

AUG 31 2009

DEPARTMENT OF REAL ESTATE
BY James B. Jones

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	
)	No. H-35796 LA
HLHS FINANCIAL SERVICES INC., a)	
corporate real estate broker; and)	
MARK ALAN HELSING, individually)	
and as designated broker-officer of)	
HLHS Financial Services Inc.,)	
)	
Respondents.)	
)	

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on July 7, 2009, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

(a) On or about March 19, 2009, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, return receipt requested, to Respondent HLHS FINANCIAL SERVICES INC. at its last known mailing address on file with the Department. Said mailing was signed for on April 9, 2009. The Accusation and related documents were also mailed by certified mail, return receipt requested, to Respondent HELSING at his last known mailing address on file with the Department. Said mailing was also signed for on April 9, 2009. No Notice of Defense has been filed on behalf of either Respondent.

(b) On July 7, 2009, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent HLHS ENTERPRISES INC.'s default was entered herein.

(c) On July 7, 2009, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent HELSING's default was entered herein.

2.

Respondent HLHS ENTERPRISES INC. ("HLHS") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code") as a corporate real estate broker. Respondent HLHS has been licensed by the Department of Real Estate of the State of California ("Department") as a corporate real estate broker since February 20, 2002.

3.

At all times relevant herein, until July 18, 2008, Respondent HLHS was authorized to act by and through Respondent HELSING as the broker-officer of Respondent HLHS designated pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the real estate law. Respondent HLHS does not currently have a designated broker-officer.

4.

Respondent MARK ALAN HELSING ("HELSING") is presently and at all times relevant herein was licensed and/or has license rights under the Code as a real estate broker. Respondent was first licensed as a broker on or about June 22, 1993. At all times relevant herein, Respondent HELSING was also doing business under the following licensed dbas: Sea View Investments, Sea View Residential, and Sea View Mortgage.

5.

As set forth more fully below, effective July 18, 2008, Respondent HELSING's license was suspended indefinitely in relation to the Department's Recovery Cases No. R-4146 and R-4160, pursuant to Code Section 10475.

6.

At all times material herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California within the meaning of Code Section 10131(d), for another or others in expectation of compensation. Said activity included representing borrowers and lenders of loans secured by real property, and performing loan servicing and escrow activities in relation to those loans pursuant to the exemption set forth in Financial Code Section 17006(a)(4).

7.

All further references to "Respondents" include the individuals and entities listed in Findings 2 through 6 above, and also include the employees, agents and real estate licensees employed by or associated with each Respondent, who at all times material herein were engaged in the furtherance of the business or operations of said parties and who were acting within the course and scope of their authority, agency or employment.

Fraud in Orange County (R-4146)

8.

On or about October 31, 2007, in the Superior Court of California, County of Orange, in Case No. 07CC07079, a civil judgment for fraud, deceit, breach of fiduciary duty, conversion, among other counts, was entered against Respondents HLHS and HELSING. Respondents were ordered to pay plaintiffs in the case \$465,000.00, plus interest and attorneys fees.

9.

The facts and circumstances leading to the civil judgment against Respondents set forth in Finding 8 above ("Orange County Judgment") involved Respondents' conduct as real estate brokers, and were as follows:

(a) Beginning in February of 2006 and continuing through April of 2007, Larry Richardson ("Richardson") invested a total of \$337,000.00 into six separate loans brokered by Respondents. The loans were supposed to be secured by assignments of deeds of trust recorded against the borrowers' real property. Respondents acted as mortgage loan broker in arranging loans on behalf of borrowers and the lender, and also acted as escrow and servicing agents.

(b) During the course of representing Richardson in relation to the transactions set forth in Paragraph 9a above, Respondents engaged in a pattern of fraud, misrepresentation, and deceit that included self-dealing and conversion of trust funds to their own use. In relation to the handling of the loans they were managing and servicing on behalf of Richardson, Respondents failed to record the assignments of deed of trust. Richardson received monthly interest payments on his investment. When the borrowers had repaid all principal and interest on their loans, Respondents converted the funds to their own use. To conceal the fact that the loans had been repaid, Respondents continued to send Richardson monthly interest payments. Eventually, the payments were discontinued, and Richardson discovered the true facts about his loan investments.

10.

On or about July 18, 2008, in Recovery Account Case No. R-4146, the Real Estate Commissioner paid \$24,000.00 to Larry Richardson on account of the Orange County Judgment set forth in Finding 8 above.

11.

In relation to the payment from the Recovery Account in Case No. R-4146, Respondent HELSING's real estate license and license rights were indefinitely suspended.

