

SACTO  
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1 Department of Real Estate  
2 320 W. 4<sup>TH</sup> Street, Suite 350  
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982

**FILED**

FEB 28 2012

DEPARTMENT OF REAL ESTATE  
BY: Quadrone/Blanco

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )  
PROTEQUITY INC; dba Mortgage )  
Modification Network and DAVID G. )  
ARNOLD, individually and formerly )  
as designated officer of )  
Protequity Inc, )  
Respondents. )

No. H-37320 LA  
2011080779

STIPULATION  
AND  
AGREEMENT

It is hereby stipulated by and between Respondent  
DAVID G. ARNOLD, represented by Joshua A. Rosenthal, Esq. and the  
Complainant, acting by and through James A. Demus, Counsel for  
the Department of Real Estate, as follows for the purpose of  
settling and disposing of the Accusation ("Accusation") filed on  
June 7, 2011, in this matter:

1. All issues which were to be contested and all  
evidence which was to be presented by Complainant and Respondent  
at a formal hearing on the Accusation, which hearing was to be  
held in accordance with the provisions of the Administrative

1 Procedure Act ("APA"), shall instead and in place thereof be  
2 submitted solely on the basis of the provisions of this  
3 Stipulation and Agreement ("Stipulation").

4 2. Respondent has received, read and understands the  
5 Statement to Respondent, the Discovery Provisions of the APA and  
6 the Accusation filed by the Department of Real Estate in this  
7 proceeding.

8 3. Respondent timely filed a Notice of Defense  
9 pursuant to Section 11506 of the Government Code for the purpose  
10 of requesting a hearing on the allegations in the Accusation.  
11 Respondent hereby freely and voluntarily withdraws said Notice of  
12 Defense. Respondent acknowledges that he understands that by  
13 withdrawing said Notice of Defense he thereby waives the right to  
14 require the Commissioner to prove the allegations in the  
15 Accusation at a contested hearing held in accordance with the  
16 provisions of the APA and that he will waive other rights  
17 afforded to him in connection with the hearing such as the right  
18 to present evidence in his defense of the allegations in the  
19 Accusation and the right to cross-examine witnesses.  
20

21 4. This Stipulation is based on the factual .  
22 allegations contained in the Accusation. In the interest of  
23 expedience and economy, Respondent chooses not to contest these  
24 allegations, but to remain silent and understand that, as a  
25 result thereof, these factual allegations, without being admitted  
26 or denied, will serve as a prima facie basis for the disciplinary  
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1 action stipulated to herein. The Real Estate Commissioner shall  
2 not be required to provide further evidence to prove said factual  
3 allegations.

4 5. This Stipulation is made for the purpose of  
5 reaching an agreed disposition of this proceeding and is  
6 expressly limited to this proceeding and any other proceeding or  
7 case in which the Department of Real Estate ("Department"), the  
8 state or federal government, or any agency of this state, another  
9 state or federal government is a party.

10 6. It is understood by the parties that the Real  
11 Estate Commissioner may adopt this Stipulation as her Decision in  
12 this matter thereby imposing the penalty and sanctions on  
13 Respondent's real estate license and license rights as set forth  
14 in the "Order" herein below. In the event that the Commissioner  
15 in her discretion does not adopt the Stipulation, it shall be  
16 void and of no effect and Respondent shall retain the right to a  
17 hearing and proceeding on the Accusation under the provisions of  
18 the APA and shall not be bound by any stipulation or waiver made  
19 herein.  
20

21 7. The Order or any subsequent Order of the Real  
22 Estate Commissioner made pursuant to this Stipulation shall not  
23 constitute an estoppel, merger or bar to any further  
24 administrative or civil proceedings by the Department of Real  
25 Estate with respect to any matters which were not specifically  
26 alleged to be causes for Accusation in this proceeding but do  
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1 constitute a bar, estoppel and merger as to any allegations  
2 actually contained in the Accusation against Respondent herein.

3 8. Respondent understands that by agreeing to this  
4 Stipulation, Respondent agrees to pay, pursuant to Business and  
5 Professions Code Section 10148, the cost of the audit which led  
6 to this disciplinary action. The cost of said audit was \$3,750.

7 9. Respondent has received, read, and understands the  
8 "Notice Concerning Costs of Subsequent Audit." Respondent  
9 further understands that by agreeing to this Stipulation, the  
10 findings set forth below in the Determination of Issues become  
11 final, and the Commissioner may charge Respondent for the cost of  
12 any subsequent audit conducted pursuant to Business and  
13 Professions Code Section 10148 to determine if the violations  
14 have been corrected.

