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JUL 09 2012

DEPARTMENT OF REAL ESTATE
BY: *Shirley A. Allen*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

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|---|---|----------------|
| In the Matter of the Accusation of |) | No. H-37168 LA |
| |) | |
| PACIFIC LOAN SOLUTIONS INC, <u>PACIFIC</u> |) | |
| <u>RESIDENTIAL INC</u> , JEFFREY TORREZ and |) | |
| ANDREW JONATHAN HUXHOLD, |) | |
| |) | |
| 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 May 31, 2012 and the findings of fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On December 21, 2010, Joseph Aiu made the Accusation in his 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, and by regular mail to PACIFIC RESIDENTIAL INC's ("PRI") last known mailing address on file with the Department on March 24, 2011. The mailings were returned to sender by the postal service no forwarding address.

On May 31, 2012, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, PRI's default was entered herein.

2.

PRI 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. PRI's corporate real estate broker license was initially issued on October 18, 2004.

3.

At all relevant times herein, PRI engaged in the business of a real estate broker in the State of California within the meaning of Code Sections 10131(d) and 10131.2, including brokering mortgage loans and performing loan modification activities and claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee, within the meaning of Code Section 10026, including, but not limited to, loan modification activities with respect to loans which were secured by liens on real property.

4.

On January 21, 2009, the Department of Real Estate ("Department") issued a letter to PRI claiming no objection to PRI's use of an advance fee agreement, as submitted by PRI. Pacific Loan Solutions Inc ("PLSI") was not mentioned in the agreement submitted by PRI. Nor has PLSI ever submitted an advance fee agreement to the Department.

5.

On or about January 31, 2009, James McNamara signed a Loan Modification Contact, in which he agreed to pay PLSI \$6,400 in advance fees for PLSI to negotiate a loan modification on his behalf. Also included in this contract was an Authorization to Release Credit Information to PRI/PLSI. On September 3, 2009, PLSI sent Mr. McNamara a Notice of Cancellation, which claimed Mr. McNamara had entered into a contract with PLSI on January 31, 2009 for \$4,600 and offered to refund 50% of this amount (\$2,300).

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6.

On or about February 10, 2009, Jerry Barton signed a Loan Modification Contract, in which he agreed to pay PLSI \$11,600 in advance fees for PLSI to negotiate a loan modification on his behalf. Also included in this contract was an Authorization to Release Credit Information to PRI. Between February 10, 2009 and April 15, 2009, at the request of PLSI, Mr. Barton sent three checks for a total of \$11,600 in advance fees to PLSI for loan modification services.

7.

On or about February 12, 2009, Victor Salaiza signed a Loan Modification Contract, in which he agreed to pay PLSI \$8,000 in advance fees for PLSI to negotiate a loan modification on his behalf. Some pages on this contract contained a heading for PRI. On September 28, 2009, PLSI sent Mr. Salaiza a Notice of Cancellation, which promised to refund half of the \$8,000 in advance fees paid by Mr. Salaiza.

DETERMINATION OF ISSUES

1.

The conduct of PRI, as described in Paragraph 5 above, constitutes a substantial misrepresentation, providing cause for the suspension or revocation of the licenses and license rights of PRI pursuant to Code Section 10176(a).

2.

PRI failed to submit the advance fee agreements, described in paragraphs 5 through 7 above, to the Commissioner ten days before using them, in violation of Code Section 10085 and Regulation 2970. The conduct, acts and/or omissions of PRI, as set forth in paragraphs 6 through 8 above, is cause for the suspension or revocation of the licenses and license rights of PRI, pursuant to Code Sections 10085, 10177(d) and/or 10177(g).

3.

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

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ORDER

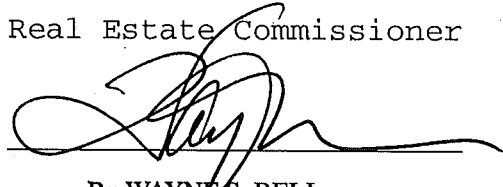
All licenses and license rights of PACIFIC RESIDENTIAL
INC under the provisions of Part I of Division 4 of the Business
and Professions Code are revoked.

This Decision shall become effective at 12 o'clock
noon on JUL 30 2012

DATED:

6/29/2012

Real Estate Commissioner

A handwritten signature in black ink, appearing to read "Wayne S. Bell", is written over a horizontal line.

By WAYNE S. BELL
Chief Counsel

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

FILED

4 (213) 576-6982

MAY 31 2012

DEPARTMENT OF REAL ESTATE
BY: Guadalupe Valencia

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 PACIFIC LOAN SOLUTIONS INC, PACIFIC)
14 RESIDENTIAL INC, JEFFREY TORREZ and)
15 ANDREW JONATHAN HUXHOLD,)
16 Respondents.)

No. H-37168 LA

DEFAULT ORDER

16 Respondent PACIFIC RESIDENTIAL INC, having failed
17 to file a Notice of Defense within the time required by
18 Section 11506 of the Government Code, is now in default. It
19 is, therefore, ordered that a default be entered on the
20 record in this matter.

21 IT IS SO ORDERED May 31, 2012.

22 Real Estate Commissioner

23
24
25 By:

Phillip Ihde
PHILLIP IHDE
Regional Manager