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FILED
MAY 29 2007
DEPARTMENT OF REAL ESTATE

Handwritten signature: R. Michael

Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

TO:

STONEWOOD CONSULTING INC.; and
HENDRIX MORENO MONTECASTRO,
individually and as designated
officer of Stonewood Consulting
Inc.

No. H-34010 LA

ORDER TO DESIST

AND REFRAIN

The Real Estate Commissioner of the State of California
(Commissioner) has caused an investigation to be conducted of
your activities, as described herein, and based upon the findings
of that investigation, is of the opinion that:

YOU, STONEWOOD CONSULTING INC. and YOU, HENDRIX MORENO
MONTECASTRO, individually and as designated officer of Stonewood
Consulting Inc. have violated Sections 10145, 10176(a), 10176(b),
10176(e), 10176(g), 10176(i), 10177(g) and 10241 of the
California Business and Professional Code ("Code") and Sections
2831, 2831.1, 2832, 2832.1, 2834, and 2835 of Title 10, Chapter
6, California Code of Regulations.

1 AND THAT YOU, HENDRIX MORENO MONTECASTRO, individually
2 and as designated officer of Stonewood Consulting Inc. have
3 violated Code Section 10159.2.

4 AND FURTHERMORE THAT YOU, STONEWOOD CONSULTING INC., by
5 operating a fraudulent investment scheme have violated Code
6 Sections 10176(e) and 10176(i) by having commingled and converted
7 trust funds of borrower-investor beneficiaries and engaged in
8 fraud and dishonest dealing.

9 LICENSE HISTORY

10 1.

11 A. At all times mentioned, STONEWOOD CONSULTING INC.
12 ("SCI") and HENDRIX MORENO MONTECASTRO ("MONTECASTRO") were
13 licensed or had license rights issued by the Department of Real
14 Estate ("Department") as real estate brokers.

15 B. At all times mentioned, SCI was licensed by the
16 Department as a corporate real estate broker by and through
17 MONTECASTRO, as the designated officer and broker responsible,
18 pursuant to Code Section 10159.2 for supervising the activities
19 requiring a real estate license conducted on behalf of SCI by
20 SCI's officers, agents and employees, including MONTECASTRO. SCI
21 was originally licensed on June 16, 2005, by MONTECASTRO.

22 C. MONTECASTRO was originally licensed as a real
23 estate salesperson on May 3, 1993 and originally licensed as a
24 real estate broker on November 20, 2003.

25 2.

26 All further references to "you" include the parties
27 identified in Paragraph 1 above, and also include the officers,

1 directors, employees, agents and real estate licensees
2 employed by or associated with said parties and who at all times
3 herein mentioned were engaged in the furtherance of the business
4 or operations of said parties and who were acting within the
5 course and scope of their authority and employment.

6 LICENSED ACTIVITIES AND BROKERAGE

7 3.

8 At all times mentioned, in the City of Murrieta, County
9 of Riverside, you SCI and you MONTECASTRO acted as real estate
10 brokers conducting licensed activities within the meaning of:

11 A. Code Section 10131(a). You engaged in the business
12 of, acted in the capacity of, advertised or assumed to act as
13 real estate brokers, including the solicitation for listings of
14 and the negotiation of the sale of real property as the agent of
15 others.

16 B. Code Section 10131(b). You engaged in the business
17 of, acted in the capacity of, advertised or assumed to act as
18 real estate brokers, including the operation and conduct of a
19 property management business with the public wherein, for or in
20 expectation of compensation, for another or others, you leased or
21 rented or offered to lease or rent, or placed for rent, or
22 solicited listings of places for rent, or solicited for
23 prospective tenants, or collected rents from real property, or
24 improvements thereon; and

25 C. Code Section 10131(d). You engaged in
26 activities with the public wherein lenders and borrowers were
27 solicited for loans secured directly or collaterally by liens on

1 real property, wherein such loans were arranged, negotiated,
2 processed and consummated on behalf of others for compensation or
3 in expectation of compensation and for fees collected in advance.