15 DETERMINATION OF ISSUES

16 By reason of the foregoing, it is stipulated and agreed  
17 that the following determination of issues shall be made:

18 The conduct of DAVID G. ARNOLD as described in  
19 Paragraph 4 above, is in violation of Business and Professions  
20 Code ("Code") Sections 10137, 10145, 10159.5, 10161.8 and  
21 10176(e) and provides a basis for discipline of Respondent's  
22 license and license rights as violations of the Real Estate law  
23 pursuant to Code Sections 10137, 10176(e), 10177(d), 10177(g) and  
24 10177(h).

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondent DAVID G. ARNOLD under the Real Estate Law are suspended for a period of one hundred twenty (120) days from the effective date of this Decision; provided, however, that ninety (90) days of said suspension, shall be stayed for two (2) years upon the following terms and conditions:

A.

1. Respondent shall obey all laws, rules and regulations governing the rights, duties and responsibilities of a real estate licensee in the State of California; and

2. That no final subsequent determination be made, after hearing or upon stipulation that cause for disciplinary action occurred within two (2) years of the effective date of this Decision. Should such a determination be made, the Commissioner may, in his discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should no such determination be made, the stay imposed herein shall become permanent.

B.

If Respondent petitions, an additional 30 days shall be stayed upon condition that:

1           1. Respondent pays a monetary penalty pursuant to  
2 Section 10175.2 of the Code at the rate of \$100 for each day of  
3 the suspension for a total monetary penalty of \$3,000.

4           2. Said payment shall be in the form of a cashier's  
5 check or certified check made payable to the Recovery Account of  
6 the Real Estate Fund. Said check must be received by the  
7 Department prior to the effective date of the Decision in this  
8 matter.

9           3. No further cause for disciplinary action against  
10 the real estate license of Respondent occurs within two years  
11 from the effective date of the Decision in this matter.

12           4. If Respondent fails to pay the monetary penalty in  
13 accordance with the terms and conditions of the Decision, the  
14 Commissioner may, without a hearing, order the immediate  
15 execution of all or any part of the stayed suspension in which  
16 event the Respondent shall not be entitled to any repayment nor  
17 credit, prorated or otherwise, for money paid to the Department  
18 under the terms of this Decision.

19           5. If Respondent pays the monetary penalty and if no  
20 further cause for disciplinary action against the real estate  
21 license of Respondent occurs within two years from the effective  
22 date of the Decision, the stay hereby granted shall become  
23 permanent.  
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II.

Pursuant to Section 10148 of the Business and

Professions Code, Respondent shall pay the Commissioner's reasonable cost for: a) the audit which led to this disciplinary action and b) a subsequent audit to determine if Respondent has corrected the trust fund violations found in the Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel costs, including mileage, time to and from the auditor's place of work and per diem. Respondent shall pay such costs within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may, in her discretion, vacate and set aside the stay order, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner. The vacation and the set aside of the stay shall remain in effect until payment is made in full, or until Respondent enters into an agreement satisfactory to the Commissioner to provide for payment.

III

Respondent DAVID G. ARNOLD shall within six (6) months  
from the effective date of the Decision herein, take and pass the

1 Professional Responsibility Examination administered by the  
2 Department including the payment of the appropriate examination  
3 fee. If Respondent DAVID G. ARNOLD fails to satisfy this  
4 condition, the Commissioner may order suspension of Respondent  
5 DAVID G. ARNOLD's license until Respondent passes the  
6 examination.

7 IV

8 All licenses and licensing rights of Respondent

9 DAVID G. ARNOLD are indefinitely suspended unless or until  
10 Respondent provides proof satisfactory to the Commissioner, of  
11 having taken and successfully completed the continuing education  
12 course on trust fund accounting and handling specified in  
13 paragraph (3) of subdivision (a) of Section 10170.5 of the  
14 Business and Professions Code. Proof of satisfaction of this  
15 requirement includes evidence that respondent has successfully  
16 completed the trust fund account and handling continuing  
17 education course within 120 days prior to the effective date of  
18 the Decision in this matter.  
19

