25, 2006 Sylvia I. Yrigollen, a
3 Senior Deputy Commissioner, Mortgage Loan Activities Section, at
4 the Department, wrote you, JAMES M. FOSTER dba J Morgan Funding,
5 a letter informing you of violations similar in kind to those
6 discussed in Paragraph II above and requesting that you
7 discontinue using the offending advertisement.

8 IV

9 You, JAMES M. FOSTER dba J Morgan Funding, responded
10 to the April 25, 2006 letter by letter received May 23, 2006
11 indicating your intention to comply with a number of the items
12 cited as violations in the April 25 letter.

13 V

14 In performing the acts described in Paragraphs II and
15 III above, you, JAMES M. FOSTER dba J Morgan Funding, knowingly
16 advertised or caused or permitted to be advertised statements or
17 representations with regard to rates, terms, or conditions for
18 making or negotiating loans which are false, misleading or
19 deceptive in violation of Section 10235 of the Code and Sections
20 2847.3 and 2848(2), (5), and (6) of the Regulations.

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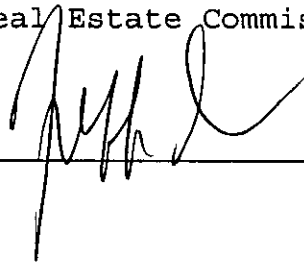
1 NOW THEREFORE, YOU, JAMES M. FOSTER DBA J MORGAN
2 FUNDING, ARE HEREBY ORDERED TO DESIST AND REFRAIN from causing
3 to be published advertisements which include statements or
4 representations with regard to rates, terms, or conditions for
5 making or negotiating loans which are false, misleading or
6 deceptive.

7 DATED: _____

12-19-09

8 JEFF DAVI

9 Real Estate Commissioner

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11 _____

12 cc: JAMES M. FOSTER
13 264 POWERS DRIVE
14 EL DORADO HILLS, CA 95762
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