4 MORTGAGE LOAN AUDIT

5 4.

6 On May 22, 2007, the Department completed an audit
7 examination of the books and records of SCI pertaining to the
8 mortgage and loan brokerage activities described in Paragraph 3,
9 that require a real estate license. The audit examination
10 covered a period of time beginning on December 1, 2004 to
11 January 31, 2007. The audit examination revealed violations of
12 the Code and the Regulations as set forth in the following
13 paragraphs, and more fully discussed in Audit Report SD 060038
14 and the exhibits and workpapers attached to said audit report.

15 TRUST ACCOUNT

16 MORTGAGE AND LOAN ACTIVITIES

17 5.

18 At all times mentioned, in connection with the
19 activities described in Paragraph 3, above, SCI accepted or
20 received funds including funds in trust (hereinafter "trust
21 funds") from or on behalf of actual or prospective parties to
22 transactions handled by SCI including borrowers and lenders and
23 thereafter made deposits and or disbursements of such funds.
24 During the audit period SCI did not maintain a trust account for
25 the mortgage loan activities.

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27 ///

1 VIOLATIONS CITED BY THE
2 MORTGAGE LOAN AUDIT

3 6.

4 In the course of activities described in Paragraphs 3
5 and 5, above, and during the examination period described in
6 Paragraph 4, you SCI and you MONTECASTRO acted in violation of
7 the Code and the Regulations in that you:

8 (a) Failed to provide, maintain or retain a true and
9 correct copy of a Department of Real Estate approved Mortgage
10 Loan Disclosure Statement signed by the broker for borrowers
11 DeGuzman (Jameson property), Cabrales (Agean property), Giron
12 (Wrangler property), Lanuzo (Wgasa property) and Lanuzo (Wildwood
13 property), in violation of Code Section 10241. Additionally, no
14 Truth-In-Lending Disclosure Statement was provided in the loan
15 file for borrower Reiss (Falkirk property). The Mortgage Loan
16 Disclosure Statement contained missing signatures and inaccurate
17 information about current liens and anticipated liens.

18 (b) Failed to disclose loan origination fees and yield
19 spread premiums from lenders on the Mortgage Loan Disclosure
20 Statement for the aforesaid borrowers, in violation of Code
21 Sections 10176(g) and 10241; and

22 (c) Failed to maintain a record for trust funds handled
23 by SCI related to mortgage loan activities, in violation of Code
24 Section 10145 of the Code and Regulation 2832.

25 RESIDENTIAL RESALES AUDIT

26 7.

27 On May 22, 2007, the Department completed an audit

1 examination of the books and records of SCI pertaining to the
2 residential resales activities described in Paragraph 3, that
3 require a real estate license. The audit examination covered a
4 period of time beginning on December 1, 2004 to January 31, 2007.
5 The audit examination revealed violations of the Code and the
6 Regulations as set forth in the following paragraphs, and more
7 fully discussed in Audit Report SD 060029 and the exhibits and
8 workpapers attached to said audit report.

9 8.

10 TRUST ACCOUNT

11 RESIDENTIAL RESALES AUDIT

12 At all times mentioned, in connection with the
13 activities described in Paragraph 3, above, SCI accepted or
14 received funds including funds in trust (hereinafter "trust
15 funds") from or on behalf of actual or prospective parties to
16 transactions handled by SCI including buyers and sellers and
17 thereafter made deposits and or disbursements of such funds.
18 During the audit period SCI did not maintain a trust account for
19 the residential resale activity.

20 VIOLATIONS CITED BY THE

21 RESIDENTIAL SALES AUDIT

22 9.

23 In the course of activities described in Paragraphs 3
24 and 8, above, and during the examination period described in
25 Paragraph 7, you SCI and MONTECASTRO acted in violation of the
26 Code and the Regulations in that you:

27 (a) Engaged in a price inflation scheme.

