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FILED

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2 Department of Real Estate
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4 Los Angeles, California 90013-1105

MAY 11 2011

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DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 ARMORED INVESTMENT GROUP, doing)
13 business as Armored Home Loans,)
14 Armored Home Savers and Armored Real)
15 Estate; and ANDREW FRANK ROOSEN,)
16 individually and as designated)
17 officer of Armored Investment Group,)
18 Respondents.)

No. H-36352 LA
FIRST AMENDED
ACCUSATION

18 The Accusation filed on November 10, 2009, is hereby
19 amended in its entirety as follows:

20 The Complainant, Maria Suarez, a Deputy Real Estate
21 Commissioner of the State of California, for cause of Accusation
22 against ARMORED INVESTMENT GROUP dba Armored Home Loans, Armored
23 Home Savers and Armored Real Estate, and ANDREW FRANK ROOSEN,
24 individually and as designated officer of Armored Investment
25 Group, alleges as follows:
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1.

1 The Complainant, Maria Suarez, acting in her official
2 capacity as a Deputy Real Estate Commissioner of the State of
3 California, makes this Accusation against ARMORED INVESTMENT
4 GROUP (AIG) and ANDREW FRANK ROOSEN (ROOSEN).
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7 All references to the "Code" are to the California Business
8 and Professions Code and all references to "Regulations" are to
9 Title 10, Chapter 6, California Code of Regulations.

10 License

11 3.

12 At all times mentioned, AIG was licensed or had license
13 rights issued by the Department of Real Estate (Department) as a
14 real estate broker by and through real estate broker ROOSEN.
15

16 Brokerage

17 4.

18 At all times mentioned, in the City of Irvine, County
19 of Orange, Respondents engaged in the business of real estate
20 brokers conducting licensed activities within the meaning of Code
21 Sections 10131(a), 10131(d) and 10131.2. Respondents operated a
22 resale, mortgage loan, loan modification and advanced fee
23 brokerage dba Armored Home Loans, Armored Home Savers and Armored
24 Real Estate. For compensation or in expectation of compensation
25 and for fees often collected in advance. Respondents contacted
26 lenders on behalf of distressed homeowners seeking modification
27 or forbearance of the terms of their home loans.

1 FIRST CAUSE OF ACCUSATION
2 (Audit LA 080216)

3 5.

4 On May 19, 2009, the Department completed an audit
5 examination of the books and records of AIG pertaining to the
6 mortgage loan, advanced fee and loan modification service
7 activities described in Paragraph 4, which require a real estate
8 license. The audit examination covered a period of time
9 beginning on November 1, 2007 to March 31, 2009. The audit
10 examination revealed violations of the Code and the Regulations
11 as set forth in the following paragraphs, and more fully
12 discussed in Audit Report LA 080216 and the exhibits and work
13 papers attached to said audit report.

14 6.

15 No trust account was kept during the audit period.

16 Violations

17 7.

18 In the course of activities described in Paragraph 4,
19 above, and during the examination period described in Paragraph
20 5, Respondents AIG and ROOSEN, acted in violation of the Code and
21 the Regulations in that Respondents:

22 (a) Failed to maintain a control record in the form of
23 a columnar record in chronological order of all trust funds
24 including advance fees received, deposited and disbursed, in
25 violation of Code Section 10145 and Regulation 2831.

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1 (b) After notice and subpoena on April 16, 2009, failed
2 to retain all records of AIG's activity during the audit period
3 requiring a real estate broker license, in violation of Code
4 Section 10148.

5 (c) ROOSEN failed to exercise adequate supervision over
6 AIG's activities requiring a real estate license to ensure
7 compliance the Real Estate Laws and Regulations and had no system
8 in place for regularly monitoring AIG's compliance with the Real
9 Estate Law, in violation of Code Sections 10159.2, 10177(h) and
10 Regulation 2725.

11 Disciplinary Statutes

12 8.

