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FILED

JUL 18 2011

DEPARTMENT OF REAL ESTATE
By *L. Frost*

8 STATE OF CALIFORNIA

9 DEPARTMENT OF REAL ESTATE

10 To:)
11 NATIONAL FORECLOSURE) NO. H-11173 SF
12 MEDIATORS, INC.; HOME 2)
13 MORTGAGE, LLC; NATIONAL) ORDER TO DESIST AND REFRAIN
14 FOR SALE BY OWNER, INC.; and) (B&P Code Section 10086)
GREGORY ALLEN HILLEN GAS)

15 The Commissioner (hereinafter "Commissioner") of the California Department
16 of Real Estate (hereinafter "Department") caused an investigation to be made of the activities of
17 NATIONAL FORECLOSURE MEDIATORS, INC. (hereinafter "NFMI"), HOME 2
18 MORTGAGE, LLC (hereinafter "H2M"), NATIONAL FOR SALE BY OWNER, INC.
19 (hereinafter "NFSBO"), and GREGORY ALLEN HILLEN GAS (hereinafter "HILLEN GAS").
20 Based on that investigation, the Commissioner has determined that NFMI, H2H, NFSBO and
21 HILLEN GAS, each of them, have engaged in, is engaged in, or is attempting to engage in, acts
22 or practices constituting violations of the California Business and Professions Code (hereinafter
23 "the Code") and/or Title 10, Chapter 6, California Code of Regulations (hereinafter "the
24 Regulations"), including the business of, acting in the capacity of, and/or advertising or
25 assuming to act as, a real estate broker in the State of California within the meaning of sections
26 10131(d) (performing services for borrowers and/or lenders in connection with loans secured by
27 real property) and 10131.2 (real estate broker license required to charge and collect an advance

1 fee) of the Code. Furthermore, based on the investigation, the Commissioner hereby issues the
2 following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the
3 authority of section 10086 of the Code.

4 FINDINGS OF FACT

5 1. NFMI is an inactive Florida Profit Corporation registered with the
6 Florida Department of State, Division of Corporations. At no time mentioned herein has NFMI
7 been licensed by the Department in any capacity.

8 2. H2M is an active Florida Limited Liability Company registered with the
9 Florida Department of State, Division of Corporations. At no time mentioned herein has H2M
10 been licensed by the Department in any capacity.

11 3. NFSBO is an inactive Florida Profit Corporation registered with the
12 Florida Department of State, Division of Corporations. At no time mentioned herein has
13 NFSBO been licensed by the Department in any capacity.

14 4. At no time mentioned has HILLEGAS been licensed by the
15 Department in any capacity.

16 5. During the period of time set out below, NFMI, H2M, and NFSBO, acting
17 by and through HILLEGAS and/or other agents, associates, affiliates and/or co-conspirators,
18 solicited borrowers and negotiated to do one or more of the following acts for another or others,
19 for or in expectation of compensation: negotiate one or more loans for, or perform services for,
20 borrowers and/or lenders in connection with loans secured directly or collaterally by one or more
21 liens on real property; and charge, demand or collect an advance fee for any of the services
22 offered.

23 6. In December, 2008, Diana and Ahmad W. (hereinafter collectively
24 referred to as "DIANA") contacted NFMI to assist them in modifying the mortgage on their
25 Oakland, California home.

26 7. In furtherance of NFMI's scheme to provide services for borrowers and/or
27 lenders in connection with loans secured by real property to DIANA, the representative of NFMI

1 requested an advanced fee of \$700 to perform the loan modification services. In reliance upon
2 the promise to perform loan modifications service, DIANA paid the \$700 fee in cash to the
3 NFMI representative.

4 8. In furtherance of NFMI's scheme to provide DIANA services for
5 borrowers and/or lenders in connection with loans secured by real property, DIANA completed a
6 "Service Agreement" indicating that NFMI is a "3rd party administrator" providing its members
7 with many options to retain, sell, or refinance their home. The "Service Agreement" also makes
8 reference to the other "membership benefits" available to "members" including real estate
9 marketing services through NFMI's affiliate company NFSBO, as well as reverse mortgage and
10 hard equity loan services through H2M.

11 9. After DIANA delivered the check to the representative of NFMI as
12 mentioned above, NFMI failed to perform any services on DIANA's behalf in order to modify
13 DIANA's loan. Therefore, in May, 2009, DIANA contacted NFMI to obtain an explanation for
14 NFMI's non-performance of their agreement. During that phone conversation, the NFMI
15 representative convinced DIANA to provide them with more money.