1 (1) SCI and MONTECASTRO used inflated appraisals to
2 purchase real properties substantially in excess of the asking
3 price; typically fifteen to twenty percent above it.

4 (2) In addition to receiving a commission of the sale
5 and purchase of the property, SCI and MONTECASTRO received as
6 additional compensation in the form of a "concession".

7 (3) The concession is defined as the difference
8 between contract sales price based on the inflated property
9 appraisals and the seller net price. The concession is also
10 approximately equal to the difference between the asking and the
11 ultimate sales price.

12 (4) Concessions ranging from \$74,000 to \$115,000 were
13 obtained from buyers DeGuzman, Canett and Reiss, Cabrales and
14 Lanuzo, for a total of ten properties totaling \$969,158, in
15 violation of Code Sections 10176(i) and 10177(g).

16 (b) Misrepresented to sellers that you held earnest
17 money deposits at the time the offer to purchase was made for
18 buyers DeGuzman (Honeysuckle property), Canett (Cherrybranch
19 property) and Reiss (Cloverleaf property). These representations
20 were false. No earnest money deposits were held for the sellers,
21 in violation of Code Sections 10176(a) and/or 10177(g).

22 (c) Failed to maintain a control record in the form of
23 a columnar record in chronological order of all "Trust Funds
24 Received, Not Placed Broker's Trust Account", in violation of
25 Code Section 10145 and Regulations 2831.

26 (d) Failed to maintain a separate record for each
27 beneficiary or transaction, thereby failing to account for all

1 trust funds received, as required by Code Section 10145 and
2 Regulation 2831.1.

3 (e) Failed to perform a monthly reconciliation of the
4 balance of all separate beneficiary or transaction records
5 maintained pursuant to Regulation 2831.1 with the record of all
6 trust funds received and disbursed the property management trust
7 account, as required by Code Section 10145 and Regulation 2831.2;
8 and

9 (f) Failed to place trust funds, including a \$500
10 appraisal fee to be paid to Advance Real Estate Appraisal on
11 behalf of borrower DeGuzman's (Jameson property), accepted on
12 behalf of another into the hands of the owner of the funds, a
13 neutral depository or into a trust fund account in the name of
14 the trustee at a bank or other financial institution not later
15 than three business days following receipt of the funds by the
16 broker or by the broker's salesperson, as required by Code
17 Section 10145 and Regulation 2832(d).

18 PROPERTY MANAGEMENT AUDIT

19 10.

20 On May 22, 2007, the Department completed an audit
21 examination of the books and records of SCI pertaining to the
22 broker-controlled escrow activities described in Paragraph 3,
23 that require a real estate license. The audit examination
24 covered a period of time beginning on June 1, 2006 to January 31,
25 2007. The audit examination revealed violations of the Code and
26 the Regulations as set forth in the following paragraphs, and
27 more fully discussed in Audit Report SD 060037 and the exhibits

1 and workpapers attached to said audit report.

2 TRUST ACCOUNT

3 PROPERTY MANAGEMENT AUDIT

4 11.

5 At all times mentioned, in connection with the
6 activities described in Paragraph 3, above, SCI accepted or
7 received funds including funds in trust (hereinafter "trust
8 funds") from or on behalf of actual or prospective parties to
9 transactions handled by SCI including property owners and
10 tenants. Thereafter SCI made deposits and or disbursements of
11 such funds. SCI maintained the following trust account into
12 which it deposited certain of these funds:

13 Hendrix Moreno Montecastro Stonewood Consulting Inc.
14 Real Estate Broker Trust
15 Account No. 2141840767"
16 Bank of America
17 Wildomar, California (property management trust account)

18 VIOLATIONS CITED BY

19 PROPERTY MANAGEMENT AUDIT

20 12.

