

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

FILED

MAR 29 2012

DEPARTMENT OF REAL ESTATE

By K. Contreras

8 BEFORE THE  
9 DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 TO: )  
13 ) NO. H-11351 SF  
14 MORTGAGE RELIEF ASSISTANCE )  
15 GROUP, INC., a Corporation, and ) ORDER TO DESIST AND REFRAIN  
16 DAVID EDGARDO REYES MELENDEZ. ) (B&P Code Section 10086)

17 The Real Estate Commissioner (Commissioner) of the California Department of  
18 Real Estate (Department) caused an investigation to be made of the activities of MORTGAGE  
19 RELIEF ASSISTANCE GROUP, INC., and DAVID EDGARDO REYES MELENDEZ. Based  
20 on that investigation, the Commissioner has determined that MORTGAGE RELIEF  
21 ASSISTANCE GROUP, INC. (MRAGI) and DAVID EDGARDO REYES MELENDEZ  
22 (REYES) (collectively referred to as "you") have engaged in, are engaging in, or are attempting  
23 to engage in, acts or practices constituting violations of the California Business and Professions  
24 Code (Code) and/or Title 10, Chapter 6, California Code of Regulations (Regulations), including  
25 the business of, acting in the capacity of, and/or advertising or assuming to act as real estate  
26 brokers in the State of California within the meaning of Section 10131(d) (performing services  
27 for borrowers in connection with loans secured by real property) of the Code. Additionally, you  
have violated Sections 10130 (unlicensed activity), 10131.2 (brokers collecting advance fees),

1 10139 (penalties for unlicensed activities), 10085 (advanced fee agreements), 10085.5 (advance  
2 fee payments), 10085.6 (advance fee payments), 10146 (depositing advanced fees into a trust  
3 account), 10176(a) (misrepresentation) and 10176(i) (fraud and dishonest dealing by licensee),  
4 10159.5 (fictitious name), and 10177(d) (violating the real estate law), of the Code and Sections  
5 2731 (fictitious name), 2970 (advance fee materials) and 2972 (accounting content) of the  
6 Regulations. Furthermore, based on the investigation, the Commissioner hereby issues the  
7 following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the  
8 authority of Section 10086 of the Code.

9           Whenever acts referred to below are attributed to MRAGI and REYES, those acts  
10 are alleged to have been done by MRAGI and REYES, acting by themselves, or by and/or  
11 through one or more agents, associates, affiliates, and/or co-conspirators, known or unknown.

#### 12   FINDINGS OF FACT

13           1. MRAGI is not now, and has never been, licensed by the Department in any  
14 capacity.

15           2. During the period of time set out below, REYES was licensed by the  
16 Department as a real estate salesperson but was not in the employ of a real estate broker.

17           3. During the period of time set out below, MRAGI and REYES solicited  
18 borrowers and negotiated to do one or more of the following acts for said borrowers, for or in  
19 expectation of compensation: negotiated one or more loans for, or performed services for,  
20 borrowers and/or lenders in connection with loans secured directly or collaterally by one or more  
21 liens on real property; and charged, demanded or collected an advance fee for any of the services  
22 offered.

23           4. Between about July 30, 2009 and about December 18, 2009, MRAGI and  
24 REYES claimed, demanded, charged, received, collected or contracted for advance fees from the  
25 borrowers shown below prior to submission to the Department of any or all materials used in  
26 advanced fee agreements or performed services for the following borrowers in connection with  
27 loans secured with real property before the borrowers became obligated to complete said loans,

1 and failed to deposit said advance fees into a trust account with a bank or other recognized  
2 depository, in violation of Sections 10130, 10131.2, 10139, 10085, 10085.5, 10085.6, and 10146  
3 of the Code, and Sections 2970 and 2972 of the Regulations:

<u>Borrower</u>	<u>Property Address</u>	<u>Advance Fee</u>	<u>Date</u>
Alicia G.	Newbridge St. East Palo Alto, CA	\$1,300	7/30/09
Martin G.	Sunatra Ave San Jose, CA	\$1,300 \$1,300	7/29/09 9/15/09
Abron N.	Fallbrook Ave. San Jose, CA	\$1,300 \$1,300	12/18/09 12/20/09
		\$ 900	11/xx/10

10 5. On about December 18, 2009, REYES represented himself as an attorney to  
11 Abron M., when in fact; REYES is not now, and has never been, licensed as an attorney, in  
12 violation of Sections 10176(a) and 10176(i) of the Code.

13 6. Between about July 30, 2009 and about December 18, 2009, REYES failed to  
14 obtain a real estate license bearing the fictitious business name "Mortgage Relief Assistance  
15 Group, Inc." while conducting activities for which a license was required, in violation of Section  
16 10159.5 of the Code and Section 2731 of the Regulations.

