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FILED
SEP 01 2015
BUREAU OF REAL ESTATE
By L. Frost

STATE OF CALIFORNIA

BUREAU OF REAL ESTATE

To: RECOVER TREE, LLC, and COREY MITCHELL.	No. H-6302 SAC ORDER TO DESIST AND REFRAIN (B&P Code Section 10086)

The Commissioner of the California Bureau of Real Estate ("Bureau") caused an investigation to be made of the activities of RECOVER TREE, LLC ("RECOVER TREE"), and COREY MITCHELL ("MITCHELL"). Based on that investigation, the Commissioner has determined that RECOVER TREE and MITCHELL have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting violations of the California Business and Professions Code ("Code") and/or Title 10, Chapter 6, California Code of Regulations ("Regulations"), including the business of, acting in the capacity of, and/or advertising or assuming to act as, real estate brokers in the State of California within the meaning of Sections 10131(d) (performing services for borrowers and/or lenders in connection with loans secured by real property) and 10131.2 (real estate broker license required to charge and collect an advance fee) of the Code. Furthermore, based on the investigation, the Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086 of the Code.

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Whenever acts referred to below are attributed to RECOVER TREE, those acts are alleged to have been done by MITCHELL, acting by himself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, and using the name "RecoverTree.com.", or other names or fictitious names unknown at this time.

FINDINGS OF FACT

1. RECOVER TREE is a limited liability company in the State of California. At no time has RECOVER TREE been licensed by the Bureau in any capacity.

2. MITCHELL is not now, and has never been, licensed by the Bureau in any capacity.

3. During the period of time set forth below, RECOVER TREE and MITCHELL, solicited borrowers and negotiated to do one or more of the following acts for another or others, for or in expectation of compensation; negotiated one or more loans for, or performed services for, borrowers and/or lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charged, demanded or collected an advance fee for any of the services offered.

4. Beginning on or about March 27, 2013, MITCHELL, as a representative of RECOVER TREE, solicited Albert F. ("Albert") in order to provide a loan modification, forbearance, and/or negotiation of services on behalf of Albert in connection with a loan secured by real property located at 6381 Bluebill Court, Rocklin, California.

5. On or about May 2, 2013, and June 1, 2013, MITCHELL, as a representative of RECOVER TREE, demanded and received an advance fee totaling $2,200 from Albert for the activities described in Paragraph 4.

CONCLUSIONS OF LAW

6. Based on the findings of fact contained in paragraphs 1 through 5, RECOVER TREE and MITCHELL solicited one or more borrowers to perform services for those borrowers and/or those borrowers' lenders in connection with loans secured directly or collaterally by one or more liens on real property located within the State of California, and

charged, demanded or collected advance fees for the services to be provided, which acts require a real estate broker license under Sections 10131(d) (real estate license required for enumerated acts) and 10131.2 (real estate broker license required to charge or collect an advance fee) of the Code, in violation of Section 10130 of the Code.

7. RECOVER TREE and MITCHELL used a form of advance fee agreement which had not been provided to the Bureau for its prior review and consideration, in violation of Section 10085 of the Code (prior submission of advance fee materials required) and Section 2970 (details for prior submission of advance fee materials) of the Regulations.

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein, RECOVER TREE and MITCHELL whether doing business under their own names, or any other name or fictitious name, ARE HEREBY ORDERED to:

1. Immediately desist and refrain from performing any acts within the State of California for which a real estate broker license is required. In particular, they are ordered to desist and refrain from soliciting borrowers and/or performing services for borrowers or lenders in connection with loans secured directly or collaterally by one or more liens on real property, unless and until they obtain a real estate broker license issued by the Bureau.

2. Immediately desist and refrain from charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any of the services they offer to others, unless and until they demonstrate and provide evidence satisfactory to the Commissioner that they are properly licensed by the Bureau as real estate brokers, and that RECOVER TREE and MITCHELL:

(A) Have an advance fee agreement which has been submitted to the Bureau and which is in compliance with Sections 2970 and 2972 of the Regulations;

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

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(C) Have provided an accounting to trust fund owner-beneficiaries pursuant to Section 2972 of the Regulations; and

(D) Are in compliance with California law, as amended effective as of October 11, 2009, with respect to loan modification and/or forbearance services. Under the amended law, they can only collect advance fees for loan modification or other mortgage loan forbearance services related to commercial loans and loans for residential properties containing five or more dwelling units.

3. Immediately desist and refrain from demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, in any form, and under any conditions, with respect to the performance of loan modification or any other form of mortgage loan forbearance services in connection with loans on residential property containing four or fewer dwelling units.

DATED: July 28, 2015

REAL ESTATE COMMISSIONER

By: JEFFREY MASON
Chief Deputy Commissioner

- NOTICE -

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

STATE OF CALIFORNIA
BUREAU OF REAL ESTATE

SERVICE NOTICE

RE 576 (Rev. 7/15) LEGAL

This notice is required by California Civil Procedure (C.C.P.) §412.30.

TO THE PERSON SERVED:

COREY MITCHELL

(Name of individual being served)

RECOVER TREE, LLC.

(Name of corporation or unincorporated association)

You are hereby served the attached Order on behalf of the corporation or unincorporated association named above as a person upon whom a copy of the Order may be delivered to effect service on said party under the provisions of:

☐ C.C.P. §416.10 *(Corporation)*

☒ C.C.P. §416.40 *(Unincorporated association, including partnership)*

☐ C.C.P. §

☒ Service is being made on you as an individual *as well* as on behalf of the corporation or the unincorporated association.

☐ Service is being made on you on behalf of the corporation or the unincorporated association, *not* as an individual.