13 The conduct of Respondents AIG and ROOSEN described in
14 Paragraph 7, above, violated the Code and the Regulations as set
15 forth below:

PARAGRAPH	PROVISIONS VIOLATED
7(a)	Code Section 10145 and Regulation 2831
7(b)	Code Section 10148
7(c)	Code Section 10159.2 and 10177(h) and Regulation 2725

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24 The foregoing violations constitutes cause for the discipline of
25 the real estate license and license rights of AIG and ROOSEN, as
26 aforesaid, under the provisions of Code Sections 10177(d) for
27 violation of the Real Estate Law and/or 10177(g) for negligence.

1 "Armored Investment Group dba Armored Home Savers Client Escrow
2 Account
3 Account No. XXXXXXXX-2506
4 Wachovia Bank
(AIG's general business account) (B/A #1)

5
6 "Armored Investment Group dba Armored Home Savers
7 Account No. XXXXXXXX-1879
8 Wachovia Bank
(AIG's general business account) (G/A #1)

9 Violations

10 11.

11 In the course of activities described in Paragraphs 4
12 and 10 above, and during the examination period described in
13 Paragraph 9 Respondents AIG and ROOSEN, acted in violation of the
14 Code and the Regulations in that Respondents:

15 (a) Collected advance fees within the meaning of Code
16 Section 10026 from homeowners seeking loan modification services
17 wherein AIG did not have and thus failed to provide a pre-
18 approved advance fee agreement from the Department between the
19 period October 30, 2008 and January 30, 2009, in violation of
20 Code Section 10085 and Regulation 2970.

21 (b) AIG failed to provide a complete description of
22 services to be rendered provided to each prospective tenant in 10
23 point type font and failed to provide an allocation and
24 disbursement of the amount collected as the advance fee to
25 Armando Moreno, in violation of Code Section 10146 and Regulation
26 2972. Between the period October 30, 2008 and January 30, 2009,
27

1 AIG deposited \$23,200.00 out of \$34,845.00 in collected advance
2 fees were deposited into AIG's non trust fund general operating
3 account, G/A #1.

4 (c) Mixed and commingled trust funds and personal funds
5 by depositing collected advance fees from AIG's loan modification
6 service activity into, AIG's non trust fund general operating
7 account B/A #1, in violation of Code Sections 10145 and 10176(e)
8 and Regulation 2832.

9 (d) Failed to maintain a complete and accurate control
10 record in the form of a columnar record in chronological order of
11 all trust funds including advance fees received, deposited and
12 disbursed by B/A #1 and G/A #2, in violation of Code Section
13 10145 and Regulation 2831.

14 (e) Failed to maintain a separate record for each
15 beneficiary or transaction, thereby failing to account for all
16 trust funds received, deposited and disbursed by B/A #1, in
17 violation of Code Section 10145 and Regulation 2831.1. No
18 separate trust fund beneficiary records were maintained for
19 collected advance fees in loan modification activity.

20 (f) Failed to perform a monthly reconciliation of the
21 balance of all separate beneficiary or transaction records
22 maintained pursuant to Regulation 2831.1 with the record of all
23 trust funds received and disbursed by B/A #1, in violation of
24 Code Section 10145 and Regulation 2831.2.

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1 (g) Failed to retain all records of AIG's activities
2 requiring a real estate license during the audit period requiring
3 a real estate broker license, in violation of Code Section 10148.

4 Disciplinary Statutes

5 11

6 The conduct of Respondents AIG and ROOSEN described in
7 Paragraph 12, above, violated the Code and the Regulations as set
8 forth below:

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10 PARAGRAPH	PROVISIONS VIOLATED
11 11(a)	Code Section 10085 and Regulation 2970
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13 11(b)	Code Section 10146 and Regulation 2972
14	
15 11(c)	Code Sections 10145 and 10176(e) and Regulation 2832
16	
17 11(d)	Code Section 10145 and Regulation 2831
18	
19 11(e)	Code Section 10145 and Regulation 2831.1
20	
21 11(f)	Code Section 10145 and Regulation 2831.2
22	
23 11(g)	Code Section 10148

24 The foregoing violations constitutes cause for the discipline of
25 the real estate license and license rights of AIG and ROOSEN, as
26 aforesaid, under the provisions of Code Sections 10177(d) for
27 violation of the Real Estate Law and/or 10177(g) for negligence.