21 In the course of activities described in Paragraphs 3
22 and 11, above, and during the examination period described in
23 Paragraph 10, you SCI and MONTECASTRO acted in violation of the
24 Code and the Regulations in that you:

25 (a) Permitted, allowed or caused the disbursement of
26 trust funds from the escrow trust account where the disbursement
27 of funds reduced the total of aggregate funds in the property
management trust account, to an amount which, on December 31,

1 2006, was \$5,516.23 less than the existing aggregate trust fund
2 liability of SCI to every principal who was an owner of said
3 funds, without first obtaining the prior written consent of the
4 owners of said funds, as required by Code Section 10145 and
5 Regulation 2832.1. The shortage has not been restored.

6 (b) Failed to maintain an adequate control record in
7 the form of a columnar record in chronological order of trust
8 funds received for the property management trust account, as
9 required by Code Section 10145 and Regulation 2831.

10 (c) Failed to maintain a separate record for each
11 beneficiary or transaction, thereby failing to account for all
12 trust funds received, as required by Code Section 10145 and
13 Regulation 2831.1.

14 (d) Failed to perform a monthly reconciliation of the
15 balance of all separate beneficiary or transaction records
16 maintained pursuant to Regulation 2831.1 with the record of all
17 trust funds received and disbursed the property management trust
18 account, as required by Code Section 10145 and Regulation 2831.2.

19 (e) The property management trust account was not in
20 the name of the broker as trustee at a bank or other financial
21 institution, nor designated as a trust account, in violation of
22 Code Section 10145 of the Code and Regulation 2832(a).

23 (f) Permitted employees JoEtta Zimmer and Bridgett
24 Holbrook, unlicensed and unbonded persons, to be authorized
25 signatories on the trust account, in violation of Code Section
26 10145 and Regulation 2834.

27 ///

1 (g) Failed to disburse from the property management
2 trust account broker's management fees totaling \$20,000 within
3 twenty-five days of deposit, in violation of Code Section 10145
4 and Regulation 2835.

5 STONEWOOD CONSULTING INC.

6 FRAUDULENT INVESTMENT SCHEME

7 13.

8 You, SCI, and you, MONTECASTRO, operated a fraudulent
9 investment scheme soliciting investors to purchase multiple real
10 properties. Investors were induced by your promise that that
11 they would become millionaires in three years. Though variations
12 exist, the essential features of the pyramid financing scheme
13 involved:

14 (1) Between November 2004 and continuing to date, you sought
15 out potential investors buyers with good credit seeking
16 to purchase multiple real properties.

17 (2) Your method of investor contact used word of mouth
18 solicitation made by MONTECASTRO's mother and father,
19 Helen and Bayani Delos Montecastro aka Bob Montecastro..
20 "Bob" Montecastro is a real estate salesperson.

21 (3) Bob and Helen solicited investors through her nursing
22 employment affiliations. Both Helen and Bob solicited
23 members of their church both in California and Arizona.

24 (4) Public meetings, conducted by Helen, Bob and MONTECASTRO,
25 were held to solicit investors.

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27 ///

- 1 (5) Once solicited by Helen or Bob, or through other family
2 members, MONTECASTRO closed the oral investment
3 arrangement with the investors by promising to make them
4 millionaires in three years.
- 5 (6) Investors were told by MONTECASTRO that unhesitating
6 adherence to the rules of the investment protocol was
7 mandatory. They were advised to sign documents presented
8 to them by MONTECASTRO and Bob without questioning.
- 9 (7) Investors signed residential loan applications often
10 containing falsified or altered representations including
11 Verification of Employment and Verification of Deposits.
- 12 (8) Fraudulent Verification of Deposit and Verification
13 of Employment were prepared by or on behalf of SCI and
14 MONTECASTRO. The altered Verification of Deposits and
15 Verification of Employment were used to qualify an
16 investor for mortgage loans above his/her true credit
17 score.
- 18 (9) MONTECASTRO selected the real properties for investment.
- 19 (10) MONTECASTRO made offers on behalf of the investors.
20 Although the properties were dormant slow-moving
21 properties, offers made were substantially in excess of
22 the listing price. Once accepted by the sellers,
23 inflationary appraisals were used to justify a purchase
24 money loan on the inflated price.
- 25 (11) In addition to their realtor commission, SCI and
26 MONTECASTRO received as compensation a "concession". A
27 concession is defined as the difference between the

