

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105

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FILED
JUNE 8, 2009
DEPARTMENT OF REAL ESTATE

By *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 To:) NO. H-36034 LA
12)
13 AFFORDABLE FINANCIAL CORP.,)
14 MAJESTIC INVESTMENT GROUP,) ORDER TO DESIST
15 ANGEL GUTIERREZ,) AND REFRAIN
16 LEO GUTIERREZ,)
MICHAEL LUCIO,)
CORINNA NEVAREZ, and)
FERNANDA BARRAGAN.)

17 The Commissioner ("Commissioner") has caused an investigation to be made of
18 the activities of AFFORDABLE FINANCIAL CORP., MAJESTIC INVESTMENT GROUP,
19 ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and
20 FERNANDA BARRAGAN. Based on that investigation, the Commissioner has determined
21 that AFFORDABLE FINANCIAL CORP., MAJESTIC INVESTMENT GROUP, ANGEL
22 GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and
23 FERNANDA BARRAGAN, have engaged in, are engaging in, or are attempting to engage in,
24 acts or practices constituting violations of the California Business and Professions Code
25 ("Code") and/or Title 10, Chapter 6, California Code of Regulations ("Regulations"), including
26 the business of, acting in the capacity of, and/or advertising or assuming to act as, a real estate
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1 broker in the State of California within the meaning of Sections 10131(a) and 10131(d) of the
2 Code (performing services for purchasers and sellers of real property, and for borrowers in
3 connection with loans secured by real property). Furthermore, based on that investigation, the
4 Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist
5 and Refrain Order under the authority of Section 10086 of the Code.

6 Whenever acts referred to below are attributed to MAJESTIC INVESTMENT
7 GROUP, those acts are alleged to have been done by ANGEL GUTIERREZ, acting by himself,
8 or by and/or through one or more agents, associates, affiliates, and/or co-conspirators,
9 including, but not limited to those named herein, and using the names "Majestic Investment
10 Group, "Majestic Investment Group LLC," and "www.majesticigroup.com," or other names or
11 fictitious names unknown at this time. Whenever acts referred to below are attributed to
12 AFFORDABLE FINANCIAL CORP., those acts are alleged to have been done by
13 AFFORDABLE FINANCIAL CORP. by and/or through one or more agents, associates,
14 affiliates and/or co-conspirators, including Chief Operating Officer ANGEL GUTIERREZ.
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16 FINDINGS OF FACT

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18 1. AFFORDABLE FINANCIAL CORP. is licensed by the Department as a
19 corporate real estate broker, and/or has license rights with respect to that license.

20 (a) At all times relevant herein, AFFORDABLE FINANCIAL CORP. has
21 been licensed to conduct real estate business at the following address of record: 6422
22 Bellingham Ave., #201, North Hollywood, CA.

23 (b) Between May 6, 2006 and September 30, 2008, pursuant to Code Section
24 10159.2, AFFORDABLE FINANCIAL CORP. was licensed to conduct real estate activities
25 by and through designated broker-officer Kenneth James Peltz.
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27 (c) Since September 30, 2008, AFFORDABLE FINANCIAL CORP. has not

1 had a broker-officer designated pursuant to Code Section 10159.2, and has therefore not been
2 operating under an active real estate license.

3 (d) At all times relevant herein, ANGEL GUTIERREZ has been the president
4 and/or CEO and/or a principal of AFFORDABLE FINANCIAL CORP.

5 (e) At no time was AFFORDABLE FINANCIAL CORP. licensed to perform
6 real estate activities under the fictitious name of "Majestic Investment Group."

7 2. MAJESTIC INVESTMENT GROUP, also doing business as MAJESTIC
8 INVESTMENT GROUP LLC, is not now and has never been licensed by the Department in
9 any capacity.
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11 (a) At all times relevant, MAJESTIC INVESTMENT GROUP operated out of
12 an office located at 6422 Bellingham Ave., #208, North Hollywood, CA, on the same floor of
13 the same building as AFFORDABLE FINANCIAL CORP.

14 (b) ANGEL GUTIERREZ is the owner and/or a principal of MAJESTIC
15 INVESTMENT GROUP.
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17 3. ANGEL GUTIERREZ is not now and has never been licensed by the
18 Department in any capacity. ANGEL GUTIERREZ does business as a principal of
19 MAJESTIC INVESTMENT GROUP, now known as MAJESTIC INVESTMENT GROUP
20 LLC, an unlicensed business entity. At all times relevant herein, ANGEL GUTIERREZ was
21 also an officer and director of AFFORDABLE FINANCIAL CORP.
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23 4. LEO GUTIERREZ is not now and has never been licensed by the
24 Department in any capacity.