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THIRD CAUSE OF ACCUSATION
(Negligence)

13.

The overall conduct of Respondents AIG and ROOSEN constitutes negligence and is cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

FOURTH CAUSE OF ACCUSATION
(Fiduciary Duty)

13.

The conduct, acts and omissions of Respondents AIG and ROOSEN constitute a breach of fiduciary duty, in violation of Code Section 10177(g).

FIURTH CAUSE OF ACCUSATION
(Lack of Supervision)

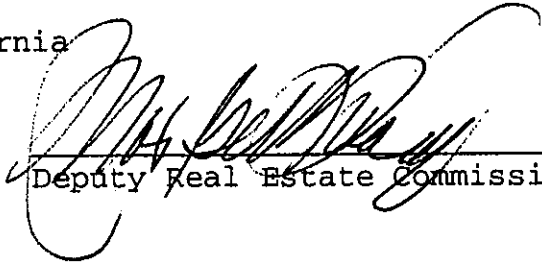
15.

The overall conduct of Respondent ROOSEN constitutes a failure on said Respondent's part, as officer and former officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of AIG as required by Code Section 10159.2 and Regulation 2725, and to keep AIG in compliance with the Real Estate Law, with specific regard to trust fund and credit report fee handling, mortgage and loan brokering and unlicensed loan modification services, and is cause for discipline of the real estate license and license rights of all Respondents pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents
5 ARMORED INVESTMENT GROUP and ANDREW FRANK ROOSEN, under the Real
6 Estate Law (Part 1 of vision 4 of the Business and Professions
7 Code) and for such other and further relief as may be proper
8 under other applicable provisions of law including: (1) an
9 accounting of advanced fees paid for unearned loan modification
10 services; (2) deposit into a trust account or restitution to loan
11 modification applicants of advance fees paid; and, (3) for costs
12 of audits of LA 080216 and LA 1000021.

13 Dated at Los Angeles, California

14 this *9, May 2011.*



Deputy Real Estate Commissioner

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25 cc: Armored Investment Group
26 c/o Andrew Frank Roosen D.O.
27 Maria Suarez
Sacto
Audits - Gina King

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9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of)
12 ARMORED INVESTMENT GROUP, doing)
13 business as Armored Home Loans,)
14 Armored Home Savers and Armored Real)
15 Estate; and ANDREW FRANK ROOSEN,)
16 individually and as designated)
17 officer of Armored Investment Group,)
18 Respondents.)

No: H-36352 LA

A C C U S A T I O N

18 The Complainant, Maria Suarez, a Deputy Real Estate
19 Commissioner of the State of California, for cause of Accusation
20 against ARMORED INVESTMENT GROUP dba Armored Home Loans, Armored
21 Home Savers and Armored Real Estate, and ANDREW FRANK ROOSEN,
22 individually and as designated officer of Armored Investment
23 Group, alleges as follows:

24 1.

25 The Complainant, Maria Suarez, acting in her official
26 capacity as a Deputy Real Estate Commissioner of the State of
27

1 California, makes this Accusation against ARMORED INVESTMENT
2 GROUP (AIG) and ANDREW FRANK ROOSEN (ROOSEN).

3 2.

4 All references to the "Code" are to the California
5 Business and Professions Code and all references to "Regulations"
6 are to Title 10, Chapter 6, California Code of Regulations.

7 License

8 3.

9 At all times mentioned, AIG was licensed or had license
10 rights issued by the Department of Real Estate (Department) as a
11 real estate broker by and through real estate broker ROOSEN.

12 Brokerage

13 4.