Fraud in San Diego County (R-4160)

12.

On or about February 21, 2008, in the Superior Court of California, County of San Diego, in Case No. 37-2007-00082449-CU-BC-CTL, a civil judgment for fraud and breach of fiduciary duty, among other counts, was entered against Respondent HELSING, individually and doing business as Sea View Investments. Respondent HELSING was ordered to pay plaintiffs in the San Diego County case \$1,236,139.33 for each of the fraud and breach of fiduciary duty claims.

13.

The facts and circumstances leading to the civil judgment against Respondent HELSING set forth in Finding 12 above ("The San Diego Judgment") involved Respondent HELSING's conduct as a real estate broker, and were as follows:

(a) Beginning in June of 2005 and continuing through June of 2006, Mark Ostrom ("Ostrom") invested a total of \$1,090,000.00 into nine separate loans. All but one of those loans was secured by an assignment of a deed of trust recorded against the borrower's real property. Respondents acted as mortgage loan brokers in arranging loans on behalf of borrowers and the lender, and also acted as escrow and servicing agents.

(b) During the course of representing Ostrom in relation to the transactions set forth in Finding 13(a) above, Respondent engaged in a pattern of fraud, misrepresentation, and deceit that included self-dealing and conversion of loan investor trust funds to his own use. Ostrom received monthly interest payments on his investment. Respondent concealed the fact that some of the loans had gone into default and were foreclosed upon by the senior lien holder, that some of the properties had been sold by the borrowers, and that some of the loans had been repaid in full. Respondent failed to inform Ostrom when some of the loans went into default, and Ostrom lost his opportunity to protect his investments when the senior lien holders foreclosed. Funds received by Respondent from the sale of properties or loan payoffs were converted to Respondent's own use. Ostrom lost his entire investment of \$1,090,000.00.

14.

On July 18, 2008, in Department of Real Estate Recovery Case No. R-4160, the Real Estate Commissioner paid a claim of \$76,000.00.

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15.

Pursuant to Code Section 10475, on July 18, 2008, Respondent HELSING's real estate license and all rights and privileges were automatically suspended in relation to the payment from the Real Estate Recovery Account in Case No. R-4160.

DETERMINATION OF ISSUES

1.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

2.

The civil judgment against Respondents HELSING and HLHS, as set forth above in Finding of Fact 8, constitutes cause for the revocation or suspension of the licenses of Respondents HELSING and HLHS pursuant to Code Section 10177.5.

3.

The civil judgment against Respondent HELSING, as set forth above in Finding of Fact 12, constitutes cause for the revocation or suspension of Respondent HELSING's license pursuant to Code Section 10177.5.

4.

The conduct acts and omissions, as set forth in Findings of Fact 9(a) and 9(b) above, constitute grounds to revoke or suspend the licenses of Respondents HELSING and HLHS pursuant to Code Sections 10176(a), 10176(c), and 10176(i).

5.

The conduct acts and omissions, as set forth in Findings of Fact 13(a) and 13(b) above, constitute grounds to revoke or suspend Respondent HELSING's license pursuant to Code Sections 10176(a), 10176(c), and 10176(i).

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ORDERS

1.

All licenses and license rights of Respondent HLHS FINCAICAL SERVICES INC. under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

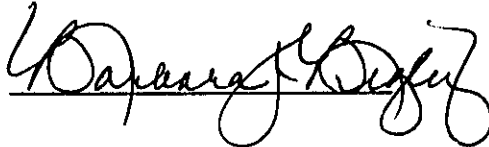
2.

All licenses and license rights of Respondent MARK ALAN HELSING under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on **September 21, 2009.**

DATED: 7-31-09

JEFF DAVI
Real Estate Commissioner



BY: Barbara J. Bigby
Chief Deputy Commissioner

1 Department of Real Estate
2 320 West Fourth Street, Suite 350
3 Los Angeles, CA 90013

4 (213) 576-6982

FILED

JUL - 7 2009

DEPARTMENT OF REAL ESTATE

BY: Laura B. [Signature]

7 BEFORE THE DEPARTMENT OF REAL ESTATE

8 STATE OF CALIFORNIA

9 * * *

10 In the Matter of the Accusation of) NO. H-35796 LA
11)
12 HLHS FINANCIAL SERVICES INC.,) DEFAULT ORDER
13 a corporate real estate broker;)
14 and MARK ALAN HELSING,)
15 individually and as designated)
16 broker-officer of HLHS)
17 Financial Services, Inc.,)
18 Respondents.)