1 higher inflationary contract price and the lower net
2 seller price. Typically, the concession would range
3 between from \$75,000 to \$115,000 per property. The
4 concession parameters roughly equal the difference
5 between the inflated sales price and the original sales
6 price.

7 (12) The commission and concession paid to SCI and MONTECASTRO
8 were disclosed to all parties.

9 (13) The purchase of the real property complete, the initial
10 round of the investment scheme was complete.

11 (14) In the second round of the multi-property investment
12 purchase scheme, SCI and MONTECASTRO informed investors
13 that they would use a portion of their concession to
14 finance additional property purchases on behalf of the
15 original buyers.

16 (15) To complete the new purchase financing, investors were
17 directed to refinance their newly- purchased property.

18 (16) After refinancing, investors were directed to turn over
19 the refinance proceeds to SCI and MONTECASTRO

20 (17) The refinance funds are trusts funds. Yet no accounting
21 was ever rendered. Nor were they deposited into the
22 broker trust account. However, they were mixed and
23 commingled with the concession received by SCI and
24 MONTECASTRO.

25 (18) To complete the purchase of this secondary and subsequent
26 multiple financing rounds, the investors were directed to

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1 either maximize their credit card cash advances or open
2 up new credit card accounts for this purpose.

3 (19) The new credit card application were provided unsolicited
4 from Pacific Wealth and JoVanne companies. These
5 corporations are not licensed by the Department. They
6 are owned and/or controlled by MONTECASTRO and/or his
7 family including his Aunt "Connie". Investors were told
8 that obtaining more credit cards increased their credit
9 profile. Connie and MONTECASTRO decided which investor
10 to pay from the investor's own funds that were managed
11 and retained by them.

12 (20) Investors were also solicited to dip into their
13 retirement savings accounts and pensions to finance
14 additional rounds of inflated property purchases.

15 (21) SCI and MONTECASTRO used the concessions, loan refinance
16 proceeds, cash advances, retirement savings and pensions
17 to affect the purchase of multiple rounds of price-
18 inflated properties. As each new property purchase was
19 made, SCI and MONTECASTRO received another concession.

20 (22) In this manner, investors were induced to purchases,
21 several properties, spiraling up their debt load.

22 (23) Additionally, SCI and MONTECASTRO would rent out the
23 additional properties purchased. The shortfall between
24 the rental income and the mortgage payment was paid by
25 SCI and MONTECASTRO purportedly from the concession.

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27 ///

1 (24) SCI, MONTECASTRO and Connie threatened to stop paying the
2 shortfall unless the debt-laden investors continued to
3 take out credit cards with concomitant cash advances and
4 turn them over to them.

5 (25) During November 2006 and January 2007, SCI and
6 MONTECASTRO met with the disenchanted investors, some
7 faced or were in foreclosure due to not receiving
8 shortfall payments from SCI and MONTECASTRO. SCI and
9 MONTECASTRO and informed them that the equity growth in
10 the real estate market had ceased; that the bottom had
11 fallen out of the real estate market.

12 (26) SCI and MONTECASTRO solicited the investors to invest by
13 the same means as outlined for the purpose of MONTECASTRO
14 investing the new influx of capital into Dinars, the
15 Iraqi currency. And in doing so, SCI and MONTECASTRO
16 promised again that the investors would be millionaires
17 within three years.

