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DEPARTMENT OF REAL ESTATE

By R. Henry

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STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

11 To:

12)
13)
14 K.N.C. FINANCIERA, INC.,)
15 RICARDO MELGOZA, an individual and,)
16 JORGE ZEPEDA, an individual)

)
) DRE No. H- 2429 FR
)
) **ORDER TO DESIST AND**
) **REFRAIN**
) (B&P Code Section 10086)
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17 The Commissioner (Commissioner) of the California Department of Real Estate
18 (Department) caused an investigation to be made of the activities of K.N.C. FINANCIERA,
19 INC., ("KNC"), RICARDO MELGOZA ("MELGOZA"), and JORGE ZEPEDA ("ZEPEDA").
20 Based on the investigation, the Commissioner has determined KNC, MELGOZA and ZEPEDA
21 have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting
22 violations of the California Business and Professions Code (Code) and/or Title 10, Chapter 6,
23 California Code of Regulations (Regulations), including the business of, acting in the capacity of,
24 and/or advertising or assuming to act as, a real estate broker in the State of California within the
25 meaning of Section 10131(d) (performing services for borrowers in connection with loans
26 secured by real property) of the Code. Furthermore, based on the investigation, the
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1 Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist and
2 Refrain Order under the authority of Section 10086 of the Code.

3 Whenever acts referred to below are attributed to KNC, those acts are alleged to have been
4 done by, MELGOZA and/or ZEPEDA, acting by themselves, or by and/or through one or more
5 agents, associates, affiliates, and/or co-conspirators, and using the name KNC
6 FINANCIERA.INC., or other names or fictitious names unknown at this time.

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8 FINDINGS OF FACT

9 1. At no time herein mentioned have KNC, MELGOZA or ZEPEDA been licensed by the
10 Department in any capacity.

11 2. During the period of time set out below, KNC, acting by and through MELGOZA,
12 ZEPEDA, and/or other agents, associates, affiliates, and/or co-conspirators solicited one or more
13 borrowers and negotiated to do one or more of the following acts for another or others, for or in
14 expectation of compensation: negotiate one or more loans for, or perform services for, borrowers
15 and/or lenders in connection with loans secured directly or collaterally by one or more liens on
16 real property; and charge, demand or collect an advance fee for any of the services offered, in
17 violation of Sections 10130 (real estate broker license required to perform certain acts), 10085.5
18 (real estate broker license required to charge or collect an advance fee), and 10139 (criminal
19 penalties for unlicensed activity) of the Code.

20 3. On or about July 21, 2008, KNC, acting through MELGOZA, entered into a written
21 agreement with Victor Orozco a.k.a. Victor Orozco Rios (Rios) to negotiate a loan modification
22 concerning his real property located at 6915 Wild Rogue Court, Bakersfield CA, in which KNC
23 would negotiate a loan modification for Rios' loan and Rios agreed to pay KNC as its fee for
24 loan modification services, the sum of \$1,600.00 and Rios did pay to KNC the sum of at least
25 \$800.00, in violation of Sections 10130, 10085.5, and 10139 of the Code.

26 4. On or about August 2, 2008, KNC, acting through MELGOZA, entered into a written
27 agreement with Juan C. Gonzalez (Gonzalez) to negotiate loan modifications concerning his two

1 pieces of real property located at 12008 Cedar Bluff Avenue and 3500 Planz Road, Bakersfield
2 CA, respectively, in which KNC would negotiate a loan modifications for Gonzalez' mortgage
3 loans on the Cedar Bluff Avenue and Planz Road properties; and Gonzales agreed to pay KNC
4 the sum of \$3,422.28, to KNC as its fee for loan modification services and Gonzales did pay to
5 KNC the sum of at least \$1,000.00 to retain legal services in connection with KNC's
6 representation and Gonzalez did pay to KNC the sum of at least \$1,000.00, in violation of
7 Sections 10130, 10085.5, and 10139 of the Code.

8 5. On or about November 22, 2008, KNC, acting through ZEPEDA, entered into a written
9 agreement with Maria G. Muniz (Muniz) to negotiate loan modifications concerning her real
10 property located at 1024 North Fruit Avenue, Bakersfield CA, in which KNC would negotiate a
11 loan modification for Muniz' mortgage loan; and Muniz agreed to pay to KNC the sum of
12 \$1,500.00 to KNC as its fee for loan modification services and did pay to KNC the sum of at
13 least \$1,500.00, in violation of Sections 10130, 10085.5, and 10139 of the Code.

