

Country Real Estate and Cross Country Home Loans.

3. Cross Country Home Loans Inc. ("Cross Country") is a California corporation licensed by the Department as a corporate real estate broker. Cross Country has been licensed by the Department as a corporate real estate broker since February 8, 2002. Respondent GARCIA is the Chief Executive Officer and owner of Cross Country. GARCIA is also the broker-officer of Cross Country designated pursuant to Business and Professions Code ("Code") Section 10159.2 to be responsible for supervising the real estate activities of Cross Country to ensure compliance with the Real Estate Laws.

4. USA Home Relief Inc. ("USA Home Relief") is a California corporation created in September of 2008. USA Home Relief has never been licensed by the Department in any capacity, neither as a corporate real estate broker nor as the fictitious business name of a real estate licensee. Respondent GARCIA is, and at all times relevant herein was, the CEO and President of USA Home Relief.

5. At times relevant herein, Respondent GARCIA, individually and as owner of Cross Country and of USA Home Relief, has utilized the following business addresses:

<u>Dates</u>	<u>Address</u>	<u>Individual/Associated Entity</u>
3/14/12-present	P.O. Box 673 Brea, CA 92822	GARCIA's mailing address
3/14/12-present	322 N. Orange Ave., Ste. A Brea, CA 92821	GARCIA's main office address
2/5/10-3/14/12	765 The City Dr. #377 Orange, CA 92868	Main office address for GARCIA, Cross Country, and USA Home Relief
3/3/10- present	P.O. Box 673 Brea, CA 92822	Cross Country's mailing address

1	2/8/06-2/7/10	3 Pointe Dr. #200 Brea, CA 92821	Cross Country's main office address
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3	12/20/05-11/7/09	3 Pointe Dr. #200 Brea, CA 92821	GARCIA's main office address
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5	11/8/09-2/4/10	4012 Grandview Dr. Brea, CA	GARCIA's main office address
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7	6/15/09-present	667 Cliffside Dr. San Dimas, CA 91773	Cross Country and USA Home Relief address of Record with Secretary of State/Corporate Status Unit
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9	6/15/09-present	600 City Park Way West #610 Orange, CA 92686	USA Home Relief business address
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11 6. The parties and entities listed above have also engaged in real estate activities
12 under numerous other business names including, but not limited to, the following unlicensed
13 business names:

14 a) www.usahomerelief.com

15 b) www.123loanmod.com

16 c) Home Saver Programs

17 7. At all times relevant herein, Respondent engaged in the business of, acted in
18 the capacity of, advertised or assumed to act as a real estate broker in the State of California
19 within the meaning of Code Sections 10131(d) and 10131.2. His activities included soliciting
20 borrowers or lenders for and/or negotiating loans, collecting payments and/or performing
21 services for borrowers or lenders in connection with loans secured by liens on real property. His
22 activities also included claiming, demanding, charging, receiving, collecting or contracting for
23 the collection of advance fees within the meaning of Code Sections 10026 and 10085.
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25 8. On or about September 1, 2008, Respondent established USA Home Relief as
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1 a California corporation. The corporation was established to conduct loan modification business
2 activities, and to collect fees, including advance fees, from consumers in connection therewith.
3 Respondent did not obtain a real estate license for USA Home Relief and did not register it as a
4 fictitious business name he would be using to conduct activities under his real estate license.

5 9. Beginning on or before September 1, 2008, and continuing through on or after
6 November 4, 2010, Respondent, as principal and CEO of USA Home Relief, engaged in loan
7 modification business with the public. During that time period, there were approximately 712
8 USA Home Relief loan modification transactions, of which approximately 491 resulted in
9 successful loan workouts.
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11 10. In connection with the loan modification transactions described above in
12 Paragraph 9, USA Home Relief collected advance fees of between approximately \$1,200.00 and
13 \$4,500 per transaction. The advance fees were placed into one of several accounts, including into
14 a business checking account held at JPMorgan Chase Bank, Account No. xxx-xx4274-4, held in
15 the name of USA Home Relief Inc., 3 Pointe Dr. Ste, 200, Brea, CA 92821-3651. (As of June
16 2009, the address on the account was USA Home Relief Inc., 600 City Parkway West, Suite 610,
17 Orange, CA 92868-2900.) Respondent GARCIA was the sole signatory on the account.
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19 11. Beginning on or before September 2008, and continuing through on or after
20 November 4, 2010, Respondent paid unlicensed employees and agents of USA Home Relief to
21 engage in activities requiring a real estate license, including soliciting and collecting advance
22 fees and negotiating with lenders regarding the terms of loans on behalf of the consumers.
23 Examples of these unlicensed agents included Sean Moore, Mary Centoni, Candace Fortier, Jim
24 Mansfield, Alondra Martinez, Kim Ung, and Jennifer Waller.
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26 12. Through his solely owned unlicensed corporation, USA Home Relief,
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1 Respondent collected advance fees pursuant to agreements which were not submitted to the
2 Department for review, and for which the Department did not issue a "No Objection Letter."