17 Respondents HLHS FINANCIAL SERVICES INC., and MARK
18 ALAN HELSING, having failed to file a Notice of Defense
19 within the time required by Section 11506 of the Government
20 Code, are now in default. It is, therefore, ordered that a
21 default be entered on the record in this matter.

22 IT IS SO ORDERED

July 7, 2009

23 JEFF DAVI

24 Real Estate Commissioner

25 BY:

Dolores Weeks
26 DOLORES WEEKS

27 Regional Manager

Sucks for

FILED
MAR 23 2009
DEPARTMENT OF REAL ESTATE

MARTHA J. ROSETT, Counsel (SBN 142072)
Department of Real Estate
320 West Fourth St., #350
Los Angeles, CA 90013-1105

Laura B. Olson

(213) 576-6982
(213) 620-6430

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-35796 LA
)	
HLHS FINANCIAL SERVICES INC., a)	
corporate real estate broker; and)	
MARK ALAN HELSING, individually and)	<u>A C C U S A T I O N</u>
as designated broker-officer of)	
HLHS Financial Services Inc.,)	
)	
Respondents.)	

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against HLHS FINANCIAL SERVICES INC., a corporate real estate broker; and MARK ALAN HELSING, individually and as designated broker-officer of HLHS Financial Services Inc., is informed and alleges as follows:

1.

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

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2.

Respondent HLHS FINANCIAL SERVICES INC. (hereinafter "HLHS"), is presently licensed and at all times relevant herein was licensed under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as a corporate real estate broker. Respondent HLHS has been licensed by the Department of Real Estate ("Department") as a corporate real estate broker since February 20, 2002. At all times relevant herein, until July 18, 2008, Respondent HLHS was authorized to act by and through Respondent MARK ALAN HELSING as its broker-officer designated pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the real estate law. Respondent HLHS does not currently have a designated broker-officer.

3.

Respondent MARK ALAN HELSING ("Respondent HELSING") is presently and at all times relevant herein was licensed and/or has license rights under the Code as a real estate broker. Respondent was first licensed by the Department as a broker on or about June 22, 1993. As set forth in Paragraph 2 above, at all times relevant herein, Respondent HELSING was the designated broker officer of Respondent HLHS. At all times relevant herein, Respondent HELSING was also doing business under the following licensed dbas: Sea View Investments, Sea View Residential, and Sea View Mortgage. As set forth more fully below, effective July 18, 2008, Respondent HELSING's license was suspended indefinitely.

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4.

All further references to "Respondents" include the parties listed in Paragraphs 2 and 3 above, as well as the officers, agents and employees of the parties listed in Paragraphs 2 and 3 above.

FIRST CAUSE OF ACCUSATION

(Civil Judgment for Fraud in Orange County)

5.

On or about October 31, 2007, in the Superior Court of California, County of Orange, in Case No. 07CC07079, a civil judgment for fraud, deceit, breach of fiduciary duty, conversion, among other counts, was entered against Respondents HLHS and HELSING. Respondents were ordered to pay plaintiffs in the case \$465,000.00, plus interest and attorneys fees.

6.

The facts and circumstances leading to the civil judgment against Respondents set forth in Paragraph 5 above ("Orange County Judgment") involved Respondents' conduct as real estate brokers. Beginning in February of 2006 and continuing through April of 2007, Larry Richardson ("Richardson") invested a total of \$337,000.00 into six separate loans brokered by Respondents. The loans were supposed to be secured by assignments of deeds of trust recorded against the borrowers' real property. Respondents acted as mortgage loan broker in arranging loans on behalf of borrowers and the lender, and also acted as escrow and servicing agents.

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1 7.

2 During the course of representing Richardson in
3 relation to the transactions set forth in Paragraph 6 above,
4 Respondents engaged in a pattern of fraud, misrepresentation,
5 and deceit that included self-dealing and conversion of trust
6 funds to their own use. In relation to the handling of the
7 loans they were managing and servicing on behalf of Richardson,
8 Respondents failed to record the assignments of deed of trust.
9 Richardson received monthly interest payments on his investment.
10 When the borrowers had repaid all principal and interest on
11 their loans, Respondents converted the funds their own use. To
12 conceal the fact that the loans had been repaid, Respondents
13 continued to send Richardson monthly interest payments.
14 Eventually, the payments were discontinued, and Richardson
15 discovered the true facts about his loan investments.

16 8.

17 On or about July 18, 2008, in Recovery Account Case
18 No. R-4146, the Real Estate Commissioner paid \$24,000.00 to the
19 Richardson on account of the Orange County Judgment set forth in
20 Paragraph 5 above.