20  
21  
22 DATED: 1/19/12

James A. Demus  
23 JAMES A. DEMUS, Counsel for  
the Department of Real Estate

24 EXECUTION OF THE STIPULATION

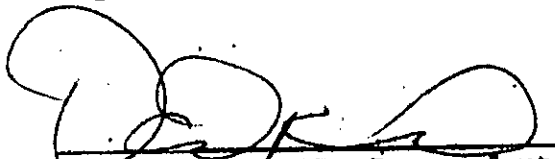
25 I have read the Stipulation and discussed it with my  
26 counsel. Its terms are understood by me and are agreeable and  
27



1 acceptable to me. I understand that I am waiving rights given to  
 2 me by the California Administrative Procedure Act (including but  
 3 not limited to Sections 11506, 11508, 11509 and 11513 of the  
 4 Government Code), and I willingly, intelligently and voluntarily  
 5 waive those rights, including the right of requiring the  
 6 Commissioner to prove the allegations in the Accusation at a  
 7 hearing at which I would have the right to cross-examine  
 8 witnesses against me and to present evidence in defense and  
 9 mitigation of the charges.

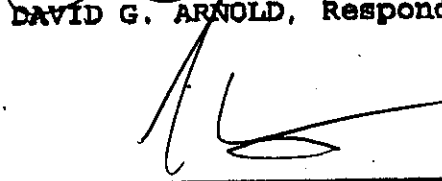
10 Respondent can signify acceptance and approval of the  
 11 terms and conditions of this Stipulation by faxing a copy of its  
 12 signature page, as actually signed by Respondent, to the  
 13 Department at the following telephone/fax number: James A. Demus  
 14 at (213) 576-6917. Respondent agrees, acknowledges and  
 15 understands that by electronically sending to the Department a  
 16 fax copy of Respondent's actual signature as it appears on the  
 17 Stipulation that receipt of the faxed copy by the Department  
 18 shall be as binding on Respondent as if the Department had  
 19 received the original signed Stipulation.  
 20

21  
 22 DATED: 1/13/12



23 DAVID G. ARNOLD, Respondent

24  
 25 DATED: 1/17/12



26 JOSHUA A. ROSENTHAL  
 27 Attorney for Respondent

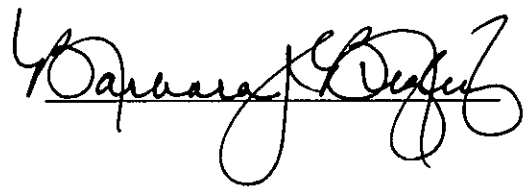
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The foregoing Stipulation and Agreement is hereby  
adopted as my Decision as to Respondent DAVID G. ARNOLD and shall  
become effective at 12 o'clock noon on MAR 29 2012

IT IS SO ORDERED 2/21/12

BARBARA J. BIGBY  
Acting Real Estate Commissioner



SACTO  
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**FILED**

FEB 28 2012

DEPARTMENT OF REAL ESTATE

BY: *Guadalupe Valencia*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-37320 LA
	)	L-2011080779
<u>PROTEQUITY INC</u> , dba Mortgage	)	
Modification Network and DAVID G.	)	
ARNOLD, individually and formerly	)	
as designated officer of Protequity	)	
Inc,	)	
	)	
Respondents.	)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On June 07, 2011, an Accusation was filed in this matter against Respondent PROTEQUITY INC. On January 12, 2012, Respondent petitioned the Commissioner to voluntarily surrender its real estate broker license(s) pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent PROTEQUITY INC 's petition for voluntary surrender of its real estate broker license(s) is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated January 12, 2012

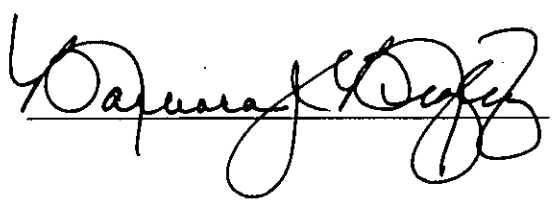
1 (attached as Exhibit "A" hereto). Respondent's license  
2 certificate(s), pocket card(s) and any branch office license  
3 certificate(s) shall be sent to the below listed address so that  
4 they reach the Department on or before the effective date of this  
5 Order:

6 DEPARTMENT OF REAL ESTATE  
7 Attn: Licensing Flag Section  
8 P. O. Box 187000  
9 Sacramento, CA 95818-7000

10 This Order shall become effective at 12 o'clock noon  
11 on MAR 19 2012.

12 DATED: 2/21/12.

13 BARBARA J. BIGBY  
14 Acting Real Estate Commissioner

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Exhibit "A"