18 (27) Being indebted often with several mortgages on multiple
19 properties purchased at an inflated prices, the investors
20 could not service their disproportionate mortgage debt as
21 it fell due. Subsequently, the investors defaulted,
22 faced foreclosure or were foreclosed upon, or had their
23 credit adversely affected.

24 (28) SCI and MONTECASTRO engaged in a turnkey price-inflated
25 multiple property scheme. They, through themselves or by
26 members of their family, controlled all investor monies
27 and trust funds without accounting. SCI and MONTECASTRO

1 threatened to stop making shortfall mortgage payments,
2 and sought a never-ending succession of all funding
3 sources available to the investors. Left without
4 traditional financing safety nets; they suffered economic
5 loss and pecuniary harm as to the following non-exclusive
6 list of investors, including loss of their homes.

8	<u>INVESTOR (S)</u>	<u>PROPERTY</u>
9		
10	Carrillo, Eduardo & Soledad	1171 Masterpiece Dr., Oceanside
11		23895 Via Aliso, Murrieta
12		38266 Shadow Creek, Murrieta
13		42392 Wildwood Ln., Murrieta
14		23661 William Pl., Murrieta
15		35153 El Diamante, Wildomar
16		29104 Bent Tree Dr., Murrieta
17		1100 Championship Rd., Oceanside
18		23911 Ridgeview Ln., Murrieta
19	Lanuzo, Janet & Steve	40502 Wgasa Pl., Temecula
20		27134 Red Maple, Murrieta
21		23506 Karen Pl., Murrieta
22		25410 Chesterfield Ln., Wildomar
23		23732 Lincoln Ave., Murrieta
24		42272 Wildwood Ln., Murrieta
25		44753 Longfellow Ave., Temecula
26		33265 Manchester, Temecula
27		32011 Calle Caballos, Temecula
28	Weber, Herman & Deborah	977 N. Ironwood Ave., Rialto
29	Reiss, Vicky	23876 Cloverleaf Wy., Murrieta
30		42171 East View Wy., Murrieta,
31		38537 Clearbrook Dr., Murrieta
32		29336 Gandolf Ct., Murrieta
33		38703 Falkirk Dr., Murrieta

1 Giron, Gerry & Cynthia 27218 Red Maple, Murrieta
2 23532 Ashwood Ct., Murrieta
3 24250 Brillante Dr., Wildomar
4 29105 Wrangler, Murrieta
5 33386 Morning View, Temecula
6 35418 Veranda Cir., Wildomar
7 28599 Chaparral View Dr,
8 Menifee
9 35139 El Diamante Dr.,
10 Wildomar
11 903 Alberta Ave., Oceanside
12 39111 Los Gatos Dr., Temecula

9 Cabrales, Bernardo & Elsa 23692 Morning Glory, Murrieta
10 29335 Shady Ln., Murrieta
11 41468 Agean Ct., Murrieta
12 25482 Chesterfield, Wildomar
13 24259 Evening Shade Pl.,
14 Murrieta
15 29240 Wrangler Dr., Murrieta
16 27390 Hillcrest, Murrieta

15 Capacio, Arnulfo & Evelyn 27194 Red Maple, Murrieta
16 29198 Broken Arrow Wy.,
17 Murrieta
18 12807 Clallam Rd., Apple Valley
19 29083 Bent Tree Dr., Murrieta
20 33732 Springbrook, Temecula

19 14.

20 SCI and MONTECASTRO intentionally engaged in the
21 conduct above set forth. In the alternative, SCI and
22 MONTECASTRO engaged in negligence in transactions for which real
23 estate licenses are required.

24 15.

25
26 Violations of the Real Estate Law

27 A. 10176(a) for misrepresenting to investors and trust

1 fund beneficiaries that SCI and MONTECASTRO would make them
2 millionaires in three years.

3 B. 10176(b) for making false promises of a character
4 likely to influence, persuade or induce their investors and trust
5 fund owner-beneficiaries into believing that SCI and MONTECASTRO
6 would make up the difference between the incoming rental income
7 and the outgoing mortgage payment on the purchased properties.