21 9.

22 In relation to the payment from the Recovery Account
23 in Case No. R-4146, Respondent HELSING's real estate license and
24 license rights were indefinitely suspended.

25 10.

26 The civil judgment for fraud and deceit set forth
27 above in Paragraph 5 constitutes grounds to revoke or suspend

1 the licenses and license rights of Respondents HELSING and HLHS
2 pursuant to Code Section 10177.5.

3 11.

4 The conduct acts and omissions, as set forth in
5 Paragraphs 6 and 7 above, constitute grounds to revoke or
6 suspend the licenses and license rights of Respondents HELSING
7 and HLHS pursuant to Code Sections 10176(a), 10176(c), 10176(k),
8 10177(g), 10176(i), and/or 10177(j).

9 SECOND CAUSE OF ACCUSATION

10 (Civil Judgment for Fraud in San Diego County)

11 12.

12 On or about February 21, 2008, in the Superior Court
13 of California, County of San Diego, in Case No. 37-2007-
14 00082449-CU-BC-CTL, a civil judgment for fraud and breach of
15 fiduciary duty, among other counts, was entered against
16 Respondent HELSING, individually and doing business as Sea View
17 Investments. Respondent HELSING was ordered to pay plaintiffs
18 in the San Diego County case \$1,236,139.33 for each of the fraud
19 and breach of fiduciary duty claims.

20 13.

21 The facts and circumstances leading to the civil
22 judgment against Respondent HELSING in set forth in Paragraph 12
23 above ("The San Diego Judgment") involved Respondent HELSING's
24 conduct as a real estate broker. Beginning in June of 2005 and
25 continuing through June of 2006, Mark Ostrom ("Ostrom") invested
26 a total of \$1,090,000.00 into nine separate loans. All but one
27 of those loans was secured by an assignment of a deed of trust

1 recorded against the borrower's real property. Respondents
2 acted as mortgage loan broker in arranging loans on behalf of
3 borrowers and the lender, and also acted as escrow and servicing
4 agent.

5 14.

6 During the course of representing Ostrom in relation
7 to the transactions set forth in Paragraph 13 above, Respondent
8 engaged in a pattern of fraud, misrepresentation, and deceit
9 that included self-dealing and conversion of loan investor trust
10 funds to his own use. Ostrom received monthly interest payments
11 on his investment. Respondent concealed the fact that some of
12 the loans had gone into default and were foreclosed upon by the
13 senior lien holder, that some of the properties had been sold by
14 the borrowers, and that some of the loans had been repaid in
15 full. Respondent failed to inform Ostrom when some of the loans
16 went into default, and Ostrom lost his opportunity to protect
17 his investments when the senior lien holders foreclosed. Funds
18 received by Respondent from the sale of properties or loan
19 payoffs were converted to Respondent's own use. Ostrom lost his
20 entire investment of \$1,090,000.00.

21 15.

22 On July 18, 2008, in Department of Real Estate
23 Recovery Case No. R-4160, the Real Estate Commissioner paid a
24 claim of \$76,000.00 pursuant to Chapter 6.5, Part 1, Division 4
25 of the Business and Professions Code on account of the San Diego
26 Judgment against HELSING. Pursuant to Code Section 10475, at
27 that time, Respondent HELSING's real estate license and all

1 rights and privileges were automatically suspended.

2 16.

3 The civil judgment against Respondent, as set forth
4 above in Paragraph 12, constitutes cause for the revocation or
5 suspension of Respondent's licenses and/or license rights
6 pursuant to Business and Professions Code Section 10177.5.

7 17.

8 The conduct acts and omissions, as set forth in
9 Paragraphs 13 and 14 above, constitute grounds to revoke or
10 suspend the licenses and license rights of Respondents HELSING
11 and HLHS pursuant to Code Sections 10176(a), 10176(c), 10177(g),
12 10176(i), and/or 10177(j).

13 WHEREFORE, Complainant prays that a hearing be
14 conducted on the allegations of this Accusation and that upon
15 proof thereof, a decision be rendered imposing disciplinary
16 action against all licenses and/or license rights of Respondents
17 HLHS FINANCIAL SERVICES, INC. and MARK ALAN HELSING, under the
18 Real Estate Law and for such other and further relief as may be
19 proper under applicable provisions of law.

20 Dated at Los Angeles, California

21 this 19 day of March, 2009.

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Robin Trujillo
Deputy Real Estate Commissioner

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cc: Mark Alan Helsing
HLHS Financial Services, Inc.
Robin Trujillo
Sacto.