25 5. MICHAEL LUCIO is not now and has never been licensed by the
26 Department in any capacity.
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6. CORINNA NEVAREZ is not now and has never been licensed by the Department in any capacity.

7. FERNANDA BARRAGAN is not now and has never been licensed by the Department in any capacity.

8. All further references to the aforementioned individuals and entities include the parties identified in Paragraphs 1 through 7 above, and also include the officers, directors, employees, agents and real estate licensees employed by or associated with said parties and who at all times herein mentioned 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 and employment.

UNLICENSED ACTIVITY

9. During the period of time set forth below, MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and FERNANDA BARRAGAN solicited borrowers and negotiated to do one or more of the following acts for another or others, for or in expectation of compensation: negotiate one or more loans for, or perform services for, borrowers and/or lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charge, demand or collect an advance fee for any of the services offered.

10. For an unknown period of time beginning no later than May 27, 2008, and continuing to the present time, AFFORDABLE FINANCIAL CORP., MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL LUCIO, CORINNA NEVAREZ, and FERNANDA BARRAGAN advertised their services under one or more business names including but not limited to Majestic Investment Group and Majestic Investment Group LLC, in various print and electronic media, including a website located at www.majesticigroup.com. Those advertisements solicited, and continue to solicit, borrowers, offering loan modification services.

1 11. Beginning on or before August 25, 2008 and continuing to the present time,
2 LEO GUTIERREZ solicited borrowers for loan modification services and distributed fee
3 agreements on behalf of MAJESTIC INVESTMENT GROUP.

4 12. At all times relevant herein and continuing to the present time, ANGEL
5 GUTIERREZ and MAJESTIC INVESTMENT GROUP have advertised and solicited
6 borrowers and homeowners to provide them with assistance in negotiating the terms of their
7 home loans.

8 10801 San Miguel Ave., Lynwood, CA

9 13. Between on or about May 27, 2008 and on or after August 27, 2008,
10 MAJESTIC INVESTMENT GROUP, MICHAEL LUCIO, and CORINNA NEVAREZ,
11 solicited Maria Preciado and Jorge Flores, offered to provide loan modification services, and
12 collected advance fees of approximately \$2,500.00 for negotiating the terms of loans on their
13 behalf. On or before August 27, 2008, MICHAEL LUCIO and CORINNA NEVAREZ, as
14 agents, employees and/or representatives of MAJESTIC INVESTMENT GROUP, submitted
15 an inquiry to the lender regarding a mortgage loan held by Marisa Preciado in furtherance of
16 negotiating terms of the loan on her behalf. However, the loan was not modified. The property
17 went into foreclosure and was sold without the owner's knowledge or consent.

18 1963 Harbison Canyon Rd., El Cajon, CA

19 14. In August of 2008, FERNANDA BARRAGAN ("BARRAGAN"), as agent,
20 employee and/or representative of MAJESTIC INVESTMENT GROUP, solicited advance fees
21 from Esberardo R. Jimenez Villa ("Jimenez") pursuant to an agreement for loan modification
22 services. Mr. Jimenez understood that MAJESTIC INVESTMENT GROUP and BARRAGAN
23 would negotiate with the lender to obtain more favorable terms. MAJESTIC INVESTMENT
24 GROUP, through BARRAGAN, made ongoing representations that the negotiations with the
25 lender were favorable and required additional payments. On or about October 1, 2008,
26 BARRAGAN faxed Mr. Jimenez a "Purchase Agreement/Offer" pertaining to the sale of his
27 property to AFFORDABLE FINANCIAL CORP. and asked him to sign it. BARRAGAN

1 represented to Mr. Jimenez that after purchasing the property in a short sale, AFFORDABLE
2 FINANCIAL CORP. would transfer title back to him.

3 15. On or about October 1, 2008, ANGEL GUTIERREZ signed the above-
4 referenced "Purchase Agreement/Offer" pertaining to the purchase of 1963 Harbison Canyon
5 Rd., El Cajon, CA, as agent for the selling and listing firm, AFFORDABLE FINANCIAL
6 CORP.

