

1 Department of Real Estate
2 320 West Fourth Street, Ste. 350
3 Los Angeles, California 90013

4 (213) 576-6982

FILED
April 11, 2008
DEPARTMENT OF REAL ESTATE

By C.A.

5
6
7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 To:)
12) No. H-34820 LA
13 SUNWEST LENDING GROUP and)
14 LARRY LEE HARTMAN,)
15 individually and as) ORDER TO DESIST
16 designated officer of) AND REFRAIN
17 Sunwest Lending Group.)

18 The Real Estate Commissioner of the State of California
19 has caused an investigation to be made of your activities as a
20 real estate broker, and based on the findings of that
21 investigation is of the opinion that SUNWEST LENDING GROUP and
22 LARRY LEE HARTMAN, individually and as designated officer of
23 Sunwest Lending Group, have violated Sections 10140.6, 10235,
24 10159.5 and 14702 of the Business and Professions Code
25 (hereinafter "Code") as well as of Chapter 6, Title 10,
26 California Code of Regulations (hereinafter "Regulations"),
27 Regulation 2848.

1.

At all times mentioned herein, you, SUNWEST LENDING GROUP, were licensed by the Department of Real Estate of the

1 State of California (hereinafter "Department") as a corporate
2 real estate broker with Respondent LARRY LEE HARTMAN as the
3 designated officer.

4 2.

5 At all times mentioned herein, you, LARRY LEE HARTMAN,
6 individually and as designated officer of SUNWEST LENDING GROUP,
7 were licensed by the Department as a real estate broker.

8 3.

9 You, SUNWEST LENDING GROUP, and you, LARRY LEE HARTMAN,
10 knowingly advertised, printed, displayed, published, distributed,
11 or caused or permitted to be advertised, printed, displayed,
12 published, distributed, statements or representations with regard
13 to the rates, terms, or conditions for making, purchasing, or
14 negotiating loans on real property which were false, misleading,
15 or deceptive. You also operated under fictitious business names
16 which are not properly licensed by the Department and failed to
17 include required designation of license number in the ads.

18 4.

19 Specifically, beginning on or before June 15, 2007, and
20 continuing to the present time, you mailed advertisements and/or
21 solicitations to potential borrowers pertaining to loans on real
22 property which contained the following false, misleading or
23 deceptive representations, and/or which were otherwise in
24 violation of the Code and Regulations:

25 a. Violations of Code Section 14702 included using
26 consumers' loan numbers without the consent of the consumers,
27 without disclosures indicating that the solicitations were not

1 sponsored by, affiliated with or authorized by the lender, and
2 that the loan information was not provided by the lender.
3 Disclosures were not made in close proximity to the loan
4 information and in an equal font size.

5 b. Violations of Code Section 10235 included the
6 following false, misleading and/or deceptive representations
7 regarding the rates, terms or conditions of mortgage loans:

8 1. Payment rates were represented without equally
9 prominent disclosures of the note rate or length of
10 time the payment rates would be in effect;

11 2. Ads stated that the recipients had been "selected"
12 to substantially reduce their mortgage payments, but
13 did not disclose on what basis they were selected,
14 other than that they were homeowners in California;

15 3. Ads made misleading representations about monthly
16 payment rates on the offered loans. Ads also stated
17 that no income documentation was required, but failed
18 to disclose that fees or higher interest rates would
19 apply to loans made without income documentation. Ads
20 offered a payment rate of 1.95%, but did not include an
21 equally prominent disclosure of APR, disclosure of the
22 note rate, or disclosure of the period the rate would
23 be in effect.

24 4. Ads appeared to be formatted as correspondence from
25 the recipients' current lender, and implied that
26 recipients were already approved for a loan.

27 5. Ads represented that the recipients would be able

1 to save hundreds off of their current mortgage
2 payments, which appear to be illusory statements as
3 Sunwest did not have sufficient information about the
4 recipients' current mortgages.

5 c. Violations of Regulation 2848 include:

6 1. Ads did not disclose the principal amount, note
7 interest rate, APR, number of payments, amount of
8 payments, period of payments scheduled to the date of
9 maturity, and balloon payment due if not fully
10 amortized when displaying a specific installment
11 payment. When an introductory rate was advertised, the
12 ads did not properly disclose how long the initial rate
13 would be in effect. In addition, the ads did not
14 disclose the loans' lien priority. [Regulation 2848(5)
15 and (6).]

16 2. Comparatives such as "substantially" or
17 "significantly" were used without further explanation.
18 [Regulation 2848(4)]

19 3. Ads implied they were coming from a lender.
20 [Regulation 2848(4)]

21 4. Interest rates were represented without an equally
22 prominent APR. [Regulation 2848(16).]

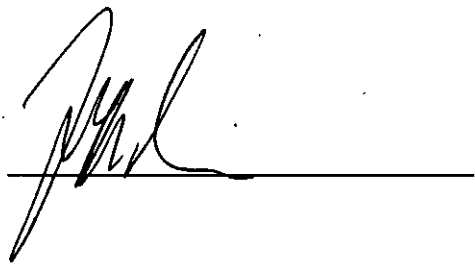
23 d. Violations of Code Sections 10140.6 and 10159.5 and
24 Regulation 2731 included that the ads failed to include the
25 required designation of licensee and used a fictitious business
26 name which was not properly licensed.

27 ///

1 NOW, THEREFORE, YOU, SUNWEST LENDING GROUP and YOU,
2 LARRY LEE HARTMAN, ARE ORDERED TO DESIST AND REFRAIN from
3 performing any and all activities for which a real estate broker
4 license is required until you comply with all provisions of the
5 Real Estate Law as discussed in this Order.

6 DATED: 4-8 , 2008.

7
8 JEFF DAVI
9 Real Estate Commissioner

10 

11
12
13
14
15
16
17
18
19
20
21
22
23 cc: Sunwest Lending Group
24 17595 Harvard, Suite 5000
 Irvine, CA 92614

25 Larry Lee Hartman
26 5220 Clark Ave. Ste. 460
 Lakewood, CA 90712

27