



1 issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under  
2 the authority of Section 10086 of the Code.

3 Whenever acts referred to below are attributed to CHARLES A. SMITH and/or  
4 IRENE E. SMITH, those acts are alleged to have been done by CHARLES A. SMITH and/or  
5 IRENE E. SMITH in their own name, or as Direct Mortgage Counseling or Mortgage Counseling  
6 Center, and/or by individuals and entities using the fictitious business names Direct Mortgage  
7 Counseling and/or Mortgage Counseling Center, acting by themselves, or by and /or through one  
8 or more agents, associates, affiliates and/or co-conspirators, including but not limited to the  
9 individuals herein named.  
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#### 11 FINDINGS OF FACT

12 1. CHARLES A. SMITH ("C. SMITH") is not now, and has never been, licensed  
13 by the Department of Real Estate of the State of California ("Department") as a real estate broker  
14 or as a real estate salesperson.

15 2. IRENE E. SMITH ("I. SMITH") is not now, and has never been, licensed by  
16 the Department as a real estate broker or as a real estate salesperson.  
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18 3. Mortgage Counseling Center and Direct Mortgage Counseling are fictitious  
19 business names used by C. SMITH and I. SMITH, and their affiliates, to perform loan  
20 modification activities. Neither Mortgage Counseling Center nor Direct Mortgage Counseling is  
21 licensed by the Department in any capacity.

22 4. On or about June 20, 2011, C. SMITH filed a fictitious business name  
23 statement with the Los Angeles County Clerk's office indicating that as of that date, C. SMITH  
24 and I. SMITH were doing business in Los Angeles County as Direct Mortgage Counseling. At  
25 that time, C. SMITH indicated that the primary place of business for Direct Mortgage  
26 Counseling was 1470 Sunshine Lane, #33, Lake Havasu, Arizona 86404, and that the company  
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1 would have a mailing address in California of P.O. Box 2746, La Habra, CA 90632.

2 5. On or about September 23, 2011, I. SMITH filed a fictitious business name  
3 statement with the Los Angeles County Clerk's office indicating that as of that date, she would  
4 be doing business as Direct Mortgage Counseling. At that time, I. SMITH indicated that the  
5 principal place of business for Direct Mortgage Counseling was 11312 Santa Monica Blvd.,  
6 Suite 3, Los Angeles, CA 90025. The mailing address for I. SMITH was P.O. Box 2746,  
7 La Habra, CA 90632.

8 6. On or about May 9, 2011, C. SMITH filed a fictitious business name statement  
9 with the Los Angeles County Clerk's office indicating that he and I. SMITH would be doing  
10 business in Los Angeles County as Mortgage Counseling Center, with a principal place of  
11 business located as 3939 Tweedy Blvd., South Gate, CA 90280. C. SMITH indicated that his  
12 mailing address was P.O. Box 2746, La Habra, CA 90632.

13 7. Commencing on or before May 9, 2011, C. SMITH and I. SMITH commenced  
14 engaging in loan modification, short sale and bankruptcy activities on behalf of others as Direct  
15 Mortgage Counseling and Mortgage Counseling Center, located at addresses set forth in  
16 Paragraphs 3, 4, 5 and 6 above, as well as at other locations including 11312 Santa Monica  
17 Blvd., Suite 1, Los Angeles CA 90025. Their loan modification, short sale and bankruptcy  
18 activities included soliciting consumers of mortgage loans and offering to provide loan  
19 modification services in exchange for payment of fees.

20 8. Commencing on or before October 21, 2011, C. SMITH and I. SMITH, doing  
21 business as Direct Mortgage Counseling, advertised their loan modification, short sale and  
22 bankruptcy counseling services on a website on the internet located at  
23 <http://directmortgagecounseling.org>, through which they solicited consumers and offered to  
24 provide loan modification and related services for a fee.  
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1 9. Commencing on or before October 21, 2011, C. SMITH and I. SMITH, doing  
2 business as Mortgage Counseling Center, advertised their loan modification, short sale and  
3 bankruptcy counseling services on a website on the internet located at  
4 <http://mortgagecounselingcenter.org>, through which they solicited consumers and offered to  
5 provide loan modification services in exchange for a fee.