14 6. On or about December 8, 2008, KNC, acting through MELGOZA, entered into a written
15 agreement with Juana E. Escoto (Escoto) to negotiate loan modifications concerning her real
16 property located at 5214 Oswell Park Drive, Bakersfield CA, in which KNC would negotiate a
17 loan modification for Escoto's mortgage loan; and Escoto agreed to pay to KNC the sum of
18 \$1,500.00, to KNC as its fee for loan modification services and did pay to KNC the sum of at
19 least \$1,400.00, in violation of Sections 10130, 10085.5, and 10139 of the Code.

20 7. On or about December 16, 2008, KNC, acting through MELGOZA, entered into a written
21 agreement with Santos Escoto (Santos) to negotiate loan modifications concerning her real
22 property located at 9011 Long Island Drive, Bakersfield CA, in which KNC would negotiate a
23 loan modification for Escoto's mortgage loan; and Escoto agreed to pay to KNC the sum of
24 \$1,000.00 to KNC as its fee for loan modification services and did pay to KNC the sum of at
25 least \$750.00, in violation of Sections 10130, 10085.5, and 10139 of the Code.

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1 CONCLUSIONS OF LAW

2 8. Based on the findings of fact contained in paragraphs 1 through 7, above, KNC, acting by
3 and/or through one or more agents, associates, affiliates, and/or co-conspirators, including
4 MELGOZA and/or ZEPEDA and using the name K.N.C. FINANCIERA, INC., or other names
5 or fictitious names unknown at this time, solicited one or more borrowers and performed
6 services for those borrowers and/or those borrowers' lenders in connection with loans secured
7 directly or collaterally by one or more liens on real property, acts which require a real estate
8 license under Section 10131(d) of the Code, during a period of time when KNC, MELGOZA
9 and/or ZEPEDA were not licensed by the Department in any capacity.

10 DESIST AND REFRAIN ORDER

11 Based on the Findings of Fact and Conclusions of Law stated herein, you
12 K.N.C. FINANCIERA, INC., RICARDO MELGOZA and JORGE ZEPEDA, doing
13 business under your own names, the corporate name K.N.C. FINANCIERA.INC., or any other
14 names or fictitious names, ARE HEREBY ORDERED to:

15 - 1. Immediately desist and refrain from performing any acts within the State of California
16 for which a real estate broker license is required. In particular, you are ordered to desist and
17 refrain from:

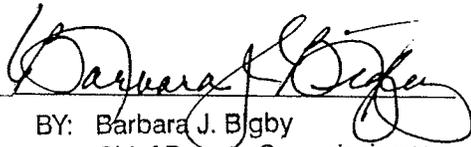
18 (i) soliciting borrowers and/or performing services for borrowers or lenders in
19 connection with loans secured directly or collaterally by one or more liens on real property, and

20 (ii) from charging, demanding, or collecting an advance fee for any of the services you
21 offer to others, unless and until you obtain a real estate broker license issued by the Department,
22 and until you demonstrate and provide evidence satisfactory to the Commissioner that you are in
23 full compliance with all of the requirements of the Code and Regulations relating to charging,
24 collecting, and accounting for advance fees, including Section 10146 (place all previously
25 collected advance fees into a trust account for that purpose) of the Code and Sections 2970 (an
26 advance fee agreement must be submitted to the Department and be in compliance with the
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1 Regulations) and 2972 (must provide an accounting to trust fund owner-beneficiaries) of the
2 Regulations.

3 DATED: 10/29, 2009

4 JEFF DAVI
5 Real Estate Commissioner

6 By 
7 BY: Barbara J. Bigby
8 Chief Deputy Commissioner

9 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a
10 real estate broker or real estate salesperson without a license or who advertises using words
11 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
12 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by
13 imprisonment in the county jail for a term not to exceed six months, or by both fine and
14 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
15 (\$60,000)."

16 TO: KNC Financiera, Inc.
17 Ricardo Melgoza, Agent for Service of Process
18 1701 West Wind Drive, Suite 101
19 Bakersfield, CA 93301

20 Ricardo Melgoza, an Individual
21 1701 West Wind Drive, Suite 101
22 Bakersfield, CA 93301

23 Jorge Zepeda, an Individual
24 1055 N. Van Ness Avenue, Suite K
25 Fresno, CA 93728
26
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