

An additional attempt at service was made on March 11, 2011, by regular mail.

On April 7, 2011, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents FOREFRONT MORTGAGE AND INVESTMENTS, INC.; EDUARDO CALDERA; and GILBERTO LOPEZ' default were entered herein.

2.

FOREFRONT MORTGAGE AND INVESTMENTS, INC. ("Respondent FOREFRONT"), EDUARDO CALDERA ("Respondent CALDERA"), and GILBERTO LOPEZ ("Respondent LOPEZ") are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code, hereinafter "Code").

3.

At all times herein mentioned, Respondent CALDERA was licensed as a real estate broker and as the designated broker-officer of Respondent FOREFRONT.

4.

At all times herein mentioned, Respondent FOREFRONT was licensed as a real estate corporation acting by and through Respondent CALDERA as its designated broker-officer.

5.

At all times herein mentioned, Respondent GILBERTO LOPEZ was licensed as a real estate salesperson acting in the employ of Respondents FOREFRONT and CALDERA. On June 14, 2009, Respondent LOPEZ' license expired. Respondent LOPEZ has renewal rights pursuant to Code Section 10201. The Department retains jurisdiction pursuant to Code Section 10103.

Teodoro Sanchez

6.

In or around September, 2008, Respondent LOPEZ, while working on behalf of FOREFRONT, solicited Teodoro Sanchez Solis to assist Mr. Sanchez with the refinance of a loan secured by real property located in the City of Los Angeles, California.

Samuel Sanchez (Mr. Sanchez' son) provided Respondent LOPEZ with Mr. Sanchez' social security number to obtain a loan with a desirable interest rate for Mr. Sanchez. Respondent LOPEZ failed to provide Mr. Sanchez with a reasonable refinance loan.

7.

On or around November 22, 2009, Samuel Sanchez received a mortgage statement from Capital Benefit Mortgage (Loan No. SS10102). Shortly thereafter, Samuel Sanchez discovered that Respondent LOPEZ had obtained a \$75,000 loan using Mr. Sanchez' property as collateral and his personal financial information. Respondent LOPEZ falsified, or caused falsified loan documents to be submitted and forged, or caused Mr. Sanchez' signature to be forged on documents.

8.

Mr. Sanchez was never aware of or authorized Respondent LOPEZ to obtain a loan encumbering Mr. Sanchez' real property for \$75,000.

Marcos A. Marciel and Guillermina Sanchez

9.

In or around October, 2008, Respondent LOPEZ, while working on behalf of FOREFRONT, solicited Marcos A. Marciel and Guillermina Sanchez to assist them with obtaining a mortgage loan to purchase real property. Respondent LOPEZ obtained their personal financial information and informed them that they would need to deposit \$5,600 to obtain a loan. Respondent LOPEZ instructed them to wire transfer the funds directly to FOREFRONT's escrow division bank account (Mellon Bank Account No. 001809423). After transferring the \$5,600, Marcos A. Marciel and Guillermina Sanchez never heard from Respondent LOPEZ again. Marcos A. Marciel and Guillermina Sanchez went to FOREFRONT's office and inquired from Respondent CALDERA the whereabouts of Respondent LOPEZ. Respondent CALDERA refused to assist them, refund their money or provide them with any information regarding Respondent LOPEZ.

Audit

10.

At all times mentioned herein, in the State of California, Respondents engaged in the business of a real estate broker conducting activities requiring a real estate license within the meaning of Sections 10131(a), 10131(d) and 10131.2 of the Code. For compensation or in expectation of compensation and for fees often collected in advance, Respondents were selling, offering to sell, soliciting prospective sellers or purchasers of, soliciting or obtaining listings of, or negotiating the purchase, sale or exchange of real property or a business opportunity.

11.

In connection with the above-described real estate sale business, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as escrow holder, servicer and/or agent and thereby acted or assumed to act under the exemption from the provisions of the Escrow Law as provided by Section 17006(a)(4) of the California Financial Code.

12.