16 10. Therefore, in May, 2009, in furtherance of NFMI's scheme to provide loan
17 modification services to DIANA, the representative of NFMI requested a second advanced fee,
18 this time for \$2,500, to perform the modification services previously discussed. In reliance upon
19 the promise to perform loan modifications service, DIANA paid the \$2,500 fee to the NFMI
20 representative.

21 11. NFMI, H2M, and NFSBO, acting by and through HILLENGAS and/or
22 other agents, associates, affiliates and/or co-conspirators, failed to provide DIANA with the
23 services that NFMI, and/or the related entities, claimed they would perform.

24 CONCLUSIONS OF LAW

25 12. Based on the findings of fact contained in paragraphs 1 through 11,
26 NFMI, H2M, and NFSBO and HILLENGAS, solicited one or more borrowers to perform
27 services for those borrowers and/or those borrowers' lenders in connection with loans secured

1 directly or collaterally by one or more liens on real property located within the State of
2 California, and charged, demanded or collected advance fees for the services to be provided,
3 which acts require a real estate broker license under sections 10131(d) (real estate license
4 required for enumerated acts) and 10131.2 (real estate broker license required to charge or
5 collect an advance fee) of the Code.

6 13. NFMI, H2M, and NFSBO and HILLEGAS, used a form of advance fee
7 agreement which had not been provided to the Department for its prior review and
8 consideration, in violation of section 10085 of the Code (prior submission of advance fee
9 materials required) and section 2970 (details for prior submission of advance fee materials) of
10 the Regulations.

11 DESIST AND REFRAIN ORDER

12 Based on the Findings of Fact and Conclusions of Law stated herein, NFMI,
13 H2M, and NFSBO and HILLEGAS, whether doing business under your own name, or any
14 other name or fictitious name, ARE HEREBY ORDERED to:

15 1. Immediately desist and refrain from performing any acts within the State
16 of California for which a real estate broker license is required. In particular, you are ordered to
17 desist and refrain from soliciting borrowers and/or performing services for borrowers or lenders
18 in connection with loans secured directly or collaterally by one or more liens on real property,
19 unless and until you obtain a real estate broker license issued by the Department.

20 2. Immediately desist and refrain from charging, demanding, claiming,
21 collecting and/or receiving advance fees, as that term is defined in section 10026 of the Code,
22 for any of the services you offer to others, unless and until you demonstrate and provide
23 evidence satisfactory to the Commissioner that you are properly licensed by the Department as a
24 real estate broker, and that NFMI, H2M, and NFSBO and HILLEGAS:

25 (A) Have an advance fee agreement which has been submitted to the
26 Department and which is in compliance with section 10085 of the Code and section 2970 of
27 the Regulations;

1 (B) Have placed all previously collected advance fees into a trust account
2 for that purpose and are in compliance with section 10146 of the Code;

3 (C) Have provided an accounting to trust fund owner-beneficiaries
4 pursuant to section 2972 of the Regulations; and

5 (D) Are in compliance with California law, as amended effective as of
6 October 11, 2009, with respect to loan modification and/or forbearance services. Under the
7 amended law, you can only collect advance fees for loan modification or other mortgage loan
8 forbearance services related to commercial loans and loans for residential properties
9 containing five or more dwelling units.

10 3. Immediately desist and refrain from demanding, claiming, collecting and/or
11 receiving advance fees, as that term is defined in section 10026 of the Code, in any form, and
12 under any conditions, with respect to the performance of loan modification or any other form of
13 mortgage loan forbearance services in connection with loans on residential property containing
14 four or fewer dwelling units.

15 DATED: 6/28/11

16 BARBARA BIGBY
17 Acting Real Estate Commissioner


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

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1 cc: Spiegel & Utrera, PA,
2 Agent for Service of Process for:
3 NATIONAL FORECLOSURE MEDIATORS, INC.
4 1840 SW 22Nd St., 4th Floor
5 Miami, FL 33145

6 Rodney W. Amicone,
7 Agent for Service of Process for:
8 NATIONAL FOR SALE BY OWNER, INC.
9 2911 Landing Way
10 Palm Harbor, FL 34684

11 GREGORY ALLEN HILLEN GAS, Individually and 
12 As Agent for Service of Process for:
13 HOME 2 MORTGAGE, LLC and
14 As Vice President of:
15 NATIONAL FOR SALE BY OWNER, INC. and
16 As President of:
17 NATIONAL FORECLOSURE MEDIATORS, INC.
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