7 CONCLUSIONS OF LAW

8 16. Based on the findings contained in Paragraphs 1 through 15 above,
9 MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ, MICHAEL
10 LUCIO, CORRINNA NEVAREZ, and FERNANDA BARRAGAN, solicited borrowers and
11 performed services for those borrowers and/or those borrowers' lenders in connection with
12 loans secured directly or collaterally by one or more liens on real property, and charged,
13 demanded or collected advance fees for the services to be provided, which acts require a real
14 estate broker license under Sections 10131(d) and 10131.2 of the Code, during a period of time
15 when they were not licensed by the Department as real estate brokers, or as salespersons
16 employed by brokers, in violation of Code Section 10130.

17 17. Based on the findings of fact contained in paragraphs 1 through 16 above,
18 AFFORDABLE FINANCIAL CORP., ANGEL GUTIERREZ and FERNANDA
19 BARRAGAN, solicited sellers and/or buyers of real property, and performed services for those
20 sellers and/or buyers in expectation of compensation, which acts required a real estate broker
21 license under Code Sections 10131(a), during a period of time when AFFORDABLE
22 FINANCIAL CORP. did not have an active designated broker-officer and when GUTIERREZ
23 and BARRAGAN were not licensed by the Department in any capacity, in violation of Code
24 Section 10130.

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DESIST AND REFRAIN ORDER

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2 1. Based on the Findings of Fact and Conclusions of Law stated herein, you,
3 MAJESTIC INVESTMENT GROUP, ANGEL GUTIERREZ, LEO GUTIERREZ,
4 MICHAEL LUCIO, CORRINNA NEVAREZ, and FERNANDA BARRAGAN, whether
5 doing business under your own names, or any other names, or fictitious names, ARE
6 HEREBY ORDERED to:

7 Immediately desist and refrain from performing any acts within the State of
8 California for which a real estate broker license is required. In particular, you are ordered to
9 desist and refrain from:

10 (i) soliciting borrowers and/or performing services for borrowers or lenders in
11 connection with loans secured directly or collaterally by one or more liens on real property, and
12

13 (ii) from charging, demanding, or collecting an advance fee for any of the
14 services you offer to others, unless and until you obtain a real estate broker license issued by
15 the Department, and until you demonstrate and provide evidence satisfactory to the
16 Commissioner that you are in full compliance with all of the requirements of the Code and
17 Regulations relating to charging, collecting, and accounting for advance fees.
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19 2. Based on the Findings of Fact and Conclusions of Law stated herein, you,
20 AFFORDABLE FINANCIAL CORP., whether doing business under your own name, or any
21 other name, or fictitious names, ARE HEREBY ORDERED to:

22 Immediately desist and refrain from performing any acts within the State of
23 California for which a real estate broker license is required unless and until you demonstrate
24 and provide evidence satisfactory to the Commissioner that you are in compliance with Code
25 Sections 10159.2 and Regulation 2740. In particular, you are ordered to desist and refrain
26 from:
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1 (i) soliciting borrowers and/or performing services for borrowers or lenders in
2 connection with loans secured directly or collaterally by one or more liens on real property, and

3 (ii) from charging, demanding, or collecting an advance fee for any of the
4 services you offer to others, unless and until you obtain a real estate broker license issued by
5 the Department, and until you demonstrate and provide evidence satisfactory to the
6 Commissioner that you are in full compliance with all of the requirements of the Code and
7 Regulations relating to charging, collecting, and accounting for advance fees.
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9 DATED: _____

6-3-09

11 JEFF DAVI
12 Real Estate Commissioner

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17 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a
18 real estate broker or real estate salesperson without a license or who advertises using words
19 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
20 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by
21 imprisonment in the county jail for a term not to exceed six months, or by both fine and
22 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
23 (\$60,000)."

24 cc: AFFORDABLE FINANCIAL CORP.
25 6422 Bellingham Avenue, #201
26 North Hollywood, CA 91606

27 MAJESTIC INVESTMENT GROUP
6422 Bellingham Avenue, #208
North Hollywood, CA 91606

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ANGEL GUTIERREZ
6422 Bellingham Avenue, #208
North Hollywood, CA 91606

ANGEL GUTIERREZ
6422 Bellingham Avenue, #201
North Hollywood, CA 91606

LEO GUTIERREZ
6422 Bellingham Avenue, #208
North Hollywood, CA 91606

MICHAEL LUCIO
6422 Bellingham Avenue, #208
North Hollywood, CA 91606

CORINNA NEVAREZ
6422 Bellingham Avenue, #208
North Hollywood, CA 91606

FERNANDA BARRAGAN
6422 Bellingham Avenue, #208
North Hollywood, CA 91606