On August 5, 2010, the Department completed an audit examination of the books and records of Respondent FOREFRONT pertaining to the mortgage loan activities described in Paragraphs 10 and 11, which require a real estate license. The audit examination covered a period of time beginning on May 1, 2008 to February 26, 2010. 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 LA0090212/LA090215/LA090256 and the exhibits and work papers attached to said Audit Report.

13.

Violations

In the course of activities described in Paragraphs 10 and 11, above, and during the examination period described in Paragraph 12, Respondent FOREFRONT acted in violation of the Code and the Regulations as follows:

(A) Permitted, allowed or caused the disbursement of trust funds from the escrow trust account, where the disbursement of funds reduced the total of aggregate funds in the escrow trust account, to an amount that was \$6,600, less than the existing aggregate trust fund liability of FOREFRONT to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, as required by Section 10145 of the Code and Regulations 2832.1, and 2951. The shortage was caused by an unexplained disbursement from the bank account.

(B) Failed to maintain a control record in the form of a columnar record in chronological order of all trust funds including earnest money deposit received, placed in escrow, disbursed or returned to borrowers, in violation of Section 10145 of the Code and Regulation 2831(a)(6).

(C) In three of the five sales transaction files examined, contrary to the terms in the Residential Purchase Agreements, FOREFRONT's agents presenting the offers were not in possession of the earnest money deposit check, in violation of Section 10176(a) of the Code.

(D)(1) In two of the five loan files examined, FOREFRONT failed to provide an approved mortgage loan disclosure statement to the borrower, in violation of Section 10240 of the Code and Regulation 2840.

(D)(2) In two of the five loan files sampled for examination, FOREFRONT failed to disclose to the borrowers that the yield spread premium was received from the lenders, in violation of Section 10240 of the Code.

DETERMINATION OF ISSUES

1.

The facts alleged in Paragraphs 6, 7, 8, and 9, above, constitute making a substantial misrepresentation, fraud or dishonest dealing and are grounds for the suspension or revocation of Respondent LOPEZ' license under Sections 10176(a) and (i) of the Code.

2.

The facts alleged in Paragraphs 6, 7, 8, and 9, above, constitute negligence and/or failure to supervise and are grounds for the suspension or revocation of the license and license rights of Respondents FOREFRONT and CALDERA under Section 10177(g) of the Code and Respondent CALDERA under Section 10177(h) of the Code.

3.

The conduct of Respondent FOREFRONT described in Paragraph 13, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
13 (A)	Code Section 10145 and Regulations 2832.1 and 2951
13 (B)	Code Section 10145 and Regulation 2831(a) (6)
13 (C)	Code Section 10176(a)
13 (D) (1) and (D) (2)	Code Section 10240 and Regulation 2840

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondent FOREFRONT, as aforesaid, under the provisions of Sections 10176(a) of the Code for substantial misrepresentation, 10177(d) for violation of the Real Estate Law and 10177(g) for negligence.

Lack of Supervision

4.

The overall conduct of Respondent CALDERA constitutes a failure on his part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of Respondent FOREFRONT as required by Section 10159.2 of the Code, and to keep Respondent FOREFRONT in compliance with the Real Estate Law, and is cause for the suspension or revocation of the real estate license and license rights of CALDERA pursuant to the provisions of Sections 10177(h), 10177(d), and 10177(g) of the Code.

5.

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

ORDER

The licenses and license rights of Respondents FOREFRONT MORTGAGE AND INVESTMENTS, INC.; EDUARDO CALDERA, individually and as designated officer of Forefront Mortgage and Investments, Inc.; and GILBERTO LOPEZ under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

Pursuant to Section 10148 of the Business and Professions Code, Respondents FOREFRONT MORTGAGE AND INVESTMENTS, INC. and EDUARDO CALDERA, shall pay the Commissioner's reasonable cost for the audit which led to this disciplinary action. The cost of the audit which led to this disciplinary action is \$8,699.50.

This Decision shall become effective at 12 o'clock noon June 14, 2011.

DATED: 5/19, 2011.

