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3 Los Angeles, California 90013-1105

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FILED  
AUG 26 2011  
DEPARTMENT OF REAL ESTATE

By \_\_\_\_\_

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \*

11 To:

12 MEREDIAN LOAN SERVICES )  
13 CORPORATION; )  
14 MEREDIAN FINANCIAL )  
15 CORPORATION; )  
16 FORTIS TITLE SOLUTIONS )  
17 CORPORATION; )  
18 PAUL ANTHONY FERRIS; and )  
19 JAMES TOUFIC ASSALI. )

No. H-37479 LA

ORDER TO DESIST  
AND REFRAIN

(B&P Code Section 10086)

19 The Commissioner ("Commissioner") of the California Department of Real Estate  
20 ("Department") caused an investigation to be made of the activities of MEREDIAN LOAN  
21 SERVICES CORPORATION, MEREDIAN FINANCIAL CORPORATION; FORTIS TITLE  
22 SOLUTIONS CORPORATION; PAUL ANTHONY FERRIS and JAMES TOUFIC ASSALI.  
23 Based on that investigation the Commissioner has determined that MEREDIAN LOAN  
24 SERVICES CORPORATION, MEREDIAN FINANCIAL CORPORATION; FORTIS TITLE  
25 SOLUTIONS CORPORATION; PAUL ANTHONY FERRIS and JAMES TOUFIC ASSALI.  
26 have engaged in or are engaging in acts or attempting to engage in the business of, acting in the  
27 capacity of, and/or advertising or assuming to act as real estate brokers in the State of California

1 within the meaning of Business and Professions Code Sections 10131 (a) (solicit prospective  
2 sellers or purchasers or negotiate the purchase, sale or exchange of real property) and 10131(d)  
3 (solicit borrowers for or negotiate loans or perform services for borrowers in connection with  
4 loans secured by liens on real property).

5 In addition, based on that investigation, the Commissioner has determined that  
6 MEREDIAN LOAN SERVICES CORPORATION; MEREDIAN FINANCIAL  
7 CORPORATION; FORTIS TITLE SOLUTIONS CORPORATION; PAUL ANTHONY  
8 FERRIS; and JAMES TOUFIC ASSALI have engaged in or are engaging in acts or are  
9 attempting to engage practices constituting violations of the California Business and Professions  
10 Code ("Code") and/or Title 10, California Code of Regulations ("Regulations"). Based on the  
11 findings of that investigation, set forth below, the Commissioner hereby issues the following  
12 Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of  
13 Section 10086 of the Code.

#### 14 FINDINGS OF FACT

15 1. From March 19, 2003 through March 18, 2011, MEREDIAN LOAN  
16 SERVICES CORPORATION ("MEREDIAN") was licensed (License No. 01303565) as a real  
17 estate corporation. From March 19, 2007 through March 18, 2011, MEREDIAN was acting by  
18 and through PAUL ANTHONY FERRIS ("FERRIS") as its designated broker-officer pursuant  
19 to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

20 2. From July 31, 1997 through the present, FERRIS has been licensed (License  
21 No. 01061844) as a real estate broker. From March 19, 2007 through March 18, 2011, FERRIS  
22 was the broker-officer of MEREDIAN.

23 3. From June 16, 1998 through the present, JAMES TOUFIC ASSALI  
24 ("ASSALI") has been licensed (License No. 01238666) as a real estate salesperson. From  
25 October 26, 2006 through March 11, 2010, ASSALI was licensed under the employ of  
26 MEREDIAN.

1                   4. MEREDIAN FINANCIAL CORPORATION and FORTIS TITLE  
2 SOLUTIONS CORPORATION are not now, and have never been, licensed by the Department  
3 in any capacity.

4                   5. For an unknown period of time beginning no later than February 2009,  
5 ASSALI and FERRIS, while using the fictitious business names MEREDIAN LOAN  
6 SERVICES CORPORATION, MEREDIAN FINANCIAL CORPORATION, FORTIS TITLE  
7 SOLUTIONS CORPORATION, or other fictitious business names not known at this time,  
8 engaged in the business of soliciting to modify or negotiate loans secured by real property, and  
9 claimed, demanded, charged, received, collected or contracted for the collection of advance fees,  
10 within the meaning of Code Section 10026, for including, but not limited to, the following  
11 borrowers: Marlon S., Jane H., Willard M., Joyce D., Robert C., Katherine S., Christopher A.,  
12 Lisa V., Joyce S., Paul S., Karen S., Michael L., Barbara T., Leonard M., Jr., Joseph R., Jr.,  
13 Marcia B. M-P., and Horace W. Said borrowers paid an advance fee pursuant to an advance fee  
14 agreement for loan modification and negotiation services in connection with a loan secured by  
15 real property.

