

1 Department of Real Estate  
2 P. O. Box 187007  
3 Sacramento, CA 95818-7007

4 Telephone: (916) 227-0789

FILED

OCT 19 2010

DEPARTMENT OF REAL ESTATE

By K. Mar

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 To: )  
12 ) NO. H-2543 FR  
13 ARMANDO CORTEZ )  
14 ) ORDER TO DESIST AND REFRAIN  
15 ) (B & P Code Section 10086)

16 The Commissioner (hereafter "the Commissioner") of the California Department  
17 of Real Estate (hereafter "the Department") caused an investigation to be made of the activities  
18 of ARMANDO CORTEZ (hereafter "Respondent"). Based on that investigation, the  
19 Commissioner has determined that Respondent has engaged in, is engaging in, or is attempting  
20 to engage in, acts or practices constituting violations of the California Business and Professions  
21 Code ("Code") and/or Title 10, Chapter 6, California Code of Regulations ("Regulations"),  
22 including acting in the capacity of, advertising or assuming to act as a real estate broker in the  
23 State of California within the meaning of Section 10131(d) (performing services for borrowers  
24 and/or lenders in connection with loans secured by real property), 10131.2 (collection of advance  
25 fees), 10085 (advance fee agreements and materials) and 10085.5 (collecting unauthorized  
26 advance fees) of the Code. Furthermore, based on the investigation, the Commissioner hereby

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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 FINDINGS OF FACT

4 1. At no time has Respondent been licensed by the Department in any capacity.

5 2. During the period of time set out below, Respondent performed services for one  
6 or more borrowers and negotiated to do one or more of the following acts for another or others,  
7 for or in expectation of compensation: negotiate one or more loans for, or perform services for,  
8 borrowers and/or lenders with respect to the collection of advance fees and loan modification,  
9 loan refinance, principal reduction, foreclosure abatement or short sale services and/or those  
10 borrowers' lenders in connection with loans secured directly or collaterally by one or more liens  
11 on real property; and charged, demanded or collected an advance fee for any of the services  
12 offered.

13 3. In furtherance of his plan and scheme to solicit advance fees and provide loan  
14 modification services, on or about November 11, 2008, Respondent entered into a loan  
15 modification services agreement with Catalina M. According to that agreement, Respondent  
16 agreed to negotiate a loan modification on behalf of Catalina M. for her property located at  
17 243 North 5<sup>th</sup> Street, Orange Cove, California, in exchange for an advance fee payment of  
18 \$1,400. On or about that same date, Catalina M. paid the advance fee of \$1,400 to Respondent.  
19 No loan modification was ever obtained by Respondent for Catalina M., nor did Respondent  
20 ever refund the advance fee paid to him by Catalina M.

21 4. In furtherance of his plan and scheme to solicit advance fees and provide loan  
22 modification services, on or about November 11, 2008, Respondent entered into a loan  
23 modification services agreement with Jose P. According to that agreement, Respondent agreed  
24 to negotiate a loan modification on behalf of Jose P. for his property located at 1375 East  
25 Millard Way, Dinuba, California, in exchange for an advance fee payment of \$1,000. On or  
26 about that same date, Jose P. paid the advance fee of \$1,000 to Respondent. On or about

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1 March 11, 2009, Respondent refunded the advance fee to Jose P. However, no loan  
2 modification was ever obtained by Respondent for Jose M.

3 5. In furtherance of his plan and scheme to solicit advance fees and provide loan  
4 modification services, on or about January 20, 2009, Respondent entered into a loan  
5 modification services agreement with Cinthia C. and Eduardo C. According to that agreement,  
6 Respondent agreed to negotiate a loan modification on behalf of Cinthia C. and Eduardo C. for  
7 their property located at 135 North Martin Avenue, Porterville, California, in exchange for an  
8 advance fee payment of \$500. No loan modification was ever obtained by Respondent for  
9 Cinthia C. and Eduardo C., nor did Respondent ever refund the advance fee paid to him by  
10 Cinthia C. an Eduardo C.

#### 11 CONCLUSIONS OF LAW

12 6. Based on the Findings of Fact contained in Paragraphs 1 through 5, above,  
13 ARMANDO CORTEZ, solicited borrowers and/or performed services for those borrowers with  
14 respect to the collection of advance fees and loan modification, loan refinance, principal  
15 reduction, foreclosure abatement or short sale services and/or those borrowers' lenders in  
16 connection with loans secured directly or collaterally by one or more liens on real property; and  
17 charged, demanded or collected advance fees for the services to be provided, which acts require  
18 a real estate broker license under Sections 10131(d) and 10131.2 of the Code.

19 7. ARMANDO CORTEZ used a form of advance fee agreement which had not  
20 been provided to the Department for its prior review and consideration, in violation of Section  
21 10085 of the Code, and Sections 2970 (submission of advance fee materials) and 2972 (content  
22 of verified accounting) of the Regulations.

#### 23 DESIST AND REFRAIN ORDER

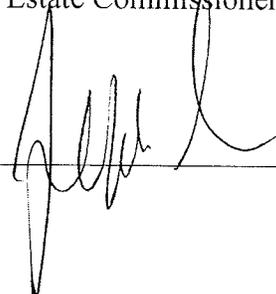
24 Based on the Findings of Fact and Conclusions of Law stated herein, ARMANDO  
25 CORTEZ, whether doing business under your own name, or any other name or fictitious name,  
26 IS HEREBY ORDERED to immediately desist and refrain from:

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- 1           1.     Performing any acts within the State of California that require a real estate broker  
2                     license unless and until you are properly licensed by the Department as a real  
3                     estate broker.
- 4           2.     Charging, demanding, claiming, collecting and/or receiving advance fees, as that  
5                     term is defined in Section 10026 of the Code, for any of the services you offer to  
6                     others, unless and until you demonstrate and provide evidence satisfactory to the  
7                     Commissioner that you are properly licensed by the Department as a real estate  
8                     broker and that ARMANDO CORTEZ:
- 9                     (a) Has an advance fee agreement which has been submitted to the Department  
10                     and which is in compliance with Sections 2970 and 2972 of the Regulations;  
11                     (b) Has placed all previously collected advance fees into a trust account for that  
12                     purpose and are in compliance with Section 10146 (deposit of advance fees  
13                     into trust account) of the Code; and  
14                     (c) Has provided an accounting to trust fund owner-beneficiaries pursuant to  
15                     Section 2972 of the Regulations.
- 16           3.     Demanding, claiming, collecting and/or receiving advance fees, as that term is  
17                     defined in Section 10026 of the Code, in any form, and under any conditions, with respect to the  
18                     performance of loan modification or any other form of mortgage loan forbearance services in  
19                     connection with loans on residential property containing four or fewer dwelling units.

20                     DATED:           10-18-2010          

21                                     JEFF DAVI  
22                                     Real Estate Commissioner

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1                   **Notice:** Business and Professions Code Section 10139 provides that, “Any  
2 person acting as a real estate broker or real estate salesperson without a license or who advertises  
3 using words indicating that he or she is a real estate broker without being so licensed shall be  
4 guilty of a public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000),  
5 or by imprisonment in the county jail for a term not to exceed six months, or by both fine and  
6 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars  
7 (\$60,000)....”

8 cc:     Armando Cortez  
9         1830 South Mooney Boulevard, Suite 201  
10        Visalia, CA 93277

11 cc:     Armando Cortez  
12         1304 West Center Street  
13         Visalia, CA 93291

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