3 13. Through his solely owned, unlicensed corporation USA Home Relief,
4 Respondent commingled trust funds with his general funds for his personal and business use.
5 Respondent did not maintain any trust accounting records as required under the Real Estate Law.

6 *Loan Modification Transactions*

7 Mavis L.

8 14. Beginning on or before July 20, 2009, and continuing through on or about
9 April 27, 2010, Respondent's company, USA Home Relief, represented Mavis L. and provided
10 loan modification services for her in exchange for payment of an advance fee of \$2,695.00.
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13 15. Mavis L.'s advance fee check was deposited into account number xxx-
14 xx4274-4, a business checking account at JP Morgan Chase bank. The account was held in the
15 name of USA Home Relief Inc., a corporation of which Respondent GARCIA was the sole
16 owner. Respondent GARCIA was the sole signatory on the account. The advance fee check,
17 which constituted trust funds, was placed into GARCIA's bank account, and commingled with
18 non-trust funds.
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20 16. USA Home Relief employed unlicensed agents to perform activities requiring
21 a real estate license, including negotiating with lenders on Mavis L's behalf. Unlicensed agents
22 of USA Home Relief who conducted loan modification activities included Sean Moore and Kim
23 Ung.
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25 17. USA Home Relief did not obtain a loan modification for Mavis L. Mavis L.
26 notified USA Home Relief's representatives that she wanted to cancel the services on or about
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1 April 27, 2010. USA Home Relief did not refund or account for the fees Mavis L. paid.

2 Evelyn B.

3 18. Beginning on or before April 18, 2009, and continuing through on or after
4 August 9, 2010, USA Home Relief represented consumer Evelyn B. and negotiated with lenders
5 on her behalf for a fee.

6 19. On or about April 18, 2009, consumer Evelyn B. signed a loan modification
7 agreement with USA Home Relief. Evelyn B. paid USA Home Relief an advance fee of
8 \$4,500.00. The agreement stated, "...in the event that a loan workout is not granted by lender,
9 all fees shall be refunded to client except for a minimal administrative fee of \$950.00."

10 20. Beginning on or about April 28, 2009, and continuing through on or after
11 August 9, 2010, USA Home Relief employed unlicensed agents Mary Centoni, Kim Ung and
12 Jim Mansfield to negotiate with lenders on behalf of Evelyn B. USA Home Relief did not obtain
13 a loan modification for Evelyn B., and did not provide an accounting for the fees paid or a refund
14 of the unearned advance fees.
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16 Isaias C.

17 21. Beginning on or before December 30, 2008, and continuing through on or
18 after March 1, 2010, USA Home Relief represented consumer Isaias C. and negotiated with
19 lenders on his behalf for a fee.
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21 22. On or about January 2, 2009, consumer Isaias C. paid USA Home Relief
22 \$3,000.00 for assistance in negotiating with lenders to avoid foreclosure and to obtain a
23 modification of the terms of his home loans. Over the next year and a half, USA Home Relief
24 employed unlicensed agents, including Jim Mansfield, to negotiate on behalf of Isaias C. As of
25 March 1, 2010, Isaias C. had not obtained a loan modification.
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Jose P.

23. Beginning on or before March 27, 2009, and continuing through on or after July 16, 2010, USA Home Relief represented consumer Jose P. and negotiated with lenders on his behalf for a fee.