Real Estate Commissioner



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

FILED
APR - 7 2011
DEPARTMENT OF REAL ESTATE

By C

6 BEFORE THE DEPARTMENT OF REAL ESTATE
7 STATE OF CALIFORNIA

8 * * * *

9 In the Matter of the Accusation of)
10 FOREFRONT MORTGAGE AND) NO. H-37040 LA
11 INVESTMENTS, INC.;) DEFAULT ORDER
12 EDUARDO CALDERA, individually)
13 and as designated officer of)
14 Forefront Mortgage and)
15 Investments, Inc.; and)
16 GILBERTO LOPEZ,)
17 Respondents.)

16 Respondents, FOREFRONT MORTGAGE AND INVESTMENTS, INC.;
17 EDUARDO CALDERA, individually and as designated officer of
18 Forefront Mortgage and Investments, Inc.; and GILBERTO LOPEZ,
19 having failed to file a Notice of Defense within the time
20 required by Section 11506 of the Government Code, are now in
21 default. It is, therefore, ordered that a default be entered
22 on the record in this matter.

23 IT IS SO ORDERED

24 4/7/2011
25 JEFF DAVI
26 Real Estate Commissioner

26 Dolores Weeks
27 By: DOLORES WEEKS
Regional Manager

1 LISSETE GARCIA, Counsel (SBN 211552)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6982
6 (Direct) (213) 576-6914

FILED
JAN 27 2011
DEPARTMENT OF REAL ESTATE

By C. [Signature]

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 FOREFRONT MORTGAGE AND)
14 INVESTMENTS, INC.;)
15 EDUARDO CALDERA, individually)
16 and as designated officer of)
17 Forefront Mortgage and)
18 Investments, Inc.; and)
19 GILBERTO LOPEZ,)
20 Respondents.)

NO. H-37040 LA

A C C U S A T I O N

21 The Complainant, Maria Suarez, a Deputy Real Estate
22 Commissioner of the State of California, for cause of Accusation
23 against FOREFRONT MORTGAGE AND INVESTMENTS, INC.; EDUARDO
24 CALDERA, individually and as designated officer of Forefront
25 Mortgage and Investments, Inc.; and GILBERTO LOPEZ (collectively
26 "Respondents"), is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate
Commissioner of the State of California, makes this Accusation

1 in her official capacity.

2 2.

3 FOREFRONT MORTGAGE AND INVESTMENTS, INC. ("Respondent
4 FOREFRONT"), EDUARDO CALDERA ("Respondent CALDERA"), and
5 GILBERTO LOPEZ ("Respondent LOPEZ") are presently licensed
6 and/or have license rights under the Real Estate Law (Part 1 of
7 Division 4 of the California Business and Professions Code,
8 hereinafter "Code").
9

10 3.

11 At all times herein mentioned, Respondent CALDERA was
12 licensed as a real estate broker and as the designated broker-
13 officer of Respondent FOREFRONT.

14 4.

15 At all times herein mentioned, Respondent FOREFRONT
16 was licensed as a real estate corporation acting by and through
17 Respondent CALDERA as its designated broker-officer.
18

19 5.

20 At all times herein mentioned, Respondent GILBERTO
21 LOPEZ was licensed as a real estate salesperson acting in the
22 employ of Respondents FOREFRONT and CALDERA.

23 Teodoro Sanchez

24 6.

25 In or around September of 2008, Respondent LOPEZ,
26 while working on behalf of FOREFRONT, solicited Teodoro Sanchez

1 Solis to assist Mr. Sanchez with the refinance of a loan secured
2 by real property located in the City of Los Angeles, California.
3 Samuel Sanchez, Mr. Sanchez's son, provided Respondent LOPEZ
4 with Mr. Sanchez' social security number to obtain a loan with a
5 desirable interest rate for Mr. Sanchez. Respondent LOPEZ
6 failed to provide Mr. Sanchez with a reasonable refinance loan.
7

8 7.

