

**FILED**

JUN 18 2013

DEPARTMENT OF REAL ESTATE

BY: 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of	)	NO. H-38752 LA
	)	
<u>RELIABLE LENDING CONSULTANTS, INC.</u>	)	
and PAUL DAVID CRONIN,	)	
	)	
Respondents.	)	
	)	

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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 14, 2013, 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 March 4, 2013, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed to Respondent RELIABLE LENDING CONSULTANTS, INC.'s ("RLCI") address of record by certified mail, return receipt requested, on March 6, 2013.

2.

On April 10, 2013, Robin Trujillo made the First Amended Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The First Amended Accusation, Statement to Respondent, and Notice of Defense were mailed to Respondent RLCI's address of record by regular mail on April 16, 2013.

3.

On May 14, 2013, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent RLCI's default was entered herein.

4.

From January 21, 2010, through the present, RLCI has been licensed by the Department of Real Estate ("Department") as a corporate real estate broker, License ID 01875313.

5.

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

6.

RLCI is a California corporation formed on or about July 29, 2008. Respondent PAUL DAVID CRONIN is an officer and director of RLCI. Robin S. Layne, an unlicensed person, is an officer and director of RLCI. The California Franchise Tax Board suspended RLCI's corporate status on April 1, 2011. RLCI's corporate status remains suspended.

7.

From January 21, 2010, through July 8, 2010, David Robert Campbell ("Campbell") served as the designated officer for RLCI. Campbell canceled his designation as of July 8, 2010. As of July 8, 2010, RLCI was licensed in a non-working status meaning the licensee is prohibited from performing activities for which a license is required in California.

8.

Within the three year period prior to the filing of this Accusation, Respondent RLCI, while doing business in California, solicited and offered to perform services for borrowers in connection with loans secured directly or collaterally by liens on real property.

9.

On November 22, 2010, borrowers Ame and Andres R. entered into a loan modification agreement with RLCI. Respondent RLCI charged an advance fee totaling \$3,600 from the borrowers for said services. Respondent RLCI induced the borrowers to sign a limited power of attorney. On November 23, 2010, Respondent RLCI collected an advance fee of \$1,800 from the borrowers. On December 15, 2010, Respondent RLCI collected another advance fee of \$1,500 from the borrowers. Respondent RLCI failed to provide proof of completing the services promised to the borrowers and refused to provide a refund of the borrowers' advance fees. Respondent RLCI provided a refund to the borrowers only after they filed a complaint against Respondent RLCI with the Department and other consumer protection agencies.

10.

On November 30, 2010, borrowers Francisco and Fe D. entered into a loan modification agreement with RLCI. Respondent RLCI charged an advance fee totaling \$2,400 from the borrowers for said services. Respondent RLCI induced the borrowers to sign a limited power of attorney. On December 9, 2010, Respondent RLCI collected an advance fee of \$1,200 from the borrowers. On January 10, 2011, Respondent RLCI collected another advance fee of \$1,200 from the borrowers. Respondent RLCI made several misrepresentations to the borrowers in order to induce them to enter into the loan modification agreement and pay the advance fee for said services including that Respondent RLCI could obtain a lower interest rate and reduce the principal of the borrowers' loan. Respondent RLCI failed to provide proof of completing the services promised to the borrowers and refused to provide a refund of the borrowers' advance fees. Respondent RLCI provided a refund to the borrowers only after they filed a complaint against Respondent RLCI with the Department and other consumer protection agencies.

11.

On March 17, 2011, borrowers Armando and Filgerina T. entered into a loan modification agreement with RLCI. Respondent RLCI charged an advance fee totaling \$5,000 from the borrowers for said services. On March 18, 2011, Respondent RLCI collected an advance fee of \$1,500 from the borrowers. On April 11, 2011, Respondent RLCI collected another advance fee of \$1,500 from the borrowers. On April 22, 2011, the borrowers cancelled their agreement with RLCI and requested a refund of the \$3,000 in advance fees they had paid. Respondent RLCI failed to provide proof of completing the services promised to the borrowers and failed to provide a refund of the borrowers' advance fees.

12.