24. On or about March 27, 2009, Jose P. paid USA Home Relief \$3,000.00 for loan modification services. Pursuant to the written loan modification agreement, USA Home Relief promised to refund all but \$750.00 of the advance fee in the event a loan modification was not obtained.

25. USA Home Relief paid unlicensed agents, including Kim Ung, Mary Centoni, and Candace Fortier, to negotiate with Jose P.'s lenders on his behalf. On July 16, 2010, unlicensed USA Home Relief agent Kim Ung prepared and submitted a proposal for a loan workout to Jose P's lender. As of that date, Jose P. had not obtained a loan modification. The advance fee he paid was not accounted for or refunded.

Lucio and Delia V.

26. Beginning on or about December 18, 2008, and continuing through on or after August 10, 2010, USA Home Relief represented consumers Lucio and Delia V. and negotiated with lenders on their behalf for a fee.

27. On or about December 18, 2008, Lucio and Delia V. paid USA Home Relief an advance fee of \$3,500.00.

28. USA Home Relief employed unlicensed agents Candace Fortier, Kim Ung, Jim Mansfield, and Gloria Aguirre to negotiate with Lucio and Delia V.'s lenders.

Angela T.

29. Beginning on or about March 27, 2009, and continuing through on or after

1 September 13, 2010, USA Home Relief represented consumer Angela T. and negotiated with
2 lenders on her behalf for a fee.

3 30. On or about March 27, 2009, consumer Angela T. signed a loan modification
4 agreement with USA Home Relief. Angela T. paid USA Home Relief an advance fee of
5 \$2,000.00. The agreement stated, "...in the event that a loan workout is not granted by lender,
6 all fees shall be refunded to client except for a minimal administrative fee of \$950.00."

7 31. USA Home Relief employed unlicensed agents, including Jim Mansfield and
8 Dennis Salazar, to negotiate with Angela T.'s lenders on her behalf. They did not obtain a loan
9 modification for Angela T. and did not account for or refund the unearned fees.
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11 32. Respondent GARCIA's conduct in compensating and utilizing agents and
12 affiliates who were not licensed to conduct real estate activities, as set forth above, constitutes
13 grounds to revoke or suspend GARCIA's license and license rights pursuant to Code Sections
14 10137, 10177(g), 10176(i) and/or 10177(j).

15 33. The conduct, acts and/or omissions of Respondent GARCIA in receiving
16 advance fees from borrowers without maintaining and providing an accounting identifying the
17 name of the agent, name of the principal, services to be rendered, identity of the trust fund
18 account into which the advance fees were deposited, the amount of the fee collected, and the
19 allocation of money disbursed from the advance fee to cover services, commission and overhead,
20 constitutes grounds to revoke or suspend GARCIA's license and license rights pursuant to Code
21 Sections 10146, 10177(j), 10176(i), and/or 10177(d) in conjunction with Title 10, Chapter 6 of
22 the California Code of Regulations, Regulation 2972.
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24 34. The conduct, acts and/or omissions of Respondent GARCIA in establishing a
25 corporate entity for the purpose of engaging in the loan modification business without obtaining
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1 a real estate license or notifying the Department of the use of a fictitious business name to
2 conduct activities requiring a real estate license, in an attempt to circumvent the Real Estate Law,
3 constitutes dishonest dealing and is grounds to revoke or suspend GARCIA's license and license
4 rights pursuant to Code Sections 10176(i), 10177(j) and/or 10177(g).

5 Business and Professions Code Section 10106 provides, in pertinent part, that in
6 any order issued in resolution of a disciplinary proceeding before the Department, the
7 Commissioner may request the Administrative Law Judge to direct a licensee found to have
8 committed a violation of this part to pay a sum not to exceed the reasonable costs of the
9 investigation and enforcement of the case.
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11 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
12 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
13 action against all licenses and/or license rights of Respondent GILBERTO VARGAS GARCIA
14 under the Real Estate Law, for the cost of investigation and enforcement as permitted by law,
15 and for such other and further relief as may be proper under other applicable provisions of law.
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17 Dated at Los Angeles, California

18 this 9th day of October, 2012.

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22 Maria Suarez
23 Deputy Real Estate Commissioner
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25 cc: Gilberto Vargas Garcia
26 Maria Suarez
27 Sacto.