9 On or around November 22, 2009, Samuel Sanchez
10 received a mortgage statement from Capital Benefit Mortgage
11 (Loan No. SS10102). Shortly thereafter, Samuel Sanchez
12 discovered that Respondent LOPEZ had obtained a \$75,000 loan
13 using Mr. Sanchez's property as collateral and his personal
14 financial information. Respondent LOPEZ falsified, or caused
15 falsified loan documents to be submitted and forged, or caused
16 Mr. Sanchez' signature to be forged on documents.
17

18 8.

19 Mr. Sanchez was never aware of or authorized
20 Respondent LOPEZ to obtain a loan encumbering Mr. Sanchez' real
21 property for \$75,000.

22 Marcos A. Marciel and Guillermina Sanchez

23 9.

24 In or around October of 2008, Respondent LOPEZ, while
25 working on behalf of FOREFRONT, solicited Marcos A. Marciel and
26 Guillermina Sanchez to assist them with obtaining a mortgage

1 loan to purchase real property. Respondent LOPEZ obtained their
2 personal financial information and informed them that they would
3 need to deposit \$5,600 to obtain a loan. Respondent LOPEZ
4 instructed them to wire transfer the funds directly to
5 FOREFRONT's escrow division bank account (Mellon Bank Account
6 No. 001809423). After transferring the \$5,600, Marcos A.
7 Marciel and Guillermina Sanchez never heard from Respondent
8 LOPEZ again. Marcos A. Marciel and Guillermina Sanchez went to
9 FOREFRONT's office and inquired from Respondent CALDERA the
10 whereabouts of Respondent LOPEZ. Respondent CALDERA refused to
11 assist them, refund their money or provide them with any
12 information regarding Respondent LOPEZ.
13

14 10.

15 The facts alleged above constitute making a
16 substantial misrepresentation, fraud or dishonest dealing and
17 are grounds for the suspension or revocation of Respondent
18 LOPEZ' license under Sections 10176(a) and (i) of the Code.
19

20 11.

21 The facts alleged above constitute negligence and/or
22 failure to supervise and are grounds for the suspension or
23 revocation of the license and license rights of Respondents
24 FOREFRONT and CALDERA under Sections 10177(d), 10177(h) and/or
25 10177(g) of the Code.
26

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1 Audit

2 12.

3 At all times mentioned herein, in the State of
4 California, Respondents engaged in the business of a real estate
5 broker conducting activities requiring a real estate license
6 within the meaning of Sections 10131(a), 10131(d) and 10131.2 of
7 the Code. For compensation or in expectation of compensation
8 and for fees often collected in advance, Respondents were
9 selling, offering to sell, soliciting prospective sellers or
10 purchasers of, soliciting or obtaining listings of, or
11 negotiating the purchase, sale or exchange of real property or a
12 business opportunity.

13 13.

14 In connection with the above-described real estate
15 sale business, Respondents engaged in the business of, acted in
16 the capacity of, advertised, or assumed to act as escrow holder,
17 servicer and/or agent and thereby acted or assumed to act under
18 the exemption from the provisions of the Escrow Law as provided
19 by Section 17006(a)(4) of the California Financial Code.

20 14.

21 On August 5, 2010, the Department completed an audit
22 examination of the books and records of Respondent FOREFRONT
23 pertaining to the mortgage loan activities described in
24 Paragraphs 12 and 13, which require a real estate license. The
25 audit examination covered a period of time beginning on May 1,
26 2008 to February 26, 2010. The audit examination revealed

1 violations of the Code and the Regulations as set forth in the
2 following paragraphs, and more fully discussed in Audit Report
3 LA0090212/LA090215/LA090256 and the exhibits and work papers
4 attached to said Audit Report.

5 15.

6 Violations

7 In the course of activities described in Paragraphs 12
8 and 13, above, and during the examination period described in
9 Paragraph 12, Respondent FOREFRONT acted in violation of the
10 Code and the Regulations as follows:

11 (A) Permitted, allowed or caused the disbursement of
12 trust funds from the escrow trust account, where the
13 disbursement of funds reduced the total of aggregate funds in
14 the escrow trust account, to an amount that was \$6,600, less
15 than the existing aggregate trust fund liability of FOREFRONT to
16 every principal who was an owner of said funds, without first
17 obtaining the prior written consent of the owners of said funds,
18 as required by Section 10145 of the Code and Regulations 2832.1,
19 and 2951. The shortage was caused by an unexplained
20 disbursement from the bank account.

