

1 Department of Real Estate
2 P.O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0789

FILED

JUN 20 2008

DEPARTMENT OF REAL ESTATE

[Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

To:

LOS GATOS REAL ESTATE
CONNECTION, INC. and
MAXINE GRESS.

No. H-5012 SAC

ORDER TO
DESIST AND REFRAIN

The Real Estate Commissioner of the State of California (hereinafter "Commissioner") has caused an investigation to be made of your activities and based upon the findings herein below set forth, is of the opinion that you, LOS GATOS REAL ESTATE CONNECTION, INC. dba Los Gatos Lending Connect and California Lending Connection, and you, MAXINE GRESS, have violated Sections 10235, 10235.5 and 10236.4 of the California Business and Professions Code (hereinafter "Code") and Section 2847.3, Title 10, California Code of Regulations (hereinafter the "Regulations") and is of the opinion that you, LOS GATOS REAL ESTATE CONNECTION, INC. dba Los Gatos Lending Connect and California Lending Connection, and you, MAXINE GRESS have

1 violated Sections 10159.5, 10162 and 10163 of the Code and
2 Section 2731 of the Regulations.

3 I

4 Beginning on or about May 23, 1997, and continuing
5 thereafter, LOS GATOS REAL ESTATE CONNECTION, INC. dba Los Gatos
6 Lending Connect and California Lending Connection, was and is
7 licensed by the Department of Real Estate (hereinafter
8 "Department") as a real estate broker corporation.

9 II

10 At all times herein mentioned you, MAXINE GRESS, was
11 and is licensed by the Department as a real estate broker.
12 Beginning on or about May 23, 1997 and continuing thereafter you
13 have been licensed by the Department as the designated officer
14 for LOS GATOS REAL ESTATE CONNECTION, INC.

15 III

16 At all times herein mentioned, you, LOS GATOS REAL
17 ESTATE CONNECTION, INC. dba Los Gatos Lending Connect and
18 California Lending Connection, and you, MAXINE GRESS, engaged in
19 the business of, acted in the capacity of, advertised and assumed
20 to act as real estate brokers in the State of California within
21 the meaning of Section 10131(d) of the Code, including the
22 business of soliciting borrowers and lenders or negotiating loans
23 in connection with loans secured directly or collaterally by
24 liens on real property, wherein such loans were brokered,
25 arranged, processed, and/or consummated on behalf of others.
26

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IV

1
2 In course of the activities described in Paragraph III,
3 above, you, LOS GATOS REAL ESTATE CONNECTION, INC. dba Los Gatos
4 Lending Connect and California Lending Connection and you, MAXINE
5 GRESS:

6 (a) used the fictitious business names "California
7 Lending Connection" and "Los Gatos Lending Connect" without first
8 obtaining a license issued by the California Department of Real
9 Estate bearing such fictitious names, as required by Section
10 10159.5 of the Code in conjunction with Section 2731 of the
11 Regulations; and

12 (b) maintained places of business at 550 Main Street,
13 Suite G-4, Placerville, California, in addition to the place of
14 business maintained by Respondent pursuant to section 10162 of
15 the Code, without first applying for and obtaining an additional
16 license for such branch offices so maintained by Respondent, in
17 violation of Section 10163 of the Code.

18
19 V

20 In performing the acts described in Paragraphs III and
21 IV above, you, LOS GATOS REAL ESTATE CONNECTION, INC. dba Los
22 Gatos Lending Connect and California Lending Connection, and you,
23 MAXINE GRESS, knowingly advertised or caused or permitted to be
24 advertised statements or representations with regard to rates,
25 terms, or conditions for making or negotiating loans which are
26 false, misleading or deceptive in violation of Sections 10235,
27

1 10235.5 and 10236.4 of the Code and Section 2847.3 of the
2 Regulations.

3 VI

4 On or about July 12, 2006, July 19, 2006, July 26, 2006
5 August 2, 2006, and September 30, 2007 you, LOS GATOS REAL ESTATE
6 CONNECTION, INC. dba Los Gatos Lending Connect, and you, MAXINE
7 GRESS, caused to be published in the San Francisco Chronicle and
8 the Sacramento Bee, advertisements which included statements or
9 representations with regard to rates, terms, or conditions for
10 making or negotiating loans which are false, misleading or
11 deceptive in that:

12 (a) the advertisements failed to include the
13 origination costs associated with the loan to be made or
14 arranged;

15 (b) the advertisements failed to include the required
16 disclosure of the license number under which the loan would be
17 made or arranged; and

18 (c) the advertisements failed to disclose the license
19 and issuing department under which the loan would be made or
20 arranged.
21

22 VII

23 On or about July 23, 2006, July 30, 2006, and January
24 13, 2008, you, LOS GATOS REAL ESTATE CONNECTION, INC. dba
25 California Lending Connection, and you, MAXINE GRESS, caused to
26 be published in the Sacramento Bee, advertisements which included
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1 statements or representations with regard to rates, terms, or
2 conditions for making or negotiating loans which are false,
3 misleading or deceptive in that:

4 (a) the advertisements failed to include the
5 origination costs associated with the loan to be made or
6 arranged;

7 (b) the advertisements failed to include the required
8 disclosure of the license number under which the loan would be
9 made or arranged; and

10 (c) the advertisements failed to disclose the license
11 and issuing department under which the loan would be made or
12 arranged.

13 VIII

14 In performing the acts described in Paragraphs VI and VII
15 above, you, LOS GATOS REAL ESTATE CONNECTION, INC. dba Los Gatos
16 Lending Connect and California Lending Connection, and you,
17 MAXINE GRESS, used the fictitious business names "California
18 Lending Connection" and "Los Gatos Lending Connect" without first
19 obtaining a license issued by the California Department of Real
20 Estate bearing such fictitious names, in violation of Section
21 10159.5 of the Code in conjunction with Section 2731 of the
22 Regulations and maintained places of business in violation of
23 Section 10162 of the Code, without first applying for and
24 obtaining an additional license for such branch offices in
25 violation of Section 10163 of the Code.
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1 NOW THEREFORE, YOU, LOS GATOS REAL ESTATE CONNECTION,
2 INC. DBA LOS GATOS LENDING CONNECT AND CALIFORNIA LENDING
3 CONNECTION, AND YOU MAXINE GRESS, AND YOUR AGENTS AND EMPLOYEES,
4 ARE HEREBY ORDERED TO DESIST AND REFRAIN from causing to be
5 published advertisements which include statements or
6 representations with regard to rates, terms, or conditions for
7 making or negotiating loans which are false, misleading or
8 deceptive, using the fictitious business names "California
9 Lending Connection" and "Los Gatos Lending Connect" without
10 first obtaining a license issued by the Department and
11 maintaining places of business at 550 Main Street, Suite G-4,
12 Placerville, California, in addition to the place of business
13 maintained pursuant to section 10162 of the Code without first
14 applying for and obtaining an additional license for such branch
15 offices from the Department.

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17
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19 DATED: 6-18-08

20 JEFF DAYE
21 Real Estate Commissioner

22
23
24 cc: MAXINE GRESS
25 LOS GATOS REAL ESTATE CONNECTION INC.
26 550 MAIN STREET SUITE J-2
27 PLACERVILLE, CA 95667