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-37320 LA
	)	L-2011080779
<u>PROTEQUITY INC</u> ; dba Mortgage	)	
Modification Network and DAVID G.	)	
ARNOLD, individually and formerly	)	
as designated officer of	)	
Protequity Inc,	)	
	)	
Respondents.	)	

DECLARATION

My name is David G. Arnold and I am authorized and empowered to sign this declaration on behalf of PROTEQUITY INC, which is licensed as a real estate broker and/or has license rights with respect to said license. PROTEQUITY INC is represented in this matter by Joshua A. Rosenthal, Attorney at Law.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code) PROTEQUITY INC wishes to voluntarily surrender its real estate license issued by the

1 Department of Real Estate ("Department"), pursuant to Business  
2 and Professions Code Section 10100.2.

3 I understand that PROTEQUITY INC, by so voluntarily  
4 surrendering its license, can only have it reinstated in  
5 accordance with the provisions of Section 11522 of the Government  
6 Code. I also understand that by so voluntarily surrendering its  
7 license, PROTEQUITY INC agrees to the following:

8 The filing of this Declaration shall be deemed as its  
9 petition for voluntary surrender. It shall also be deemed to be  
10 an understanding and agreement by PROTEQUITY INC that it waives  
11 all rights it has to require the Commissioner to prove the  
12 allegations contained in the Accusation filed in this matter at a  
13 hearing held in accordance with the provisions of the  
14 Administrative Procedure Act (Government Code Sections 11400 et  
15 seq.), and that it also waives other rights afforded to it in  
16 connection with the hearing such as the right to discovery, the  
17 right to present evidence in defense of the allegations in the  
18 Accusation and the right to cross-examine witnesses. I further  
19 agree on behalf of PROTEQUITY INC, that upon acceptance by the  
20 Commissioner, as evidenced by an appropriate order, all  
21 affidavits and all relevant evidence obtained by the Department  
22 in this matter prior to the Commissioner's acceptance, and all  
23 allegations contained in the Accusation filed in the Department  
24 Case No. H-37320 LA, may be considered by the Department to be  
25 true and correct for the purpose of deciding whether or not to  
26 grant reinstatement of PROTEQUITY INC's license pursuant to  
27 Government Code Section 11522.

01/11/2012 WED 16:27 FAX

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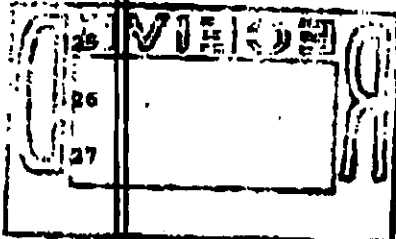
1 I declare under penalty of perjury under the laws of  
 2 the State of California that the above is true and correct and  
 3 that I am acting freely and voluntarily on behalf of PROTEQUITY  
 4 INC, to surrender its license and all license rights attached  
 5 thereto.

6 1/12/12 Laguna Beach CA  
 7 Date and Place



PROTEQUITY INC by  
 DAVID G. ARNOLD

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JUN 07 2011

1 JAMES DEMUS, Counsel (SBN 225005)  
2 Department of Real Estate  
3 320 West Fourth Street, Suite 350  
4 Los Angeles, CA 90013-1105

DEPARTMENT OF REAL ESTATE  
BY: *Lucretia Alvarado*

5 Telephone: (213) 576-6982  
6 -or- (213) 576-6910 (Direct)  
7

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11	In the Matter of the Accusation of	)	No. H-37320 LA
12		)	
13	PROTEQUITY INC, dba Mortgage	)	<u>ACCUSATION</u>
14	Modification Network and	)	
15	DAVID G. ARNOLD,	)	
16	individually, and formerly	)	
17	designated officer of	)	
	Protequity Inc,	)	
	Respondents.	)	

18 The Complainant, Maria Suarez, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of accusation  
20 against PROTEQUITY INC, dba Mortgage Modification Network and  
21 DAVID G. ARNOLD, individually and formerly designated officer of  
22 Protequity Inc, alleges as follows:

23 1.

24 The Complainant, Maria Suarez, acting in her official  
25 capacity as a Deputy Real Estate Commissioner of the State of  
26 California, makes this Accusation against PROTEQUITY INC ("PI"),  
27



1 dba Mortgage Modification Network ("MMN") and DAVID G. ARNOLD  
2 ("ARNOLD").