6 10. On or about March 28, 2012, consumers Jim and Regina G. entered into a  
7 loan modification agreement with Direct Mortgage Counseling and paid an up front fee of  
8 \$4,445.00 for loan modification services. C. SMITH was the primary contact for Direct  
9 Mortgage Counseling and served as "Senior Loan Negotiator."  
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11 11. Direct Mortgage Counseling and C. SMITH never performed any services for  
12 Jim and Regina G. and refused to refund or account for the fee paid.

13 12. The activities set forth above, performing loan modification services and  
14 collecting fees in connection therewith, was activity requiring a real estate broker license.

15 13. Neither C. SMITH, I. SMITH, Direct Mortgage Counseling or Mortgage  
16 Counseling Center were licensed by the Department in any capacity at the time they conducted  
17 loan modification activities for a fee.  
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#### 19 CONCLUSIONS OF LAW

20 The conduct, acts and/or omissions of CHARLES A. SMITH and IRENE E.  
21 SMITH, when not licensed by the Department as real estate brokers or as salespersons employed  
22 by a real estate broker licensed by the Department, were in violation of Code Section 10130.  
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#### 24 DESIST AND REFRAIN ORDER

25 Based on the FINDINGS OF FACT and CONCLUSIONS OF LAW stated  
26 herein, it is hereby ordered that CHARLES A. SMITH and IRENE E. SMITH, whether doing  
27 business under their own names, or any other names, or fictitious names, ARE HEREBY

1 ORDERED to immediately desist and refrain from performing any acts within the State of  
2 California for which require a real estate broker license until they are properly licensed. In  
3 Particular each of them is ORDERED TO DESIST AND REFRAIN from:

4 (i) charging, demanding, claiming, collecting and/or receiving advance fees, as  
5 that term is defined in Section 10026 of the Code, in any form, and under any conditions, with  
6 respect to the performance of loan modifications or any other form of mortgage loan forbearance  
7 service in connection with loans on residential property containing four or fewer dwelling units;  
8 and  
9

10 (ii) charging, demanding, claiming, collecting and/or receiving advance fees, as  
11 that term is defined in Section 10026 of the Code, for any other real estate related services  
12 offered by them to others.

13 DATED: 2/27, 2013  
14

15 Real Estate Commissioner  
16

17   
18 WAYNE S. BELL  
19  
20  
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22 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a  
23 real estate broker or real estate salesperson without a license or who advertises using words  
24 indicating that he or she is a real estate broker without being so licensed shall be guilty of a  
25 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by  
26 imprisonment in the county jail for a term not to exceed six months, or by both fine and  
27 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars  
(\$60,000)."

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2 cc: CHARLES A. SMITH, dba  
3 Direct Mortgage Counseling  
4 11312 Santa Monica Blvd. #3  
5 Los Angeles, CA 90025

6 IRENE E. SMITH, dba  
7 Direct Mortgage Counseling  
8 11312 Santa Monica Blvd. #3  
9 Los Angeles, CA 90025

10 CHARLES A. SMITH, dba  
11 Mortgage Counseling Center  
12 3939 Tweedy Blvd.  
13 South Gate, CA 90280

14 CHARLES A. SMITH  
15 P.O. Box 2746  
16 La Habra, CA 90632

17 IRENE E. SMITH  
18 P.O. Box 2746  
19 La Habra, CA 90632

20 CHARLES A. SMITH  
21 1470 Sunshine #33  
22 Lake Havasu City, AZ 86404

23 IRENE E. SMITH  
24 1470 Sunshine #33  
25 Lake Havasu City, AZ 86404  
26  
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