14 At all times mentioned, in the City of Irvine, County
15 of Orange, AIG and ROOSEN engaged in the business of real estate
16 brokers conducting licensed activities within the meaning of Code
17 Sections 10131(a), 10131(d) and 10131.2. AIG and ROOSEN engaged
18 in operating a residential resale brokerage, and a mortgage loan,
19 loan modification service and advanced fee brokerage dba Armored
20 Home Loans, Armored Home Savers and Armored Real Estate. For
21 compensation or in expectation of compensation and for fees often
22 collected in advance, Respondents contacted lenders on behalf of
23 distressed homeowners seeking modification or forbearance of the
24 terms of their home loans.

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26 ///

Audit

5.

On May 19, 2009, the Department completed an audit examination of the books and records of AIG pertaining to the mortgage loan, advanced fee and loan modification service activities described in Paragraph 4, which require a real estate license. The audit examination covered a period of time beginning on November 1, 2007 to March 31, 2009. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 080216 and the exhibits and work papers attached to said audit report.

6.

No trust account was kept during the audit period.

Violations

7.

In the course of activities described in Paragraph 4, above, and during the examination period described in Paragraph 5, Respondents AIG and ROOSEN, acted in violation of the Code and the Regulations in that Respondents:

(a) Failed to maintain a control record in the form of a columnar record in chronological order of all trust funds including advance fees received, deposited and disbursed, in violation of Code Section 10145 and Regulation 2831.

///

1 (b) After notice and subpoena on May 14, 2009, failed
2 to retain all records of AIG's activity during the audit period
3 requiring a real estate broker license, in violation of Code
4 Section 10148; and

5 (c) ROOSEN failed to exercise adequate supervision over
6 AIG's activities requiring a real estate license to ensure
7 compliance the Real Estate Laws and Regulations and had no system
8 in place for regularly monitoring AIG's compliance with the Real
9 Estate Law, in violation of Code Sections 10159.2, 10177(h) and
10 Regulation 2725.

11 Disciplinary Statutes

12 8.

13 The conduct of Respondents AIG and ROOSEN described in
14 Paragraph 7, above, violated the Code and the Regulations as set
15 forth below:
16

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PARAGRAPH	PROVISIONS VIOLATED
7(a)	Code Section 10145 and Regulation 2831
7(b)	Code Section 10148
7(c)	Code Section 10159.2 and 10177(h) and Regulation 2725

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23
24

25 The foregoing violations constitutes cause for the discipline of
26 the real estate license and license rights of AIG and ROOSEN, as
27

1 aforesaid, under the provisions of Code Sections 10177(d) for
2 violation of the Real Estate Law and/or 10177(g) for negligence.

3 9.

4 The overall conduct of Respondent ROOSEN constitutes a
5 failure on Respondent's part, as officer designated by a
6 corporate broker licensee, to exercise the reasonable supervision
7 and control over the licensed activities of AIG, as required by
8 Code Sections 10159.2 and 10211, and to keep AIG in compliance
9 with the Real Estate Law, with specific regard to loan
10 modifications services and advance fee handling, requiring a real
11 estate license and is cause for the suspension or revocation of
12 the real estate license and license rights of AIG and ROOSEN
13 pursuant to the provisions of Code Sections 10177(d), 10177(g)
14 and 10177(h).

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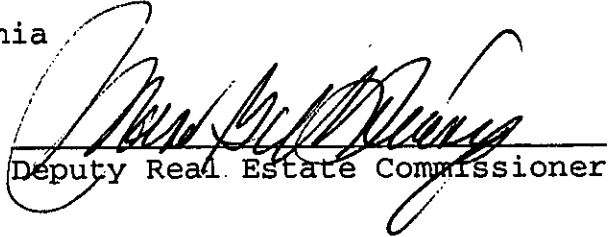
26 ///

27

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents
5 ARMORED INVESTMENT GROUP and ANDREW FRANK ROOSEN, under the Real
6 Estate Law (Part 1 of vision 4 of the Business and Professions
7 Code) and for such other and further relief as may be proper
8 under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 30 October 2009.

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Deputy Real Estate Commissioner

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25 cc: Armored Investment Group
26 c/o Andrew Frank Roosen D.O.
27 Maria Suarez
Sacto
Audits - Gina King