3 2.

4  
5 PI is presently licensed and/or has license rights  
6 under the Real Estate Law (Part 1 of Division 4 of the Business  
7 and Professions Code, hereinafter "Code") as a real estate  
8 corporation. It was first licensed as a corporation on February  
9 4, 2009. From March 27, 2009 to March 22, 2010, PI had the  
10 fictitious business name "MMN" licensed with the Department.

11 3.

12 ARNOLD is presently licensed and/or has license rights  
13 under the Real Estate Law as a real estate broker. ARNOLD was  
14 the designated officer of PI from February 4, 2009 to August 23,  
15 2010.

16 4.

17 Pursuant to Code Section 10159.2, Respondent ARNOLD  
18 was responsible for the supervision and control of the activities  
19 conducted on behalf of Respondent PI and by its officers and  
20 employees as necessary to secure full compliance with the  
21 provisions of the Real Estate Law, including the supervision of  
22 salespersons licensed to the corporation in the performance of  
23 acts for which a real estate license is required.

24 5.

25 At all times material herein, Respondents engaged in  
26 the business of, acted in the capacity of, advertised or assumed  
27 to act as a real estate broker in the State of California, within

1 the meaning of Section 10131(d) of the Code, including soliciting  
2 borrowers and lenders and negotiating loans on real property.

3 FIRST CAUSE OF ACCUSATION

4 (Advance Fee Violations)

5 6.

6 Dominic and Tina Ryan Transaction

7 On or about September 19, 2009, Dominic and Tina Ryan  
8 ("the Ryans") entered into a loan modification agreement with PI,  
9 in which PI offered mortgage loan modification services to the  
10 Ryans in exchange for the payment of advance fees by the Ryans.  
11 PI collected advance fees from the Ryans after October 11, 2009.  
12 PI never finalized a loan modification for the Ryans.

13 7.

14 Brad Sylvester Transaction

15 On or about July 26, 2009, Brad Sylvester ("Sylvester")  
16 entered into a loan modification agreement with PI,  
17 in which PI offered mortgage loan modification services to  
18 Sylvester in exchange for the payment of advance fees by  
19 Sylvester. PI collected advance fees from Sylvester after  
20 October 11, 2009. PI never finalized a loan modification for  
21 Sylvester.

22 8.

23 Effective on October 11, 2009, Code Section 10085.6  
24 made it unlawful for any licensee to collect fees for mortgage  
25 loan modification services until the licensee has fully performed  
26 every contracted service. The conduct, acts and/or omissions of  
27 Respondents PI and ARNOLD, as alleged above, subjects their real

1 estate licenses and license rights to suspension or revocation  
2 pursuant to Sections 10085.6, 10177(d) and/or 10177(g) of the  
3 Code.

4 9.

5 The conduct, acts and/or omissions of Respondent ARNOLD  
6 in failing to ensure full compliance with the Real Estate Law is  
7 in violation of Section 10159.2 of the Code and subjects his real  
8 estate license and license rights to suspension or revocation  
9 pursuant to Sections 10177(d), 10177(g) and/or 10177(h) of the  
10 Code.

11 SECOND CAUSE OF ACCUSATION

12 (AUDIT INVESTIGATION)

13 10.

14 On March 22, 2010, the Department completed an audit  
15 examination of the books and records of PI pertaining to the  
16 activities described in Paragraph 5 which require a real estate  
17 license. The audit examination covered a period of time from  
18 February 4, 2009 to January 31, 2010. The audit examination  
19 revealed violations of the Code and the Regulations as set forth  
20 in the following paragraphs, and as more fully discussed in Audit  
21 Report LA090171 and the exhibits and workpapers attached to said  
22 audit report.

23 VIOLATIONS OF THE REAL ESTATE LAW

24 11.

25 In the course of activities described in Paragraph 5  
26 above and during the examination period described in Paragraph  
27

1 10, Respondents PI and ARNOLD acted in violation of the Code and  
2 the Regulations in that:

3 (a) PI commingled fees and commissions in the same  
4 bank account. This bank account also had unaccounted funds  
5 totaling \$10,999.36, in violation of Code Sections 10145,  
6 10176(e) and Regulation 2835(b).

7 (b) The control records for two bank accounts that  
8 were maintained for receipt and disbursement of advance fees were  
9 incomplete and inaccurate, in violation of Code Section 10145 and  
10 Regulation 2831.

