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FILED

JUL -5 2012

DEPARTMENT OF REAL ESTATE
BY: 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-38236 LA
)	
FEDERAL LEGAL SOLUTIONS INC., as a)	
corporation and doing business as)	<u>A C C U S A T I O N</u>
Christian and Associates; LIAM)	
PATRICK FERRIS, individually and)	
as designated officer of Federal)	
Legal Solutions, Inc.,)	
)	
Respondents.)	

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner, for cause of Accusation against FEDERAL LEGAL SOLUTIONS INC. as a corporation and doing business as Christian and Associates; and LIAM PATRICK FERRIS, individually and as designated officer of Federal Legal Solutions Inc., is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

1 2.

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

5 3.

6 Respondent FLS is licensed by the Department of Real
7 Estate ("Department") as a corporate real estate broker. FLS was
8 originally licensed by the Department on June 3, 2009, with
9 Respondent LIAM PATRICK FERRIS as its designated broker-officer.
10 On June 5, 2009, and continuing to date, FLS registered the
11 licensed fictitious business name Christian and Associates.
12 Effective September 1, 2011, Respondent LIAM PATRICK FERRIS
13 cancelled his officer status. To date, FLS has no designated
14 officer.

15 4.

16 Respondent LIAM PATRICK FERRIS ("FERRIS") is licensed
17 by the Department as a real estate broker. FERRIS was originally
18 licensed by the Department as a broker on May 12, 2005. Between
19 June 3, 2009, and September 1, 2011, Respondent FERRIS was the
20 designated broker-officer of FLS. FERRIS's main office address
21 of record with the Department during the period June 3, 2009, to
22 September 1, 2011, was 5101 Caspian Circle, Huntington Beach, CA
23 92649. From September 12, 2011, to the present, FERRIS's main
24 office address of record with the Department has been 5332
25 Christal Avenue, Garden Grove, CA 92845. FLS's main office
26 address with the Department from June 3, 2009, to September 1,
27 2011, was 2401 East Katella Avenue, Suite 280, Anaheim, CA

1 92806. From April 15, 2009, to June 9, 2010, FERRIS was the sole
2 Director of FLS.

3 5.

4 At all times relevant herein, Respondents engaged in
5 the business of, acted in the capacity of, advertised or assumed
6 to act as real estate brokers in the State of California within
7 the meaning of Code Sections 10131(d) and 10131.2. Their
8 activities included soliciting borrowers or lenders for and/or
9 negotiating loans, collecting payments and/or performing services
10 for borrowers or lenders in connection with loans secured by lien
11 on real property. Their activities also included claiming,
12 demanding, charging, receiving, collecting or contracting for the
13 collection of advance fees within the meaning of Code Sections
14 10026, 10085, and 10085.6.

15 FIRST CAUSE OF ACCUSATION

16 (Advance Fee Violations)

17 6.

18 At all times herein relevant, Respondents solicited,
19 advertised and collected advance fees from mortgage loan clients
20 in connection with loan modification services. At no time have
21 Respondents ever submitted any advance fee agreements or other
22 materials to the Department for review and approval as required
23 by Code Section 10085 and Regulation 2970 of Title 10, Chapter 6,
24 California Code of Regulations ("Regulation").

25 7.

26 Using the name "Christian and Associates" Respondents
27 offered loss mitigation and loan modification services to

1 homeowner-borrowers seeking downward adjustments or payment
 2 extenuations to their home mortgages. Respondents collected
 3 advanced fees from said homeowner-borrowers without possessing a
 4 pre-approved advance fee agreement from the Department as
 5 required by Code Section 10085 and Regulation 2970, and in
 6 violation of Code Section 10085.6. Thereafter, Respondents
 7 failed to obtain loan modifications for the borrowers tabled
 8 below and failed to refund the advance fees paid:

9 Table: Loan Modification Services

11 Homeowner	Date	Status	Advance Fee
12 Claudia M. H.	Sept.-Nov., 2009	Not obtained	\$3,200
13 Martin G.	Jan.-Apr., 2010	Not obtained	\$2,700
14 Joyce I. C.	Mar.-Apr., 2010	Not obtained	\$3,000
15 Arthur R. M.	Jul.-Aug., 2010	Not obtained	\$1,600
16 Monica G.	Aug., 2010	Not obtained	\$500

17
 18 8.

19 Respondents' activities constitute a course of conduct
 20 which includes the homeowner-borrowers alleged above by way of
 21 example, but is by no means limited to those named consumers and
 22 their real property.

23 9.

24 The conduct, acts and omissions of Respondents as set
 25 forth above, are cause for the suspension or revocation of the
 26 licenses and license rights of Respondents pursuant to Code
 27 Sections 10176(a), 10176(b), 10176(i), 10177(d), and/or 10177(g).

1 SECOND CAUSE OF ACCUSATION

2 (Failure to Supervise)

3 10.

4 Based on the conduct alleged in paragraphs 6, 7, and 8,
5 above, Respondent FERRIS failed to exercise reasonable
6 supervision over the activities of his corporation to ensure
7 compliance with the Real Estate Law and the Commissioner's
8 Regulations in violation of Code Section 10159.2 and Regulation
9 2725.

10 11.

11 The conduct, acts and omissions of Respondent FERRIS as
12 set forth in paragraph 9, above, are cause for the suspension or
13 revocation of the licenses and license rights of Respondent
14 FERRIS pursuant to Code Sections 10177(d), 10177(g), and/or
15 10177(h).

16 California Business and Professions Code Section 10106
17 provides, in pertinent part, that in any order issued in
18 resolution of a disciplinary proceeding before the department,
19 the Commissioner may request the administrative law judge to
20 direct a licensee found to have committed a violation of this
21 part to pay a sum not to exceed the reasonable costs of
22 investigation and enforcement of the case.

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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 FEDERAL LEGAL SOLUTIONS INC.; and LIAM PATRICK FERRIS,
6 individually and as former designated officer of Federal Legal
7 Solutions Inc. under the Real Estate Law and for such other and
8 further relief as may be proper under other applicable provisions
9 of law, including the cost of investigation and enforcement as
10 permitted by law, and restitution of advanced fees paid for loan
11 modifications.

12 Dated at Los Angeles, California, 3 July, 2012.

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16 Maria Suarez
17 Deputy Real Estate Commissioner
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25 cc: Federal Legal Solutions Inc.
26 Liam Patrick Ferris
27 Maria Suarez
 Sacto.