8 C. 10176(e) for commingling investor trust funds with
9 SCI's general funds by mixing buyer proceeds from investment
10 capital, purchase loans, loan refinances, credit card cash
11 advances, pensions and retirement funds with SCI and
12 MONTECASTRO's commissions and concessions for purchasing
13 properties.

14 D. 10176(i) for fraud and dishonest dealing in
15 connection with an ongoing investment scheme manifested by
16 purchasing inflated properties by means of multiple rounds of
17 investor's capital and refinance financing.

18 E. 10176(i) for failing to account to investors how
19 their re-invested trust funds were spent. SCI and MONTECASTRO
20 concealed from the investors the true status of their respective
21 investments. SCI and MONTECASTRO induced investors to believe
22 that rental property shortfalls between rental income and
23 mortgage payments would be paid by Respondents.

24 F. 10176(i) for conversion of investor trust funds.
25 At no time did investor's funds leave the control and/or
26 direction of SCI and MONTECASTRO as a means of perpetuating their

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1 fraudulent investment scheme but instead were continued turned
2 over to SCI and MONTECASTRO by the investors.

3 G. 10176(i) for fraud in either preparing and/or
4 submitting falsified loan documentation including but not limited
5 to verifications of deposit and verifications of employment,
6 income amounts and sources.

7 H. 10177(g) for negligence by promoting a speculative
8 real estate investment scheme for which a real estate license is
9 required. SCI and MONTECASTRO investment methodology required
10 the investor to continue to assume an ever spiraling assumption
11 of debt on inflated price sales of property to investors.
12 Therefore an ever-increasing new influx of financing from new or
13 ongoing investors was necessary to maintain the scheme. This is
14 Ponzi-style financing and is manifesting fraudulent.

15 NOW, THEREFORE, YOU, STONEWOOD CONSULTING INC., and
16 YOU, HENDRIX MORENO MONTECASTRO, ARE ORDERED TO DESIST AND
17 REFRAIN from performing any and all acts requiring a real estate
18 license in California unless and until you are in compliance with
19 Sections 10145, 10176(a), 10176(b), 10176(e), 10176(g), 10176(i),
20 10177(g) and 10241 of the California Business and Professional
21 Code and Sections 2831, 2831.1, 2832, 2832.1, 2834, and 2835 of
22 Title 10, Chapter 6, California Code of Regulations.

23 AND, YOU, HENDRIX MORENO MONTECASTRO, individually and
24 as designated officer of Stonewood Consulting Inc., ARE ORDERED
25 TO DESIST AND REFRAIN from performing any and all acts requiring
26 a real estate license in California unless and until you are in
27 compliance with Section 10159.2.

1 AND, THAT YOU, STONEWOOD CONSULTING INC. and YOU,
2 HENDRIX MORENO MONTECASTRO, ARE ORDERED TO DESIST AND REFRAIN
3 from accepting or receiving, depositing, disbursing, commingling
4 or converting trust funds of investor-borrowers to any person or
5 entity, without the prior written consent of the owners of the
6 trust funds and in compliance with the Real Estate Law.

7 AND FURTHERMORE, THAT YOU, STONEWOOD CONSULTING INC.
8 and YOU, HENDRIX MORENO MONTECASTRO, ARE ORDERED TO DESIST AND
9 REFRAIN from engaging in an investment scheme or plan involving
10 the turnkey operation of pyramid debt and equity financing of
11 multiple real properties from real estate investors and
12 borrowers.

13 DATED May 29, 2007.

14 JEFF DAVI
15 Real Estate Commissioner

16 
17

18 By WAYNE S. BELL
19 Chief Counsel

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21
22
23
24
25 cc: Stonewood Consulting Inc.
26 c/o Hendrix Moreno Montecastro D.O.
27 26273 Horsetail St.
Murrieta, CA 92562