11 (c) PI did not maintain a separate record for each  
12 beneficiary of trust funds in connection with loan modification  
13 activity, in violation of Code Section 10145 and Regulation  
14 2831.1.

15 (d) PI did not maintain a monthly trust fund  
16 reconciliation of all separate records to the columnar records of  
17 trust funds received and disbursed, in violation of Code Section  
18 10145 and Regulation 2831.2.

19 (e) The bank account used for all trust funds received  
20 and disbursed was not designated as a trust account on the bank  
21 signature card, in violation of Code Section 10145 and Regulation  
22 2832.

23 (f) PI collected advance fees from principals without  
24 maintaining and providing an accounting to the principals,  
25 showing services rendered, identification of the trust account  
26 into which the advance fees were deposited and details of how the  
27 funds were disbursed, in violation of Regulation 2972.

1 (g) PI continued to collect advance fees for mortgage  
2 loan modification services after October 11, 2009, in violation  
3 of Code Section 10085.6.

4 (h) PI failed to notify the Department of the  
5 employment of four salespersons within five days, in violation of  
6 Code Section 10161.8 and Regulation 2752.

7 (i) PI employed and compensated unlicensed employees  
8 to negotiate loan modifications for borrowers, in violation of  
9 Code Section 10137.

10 (j) PI used the unlicensed fictitious business name  
11 "MMN Financial Services" in connection with loan modification  
12 activity, without first obtaining a license from the Department  
13 bearing the fictitious business name, in violation of Code  
14 Section 10159.5 and Regulation 2731.

15 12.

16 The conduct of Respondents PI and ARNOLD, described in  
17 Paragraph 11, above, violated the Code and the Regulations as set  
18 forth below:

19 PARAGRAPH

PROVISIONS VIOLATED

20 11(a)

Code Section 10145, 10176(e) and  
21 Regulation 2835(b)

22 11(b)

Code Section 10145 and Regulation  
23 2831

24 11(c)

Code Section 10145 and Regulation  
25 2831.1  
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1           11(d)                   Code Section 10145 and Regulation  
2                                   2831.2  
3           11(e)                   Code Section 10145 and Regulation  
4                                   2832  
5           11(f)                   Regulation 2972  
6  
7           11(g)                   Code Section 10085.6  
8           11(h)                   Code Section 10161.8 and Regulation  
9                                   2752  
10          11(i)                   Code Section 10137  
11          11(j)                   Code Section 10159.5 and Regulation  
12                                   2731.

13  
14                   The foregoing violations constitute cause for the  
15 suspension or revocation of the real estate license and license  
16 rights of PI and ARNOLD, under the provisions of Code Sections  
17 10137, 10176(e), 10177(d) and/or 10177(g).

18                                   NEGLIGENCE

19                                   13.

20                   The overall conduct of Respondents PI and ARNOLD  
21 constitutes negligence or incompetence. This conduct and  
22 violation are cause for the suspension or revocation of the real  
23 estate license and license rights of said Respondents pursuant to  
24 Code Section 10177(g).

25                   ///  
26                   ///  
27                   ///  
28

SUPERVISION AND COMPLIANCE

14.

1  
2  
3 The overall conduct of Respondent ARNOLD constituted a  
4 failure on his part, as a former officer designated by a  
5 corporate broker licensee, to exercise reasonable supervision and  
6 control over the licensed activities of PI as required by Code  
7 Section 10159.2, and to keep PI in compliance with the Real  
8 Estate Law, and is cause for the suspension or revocation of the  
9 real estate license and license rights of ARNOLD pursuant to the  
10 provisions of Code Sections 10177(d), 10177(g) and 10177(h).

11 WHEREFORE, Complainant prays that a hearing be  
12 conducted on the allegations of this Accusation and that upon  
13 proof thereof, a decision be rendered imposing disciplinary  
14 action against all licenses and license rights of Respondents  
15 PROTEQUITY INC, dba Mortgage Modification Network and DAVID G.  
16 ARNOLD under the Real Estate Law (Part 1 of Division 4 of the  
17 Business and Professions Code) and for such other and further  
18 relief as may be proper under other applicable provisions of law.

19 Dated at Los Angeles, California

20 this 25<sup>th</sup> day of April, 2011.

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23  
24   
MARIA SUAREZ  
Deputy Real Estate Commissioner

25 cc: Protequity Inc  
26 David G. Arnold  
27 Maria Suarez  
Sacto.  
OAH