#### CONCLUSIONS OF LAW

18 1. Based on the Findings of Fact contained in Paragraphs 1 through 6, MRAGI,  
19 acting by itself, or by and/or through one or more agents, associates, affiliates, and/or co-  
20 conspirators, solicited borrowers, to perform services for those borrowers and their lenders in  
21 connection with loans secured directly or collaterally by one or more liens on real property, and  
22 charged, demanded or collected advance fees for the services to be provided, which acts require a  
23 real estate broker license under Sections 10130, 10131(d), 10131.2 and 10139 of the Code,  
24 during a period of time when MRAGI was not licensed by the Department in any capacity.

25 2. Based on the Findings of Fact contained in Paragraphs 1 through 6, REYES,  
26 represented himself as an attorney and acting through MGRI, by himself or by and/or through  
27 one or more agents, associates, affiliates, and/or co-conspirators, solicited borrowers, to perform

1 services for those borrowers and their lenders in connection with loans secured directly or  
2 collaterally by one or more liens on real property, and charged, demanded or collected advance  
3 fees for the services to be provided, which acts require a real estate broker license under  
4 Sections 10130, 10131(d), 10131.2, 10139, 10159.5 and 10176(a) and (i) of the Code and  
5 Section 2731 of the Regulations, during a period of time when REYES, was not in the employ  
6 of a broker.

7 3. Based on the Findings of Fact contained in Paragraphs 1 through 6, MRAGI,  
8 and REYES, acting by themselves, or by and/or through one or more agents, associates,  
9 affiliates, and/or co-conspirators, known or unknown, solicited borrowers and performed  
10 services for those borrowers and/or those borrowers' lenders in connection with loans secured  
11 directly or collaterally by one or more liens on real property, and charged, demanded or  
12 collected advance fees for the services to be provided, in violation of Sections 10085, 10085.5,  
13 10085.6, 10131.2, 10146 and 10177(d) of the Code, and Sections 2970 and 2972 of the  
14 Regulations.

#### 15 DESIST AND REFRAIN ORDER

16 Based on the Findings of Fact and Conclusions of Law stated herein, you,  
17 MORTGAGE RELIEF ASSISTANCE GROUP, INC., whether doing business under your own  
18 name, or any other names or fictitious names, ARE HEREBY ORDERED to:

19 1. Immediately desist and refrain from performing any acts within the State of  
20 California for which a real estate broker license is required until and unless you have obtained a  
21 real estate broker license. And, in particular, you are ordered to desist and refrain from:

- 22 (i) charging, demanding, claiming, collecting and/or receiving advance fees, as  
23 that term is defined in Section 10026 of the Code, in any form, and under  
24 any conditions, with respect to the performance of loan modifications or  
25 any other form of mortgage loan forbearance service in connection with  
26 loans on residential property containing four or fewer dwelling units  
27 (Section 10085.6 of the Code); and,

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

(ii) charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any other real estate related services offered by you to others.

Based upon the Findings of Fact and Conclusions of Law stated herein, it is hereby ordered that you, DAVID EDGARDO REYES MELENDEZ, whether doing business under your own name, or any other names, or any fictitious names, ARE HEREBY ORDERED TO IMMEDIATELY DESIST AND REFRAIN from:

1. charging, 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 modifications or any other form of mortgage loan forbearance service in connection with loans on residential property containing four or fewer dwelling units (Section 10085.6 of the Code);
2. charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any other real estate related services offered by you to others;
3. representing yourself as an attorney until such time as you have obtained a license to practice law; and,
4. using the fictitious business name "Mortgage Relief Assistance Group, Inc." until such time as you have obtained a real estate license bearing said fictitious business name.

DATED: 3/23, 2012

BARBARA BIGBY  
Acting Real Estate Commissioner



1 - NOTICE -

2 Business and Professions Code Section 10139 provides that "Any person acting  
3 as a real estate broker or real estate salesperson without a license or who advertises using words  
4 indicating that he or she is a real estate broker without being so licensed shall be guilty of a  
5 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by  
6 imprisonment in the county jail for a term not to exceed six months, or by both fine and  
7 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars  
8 (\$60,000)."

9  
10  
11  
12  
13  
14 cc: MORTGAGE RELIEF ASSISTANCE GROUP, INC.  
DAVID EDGARDO REYES MELENDEZ  
15 39488 Stevenson Place, Suite #109  
Fremont, CA 94539

16 and  
17 25354 Cypress Avenue  
Hayward, CA 94541

18  
19 DAVID EDGARDO REYES MELENDEZ  
MORTGAGE RELIEF ASSISTANCE GROUP, INC.  
20 39488 Stevenson Place, Suite #109  
Fremont, CA 94539

21 and  
22 1848 Weir Drive  
Hayward, CA 94541  
23  
24  
25  
26

ATTY MFC/kc 27