21 (B) Failed to maintain a control record in the form
22 of a columnar record in chronological order of all trust funds
23 including earnest money deposit (EMD) received, placed in
24 escrow, disbursed or returned to borrowers, in violation of
25 Section 10145 of the Code and Regulation 2831(a)(6).

26 (C) In three of the five sales transaction files

1 examined, contrary to the terms in the Residential Purchase
2 Agreements, FOREFRONT's agents presenting the offers were not in
3 possession of the earnest money deposit check, in violation of
4 Section 10176(a) of the Code.

5 (D)(1) In two of the five loan files examined,
6 FOREFRONT failed to provide an approved mortgage loan disclosure
7 statement to the borrower, in violation of Section 10240 of the
8 Code and Regulation 2840.

9 (D)(2) In two of the five loan files sampled for
10 examination, FOREFRONT failed to disclose to the borrowers that
11 the yield spread premium (YSP) was received from the lenders, in
12 violation of Section 10240 of the Code.

13 Disciplinary Statutes

14 16.

15 The conduct of Respondent FOREFRONT described in
16 Paragraph 15, above, violated the Code and the Regulations as
17 set forth below:

18

19 PARAGRAPH	PROVISIONS VIOLATED
20 15(A)	Code Section 10145 and Regulations 2832.1 and 2951
21 15(B)	Code Section 10145 and Regulation 2831(a)(6)
22 15(C)	Code Section 10176(a)
23 15(D)(1) 24 and (D)(2)	Code Section 10240 and Regulation 2840

25
26

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondent FOREFRONT, as aforesaid, under the provisions of Sections 10176(a) of the Code for substantial misrepresentation, 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

Lack of Supervision

17.

The overall conduct of Respondent CALDERO constitutes a failure on his part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of Respondent FOREFRONT as required by Section 10159.2 of the Code , and to keep Respondent FOREFRONT in compliance with the Real Estate Law, and is cause for the suspension or revocation of the real estate license and license rights of CALDERO pursuant to the provisions of Sections 10177(h), (d), and/or 10177(g) of the Code.

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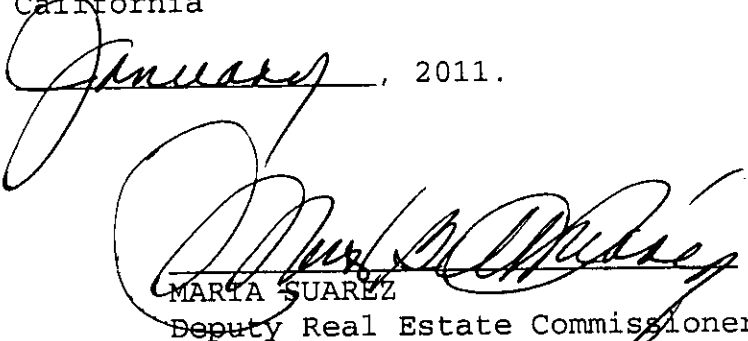
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondents
5 FOREFRONT MORTGAGE AND INVESTMENTS, INC.; EDUARDO CALDERA,
6 individually and as designated officer of Forefront Mortgage and
7 Investments, Inc.; and GILBERTO LOPEZ under the Real Estate Law
8 (Part 1 of Division 4 of the California Business and Professions
9 Code) and for such other and further relief as may be proper
10 under other applicable provisions of law.

11 Dated at Los Angeles, California

12 this 19th day of January, 2011.

13
14
15 
16 MARIA SUAREZ

Deputy Real Estate Commissioner

17
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19
20
21
22 cc: Forefront Mortgage and Investments, Inc.
23 Eduardo Caldera
24 Gilberto Lopez
25 Maria Suarez
26 Sacto
Audits/Godswill Keraoru