

1 DEPARTMENT OF REAL ESTATE  
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FILED

JUL 30 2009

DEPARTMENT OF REAL ESTATE

By K. Contreras

8 STATE OF CALIFORNIA  
9 DEPARTMENT OF REAL ESTATE

10 To: )  
11 ) NO. H- 5251 SAC  
12 SCOTT WOODS, )  
13 GINA RODRIGUEZ, and, ) ORDER TO DESIST AND REFRAIN  
KI SYSTEMS, LLC. ) (B&P Code Section 10086)

14 The Commissioner (Commissioner) of the California Department of Real Estate  
15 (Department) caused an investigation to be made of the activities of SCOTT WOODS (WOODS),  
16 GINA RODRIGUEZ (RODRIGUEZ), and KI SYSTEMS, LLC (KI), dba "Loan Redux." Based  
17 on that investigation, the Commissioner has determined that WOODS, RODRIGUEZ, and KI,  
18 have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting  
19 violations of the California Business and Professions Code (Code) and/or Title 10, Chapter 6,  
20 California Code of Regulations (Regulations), including RODRIGUEZ and KI, acting in the  
21 capacity of, being in the business of, and/or advertising or assuming to act as, real estate brokers  
22 in the State of California within the meaning of Section 10131(d) (performing services for  
23 borrowers in connection with loans secured by real property) of the Code; obtaining advance fee  
24 agreements, in violation of Section of 10085 of the Code and Section 2970 of the Regulations;  
25 and claiming, demanding, charging, and/or collecting advanced fees for performing services in  
26 connection with a loan to be secured directly or collaterally by a lien on real property before the  
27 borrower was obligated to complete the loan, in violation of Section 10085.5 of the Code.

1 Furthermore, based on the investigation, the Commissioner hereby issues the  
2 following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the  
3 authority of Section 10086 of the Code.

4 Whenever acts referred to below are attributed to WOODS, those acts are alleged  
5 to have been done by WOODS, acting by himself, or by and/or through one or more agents,  
6 associates, affiliates, and/or co-conspirators, including, but not limited to RODRIGUEZ and KI,  
7 and using the names "Loan Redux A Division of KI Systems, LLC" or other names or fictitious  
8 names unknown at this time.

9 FINDINGS OF FACT

10 1. WOODS has been licensed by the Department as a real estate broker since  
11 August 12, 2006, whose license expires on August 11, 2010 and who is the managing member of  
12 "Loan Redux".

13 2. RODRIGUEZ has been licensed by the Department as a real estate salesperson  
14 since June 11, 2005, whose license expires on June 10, 2009, and who was under the supervision  
15 and control of Norcal Gold, Inc., at all times mentioned herein.

16 3. KI is not now, and has never been, licensed by the Department in any capacity.

17 4. During the period of time set out below, RODRIGUEZ, solicited borrowers  
18 and negotiated to do one or more of the following acts for another or others, for or in expectation  
19 of compensation: negotiate one or more loans for, or perform services for, borrowers and/or  
20 lenders in connection with loans secured directly or collaterally by one or more liens on real  
21 property; and charge, demand or collect advanced fees for any of the services offered.

22 5. On about October 9, 2008, RODRIGUEZ solicited Sarah and David Picton  
23 (the Picton's) in order to provide loan modification services to save the Picton's three (3)  
24 properties, as set out below, from being lost in foreclosure:

- 25 a) 8060 Stallion Way Sacramento, 95830  
26 b) 4816 17th Ave., Sacramento, CA 95820  
27 c) 42 Moonlit Circle, Sacramento, CA 95831



1                   12. Based on the Findings of Fact contained in Paragraphs 1 through 10,  
2 RODRIGUEZ and KI, acting by themselves, or by and/or through one or more agents, associates,  
3 affiliates, and/or co-conspirators, including, but not limited to WOODS, and using the names  
4 "Loan Redux A Division of KI Systems, LLC," or other names or fictitious names unknown at  
5 this time, charged, demanded or collected advance fees for the services to be provided, without  
6 first submitting advanced fee materials for approval to the Department as required by Section  
7 10085 of the Code; and claimed, demanded, charged, and/or collected advanced fees prior to a  
8 borrower's obligation to complete a loan, in violation of Section 10085.5 of the Code.

9   DESIST AND REFRAIN ORDER

10                   Based on the Findings of Fact and Conclusions of Law stated herein, SCOTT  
11 WOODS, GINA RODRIGUEZ, and KI SYSTEMS, LLC, dba "Loan Redux.", whether doing  
12 business under your own names, or any other names or fictitious names, ARE HEREBY  
13 ORDERED to:

- 14                   1. RODRIGUEZ and KI, immediately desist and refrain from performing any  
15 acts within the State of California for which a real estate broker license is required;
- 16                   2. immediately desist and refrain from:
- 17                   (i) soliciting borrowers and/or performing services for borrowers or lenders  
18 in connection with loans secured directly or collaterally by one or more liens on real property;  
19 and,
- 20                   (ii) from charging, demanding, or collecting an advance fee for any of the  
21 services you offer to others, unless and until you obtain a real estate broker license issued by the  
22 Department, and until you demonstrate and provide evidence satisfactory to the Commissioner  
23 that you are in full compliance with all of the requirements of the Code and Regulations relating  
24 to charging, collecting, and accounting for advance fees; and,
- 25                   3. immediately desist and refrain from collecting advance fees, as that term is  
26 defined in Section 10026 of the Code, in any form and particularly with respect to loan  
27 modification, loan refinance, principal reduction, foreclosure abatement or short sale services,

1 unless and until you demonstrate and provide evidence satisfactory to the Commissioner that you  
2 have:

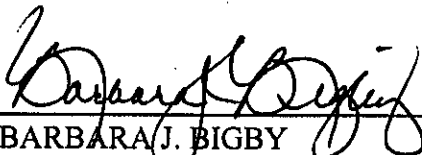
3 (i) an advance fee agreement which has been submitted to the Department  
4 and which is in compliance with Sections 2970 and 2972 of the Regulations;

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

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

9  
10 DATED: 7/20, 2009

11 JEFF DAVI  
12 Real Estate Commissioner

13 By   
14 BARBARA J. BIGBY  
15 Chief Deputy Commissioner

16 **- NOTICE -**

17 Business and Professions Code Section 10139 provides that, "Any person acting as a real  
18 estate broker or real estate salesperson without a license or who advertises using words  
19 indicating that he or she is a real estate broker without being so licensed shall be guilty of a  
20 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by  
21 imprisonment in the county jail for a term not to exceed six months, or by both fine and  
22 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars  
23 (\$60,000) . . ."

23 cc: SCOTT WOODS  
24 KI SYSTEMS, LLC  
25 9580 Oak Avenue Pkwy, Ste 14  
26 Folsom, CA 95630

KI SYSTEMS, LLC  
Sandra G. Scott, Agent for Service  
255 California Street, 10<sup>th</sup> Floor  
San Francisco, CA 94111

26 GINA RODRIGUEZ  
27 3770 Kingsbarns Dr.  
Roseville, CA 95747

Atty MFC