On March 23, 2011, borrower Marie V. entered into a loan modification agreement with RLCI. Respondent RLCI charged an advance fee totaling \$5,500 from the borrower for said services. Respondent RLCI induced the borrower to sign a limited power of attorney. On March 24, 2011, Respondent RLCI collected an advance fee of \$3,000 from the borrower. On April 19, 2011, Respondent RLCI collected another advance fee of \$2,500 from the borrower. On August 2, 2011, the borrower cancelled her agreement with RLCI and requested a refund of the \$5,500 in advance fees she had paid. Respondent RLCI failed to provide proof of completing the services promised to the borrower and failed to provide a refund of the borrower's advance fees.

#### DETERMINATION OF ISSUES

1.

The suspension of Respondent RLCI's corporate status as described above in Findings of Fact, no. 6, is a violation of Regulation 2742, subdivision (c) and constitutes grounds to suspend or revoke Respondent RLCI's corporate real estate broker license pursuant to Code Section 10177(d).

2.

The activities described above in Findings of Fact, nos. 7 through 12, involved soliciting borrowers for loan modifications or foreclosure forbearance services and charging, demanding, or collecting advance fees for said services. Respondent RLCI violated the restrictions regarding advance fees as set forth in Code Sections 10085.5 and 10085.6. Cause exists ~~to discipline all licenses and/or license rights of Respondent RLCI pursuant to Code Section 10177(d) for violation of Code Sections 10085.5 and 10085.6.~~

3.

The activities described above in Findings of Fact, nos. 7 through 12, require a real estate broker license under Code Sections 10131(d) and 10131.2. At all times relevant, Respondent RCLI was licensed in a non-working status which meant that the licensee could not perform any acts for which a real estate license is required in California. RCLI was operating out of an office located in California. Cause exists to discipline all licenses and/or license rights of Respondent RLCI pursuant to Code Section 10177(d) for violation of Code Sections 10130, 10137, and 10139.

4.

Based on the activities described above, in Findings of Fact nos. 6 through 12, Respondent RLCI failed to comply with the requirements for handling of advance fees. Said conduct, acts, and/or omissions are in violation of Code Sections 10145, 10146, and Regulations 2831, 2832, and 2972 and constitute cause to discipline all licenses and/or license rights of Respondent RLCI pursuant to Code Section 10177(d) for violation of Code Sections 10145, 10146, and Regulations 2740, 2742(c), 2831, 2832, 2970, and 2972.

5.

Respondent RLCI's conduct, acts and/or omissions as set forth above, in Findings of Fact, nos. 7 through 12, constitute grounds for the discipline of all licenses, endorsements and/or license rights of Respondent RLCI pursuant to Code Sections 10176(a) (making any substantial misrepresentation), 10176(b) (making any false promises of a character likely to influence, persuade or induce), 10176(i) (conduct...which constitutes fraud or dishonest dealing), and 10177(d) (violation of the Real Estate Law).

6.

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

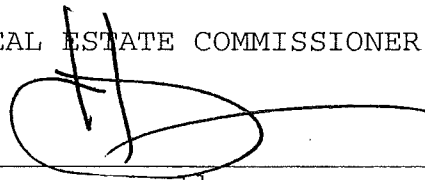
ORDER

The license and license rights of Respondent RELIABLE LENDING CONSULTANTS, 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 July 8, 2013.

DATED: May 29 2013

REAL ESTATE COMMISSIONER



By: Jeffrey Mason  
Chief Deputy Commissioner

1 Department of Real Estate  
2 320 West Fourth Street, Suite 350  
3 Los Angeles, California 90013-1105

**FILED**

MAY 14 2013

DEPARTMENT OF REAL ESTATE

BY: [Signature]

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of )  
12 ) NO. H-38752 LA  
13 RELIABLE LENDING CONSULTANTS, INC. )  
14 and PAUL DAVID CRONIN, ) DEFAULT ORDER  
15 Respondents. )  
16 )

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

22 IT IS SO ORDERED May 14, 2013.

23 Real Estate Commissioner

24 [Signature: Dolores Weeks]  
25 By: DOLORES WEEKS  
26 Regional Manager  
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