16                   6. The materials and advance fee agreements used by MEREDIAN and FERRIS  
17 had not been approved by the Department prior to use as is required under Code Section 10085  
18 and Regulation 2970.

19                   7. The advance fees collected by MEREDIAN and FERRIS were not deposited in  
20 a trust account and a verified accounting was not provided, as required under Code Section  
21 10146 and Regulation 2972.

22                   CONCLUSIONS OF LAW

23                   8. Based on the information contained in Paragraphs 1 through 7, above,  
24 MEREDIAN LOAN SERVICES CORPORATION, FERRIS, and ASSALI, violated Code  
25 Sections 10085 and 10085.6 of the Code and Regulation 2970 by failing to submit advance fee  
26 agreements and materials to the Department prior charging and collecting advance fees from any  
27 person.

1                   9. Based on the information contained in Paragraphs 1 through 7, above,  
2 MEREDIAN LOAN SERVICES CORPORATION and FERRIS violated Code Section 10146  
3 and Regulation 2972 by failing to furnish a verified copy of accounting content which includes  
4 identification of the trust fund account into which the advance fee had been deposited,  
5 description of services rendered, the amount allocated or disbursed from the advance fee at the  
6 end of each calendar quarter and when the contract has been completely performed by the  
7 licensee.

8                   10. Based on the information contained in Paragraphs 1 through 7, above,  
9 MEREDIAN LOAN SERVICES CORPORATION and FERRIS violated Section 10159.5 of the  
10 Code and Section 2731 of the Regulations by using an unlicensed fictitious business name to  
11 conduct activities that require a real estate license.

12                   11. Based on the information contained in Paragraphs 1 through 7, above,  
13 MEREDIAN FINANCIAL CORPORATION and FORTIS TITLE SOLUTIONS  
14 CORPORATION violated Code Section 10130 by engaging in activities requiring a real estate  
15 license, while using their own names or any/other unlicensed fictitious business names, without  
16 first obtaining a broker license from the Department.

17                   DESIST AND REFRAIN ORDER

18                   Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW stated  
19 herein, IT IS HEREBY ORDERED THAT, MEREDIAN FINANCIAL CORPORATION and  
20 FORTIS TITLE SOLUTIONS CORPORATION, immediately desist and refrain from: engaging  
21 in the activities requiring a real estate license, under their own names or any fictitious business  
22 names, without first obtaining a broker license or acting as a salesperson under the employ of a  
23 licensed real estate broker.

24                   IT IS FURTHER ORDERED THAT MEREDIAN LOAN SERVICES  
25 CORPORATION, PAUL ANTHONY FERRIS, and JAMES TOUFIC ASSALI, whether doing  
26 business under their own names or any other fictitious names, ARE HEREBY ORDERED TO:  
27

1                   1. Immediately desist and refrain from charging, demanding, claiming, collecting  
2 and/or receiving advance fees, as that term is defined in Code Section 10026, in any form, and  
3 under any conditions, with respect to the performance of loan modification or any other form of  
4 mortgage loan forbearance services in connection with loans on residential property containing  
5 four or fewer dwelling units (Code Section 10085.6).

6                   2. Immediately desist and refrain from charging, demanding, claiming, collecting  
7 and/or receiving advance fees, as that term is defined in Code Section 10026, for any of the other  
8 real estate related services offered to others, unless and until MERIDIAN LOAN SERVICES  
9 CORPORATION and PAUL ANTHONY FERRIS and each of them, demonstrate and provide  
10 evidence satisfactory to the Commissioner that each:

11                   a. Has an advance fee agreement which has been submitted to the Department  
12 and which is in compliance with Code Section 10085 and Regulation 2970;

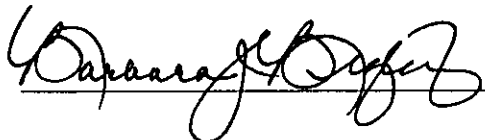
13                   b. Has placed all previously collected advance fees into a trust account for that  
14 purpose and is in compliance with Code Section 10146; and

15                   c. Has provided an accounting to trust fund owner-beneficiaries from whom  
16 advance fees have previously been collected in compliance with Code Section 10146 and  
17 Regulation 2972.

18                   3. Immediately desist and refrain from using any unlicensed fictitious business  
19 name to conduct activities that require a real estate license unless you hold a license bearing the  
20 fictitious business name as required under Code Section 10159.5 and Regulation 2731.

21  
22                   DATED: 8/19, 2011.  
23

24                   BARBARA J. BIGBY  
25                   Acting Real Estate Commissioner

26                     
27

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

5  
6 cc: Meredian Loan Services Corporation/Meredian Financial Corporation/

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