

1 DEPARTMENT OF REAL ESTATE
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FILED

FEB 14 2011

DEPARTMENT OF REAL ESTATE

By *K. Contreras*

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 To:)
11)
12 PETRASH, INC., a California Corporation,)
13 and, FRANCIS STEPHEN PETRASH.)
14)

NO. H- 2589 FR

ORDER TO DESIST AND REFRAIN
(B&P Code Section 10086)

14 The Commissioner (hereinafter "Commissioner") of the California Department of
15 Real Estate (hereinafter "Department") caused an investigation to be made of the activities of
16 PETRASH, INC., a California Corporation, and of FRANCIS STEPHEN PETRASH. Based on
17 that investigation, the Commissioner has determined that PETRASH, INC., a California
18 Corporation, and FRANCIS STEPHEN PETRASH have engaged in, are currently engaging in,
19 or are attempting to engage in, acts or practices constituting violations of the California Business
20 and Professions Code (hereinafter "Code") and/or Title 10 of the California Code of Regulations
21 (hereinafter "Regulations"), including, but not limited to engaging in the business of, acting in
22 the capacity of, advertising, or assuming to act as, a real estate broker in the State of California
23 within the meaning of Section 10131(d) of the Code (performing services for borrowers and/or
24 lenders in connection with loans secured by real property) and Section 10131.2 of the Code (real
25 estate broker license required to charge and collect advance fees). Based on the findings of that
26 investigation, as set forth below, the Commissioner hereby issues the following Findings of Fact,
27 Conclusions of Law, and Desist and Refrain Order under authority of Section 10086 of the Code.

1 Whenever acts referred to below are attributed to PETRASH, INC., a California
2 Corporation, and/or FRANCIS STEPHEN PETRASH, those acts are alleged to have been done
3 by FRANCIS STEPHEN PETRASH, acting by himself, or by and/or through one or more agents,
4 associates, affiliates, and/or co-conspirators, and/or using other names or fictitious names
5 unknown at this time.

6 FINDINGS OF FACT

- 7 1. At no time herein mentioned has PETRASH, INC., a California Corporation, and
8 FRANCIS STEPHEN PETRASH been licensed by the Department in any capacity.
- 9 2. As hereinafter set forth, PETRASH, INC., a California Corporation, and FRANCIS
10 STEPHEN PETRASH engaged in the business of, acted in the capacity of, or assumed to
11 act as a real estate broker in California.
- 12 3. Beginning in or about January 2008 and thereafter, PETRASH, INC., a California
13 Corporation, and FRANCIS STEPHEN PETRASH, and each of them, at all times herein
14 mentioned, solicited borrowers, and/or lenders, and/or negotiated loans secured directly or
15 collaterally by liens on real property, wherein such loans were to be brokered, arranged,
16 processed, and/or consummated on behalf of others, and/or solicited and negotiated to
17 perform services for borrowers and/or lenders in connection with loans secured directly or
18 collaterally by liens on real property or on a business opportunity, pursuant to Section
19 10131(d) of the Code, wherein PETRASH, INC., a California Corporation, and FRANCIS
20 STEPHEN PETRASH claimed, demanded, charged, received, and collected advance fees
21 from borrowers for services PETRASH, INC., a California Corporation, and FRANCIS
22 STEPHEN PETRASH were to perform thereafter, and/or provided a written contract for
23 advance fees including, but not limited to, the following transaction:

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Borrower	Property Location	Advance Fee	Date Collected
Spaxon Corp. II	Fort Lauderdale, FL	\$25,000.00	01/11/2008

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CONCLUSIONS OF LAW

1. Based on the Findings of Fact as stated above, above, PETRASH, INC., a California Corporation, and FRANCIS STEPHEN PETRASH acting under their own names or any other names, solicited borrowers and/or lenders to perform services for those borrowers or lenders in connection with loans secured directly or collaterally by one or more liens on real property and charged, demanded and/or collected advance fees for the services to be provided, which acts require a real estate license under Sections 10131(d) and 10131.2 of the Code, during a period of time when PETRASH, INC., a California Corporation, and FRANCIS STEPHEN PETRASH were not licensed by the Department in any capacity in violation of Sections 10130 and 10131(b) of the Code, and demanded and/or collected advance fees without first obtaining approval of an advance fee agreement from the Commissioner in accordance with of Section 10085 of the Code.
2. PETRASH, INC., a California Corporation, and FRANCIS STEPHEN PETRASH used a form of advance fee agreement which had not been submitted to the Department for its review and consideration prior to its use by them in violation of Section 10085 of the Code and Section 2970 of the Regulations.

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein, PETRASH, INC., a California Corporation, and FRANCIS STEPHEN PETRASH doing business under their own names, or any other names, ARE HEREBY ORDERED TO:

1. Immediately desist and refrain from performing any acts within the State of California for which a real estate broker license is required, unless and until they demonstrate and provide evidence satisfactory to the Commissioner that they are properly licensed by the Department as a real estate broker. In particular, they are ordered to desist and refrain from:
 - (a) Soliciting borrowers or lenders and/or performing services for borrowers or lenders in connection with loans secured or to be secured directly or collaterally by one or more liens on real property.

1 2. Immediately desist and refrain from charging, demanding, claiming, collecting, and/or
2 receiving advance fees as that term is defined in Section 10026 of the Code, for any of the
3 services they offer to others, unless and until they demonstrate and provide evidence
4 satisfactory to the Commissioner that they are properly licensed by the Department as a real
5 estate broker, and that they:

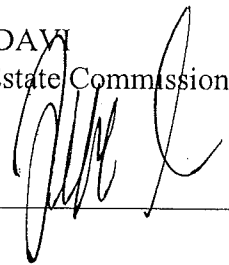
6 (a) Have an advance fee agreement which has been submitted to the Department and
7 which is in compliance with the provisions of Section 2970 and 2972 of the
8 Regulations;

9 (b) Have placed all previously collected advance fees into a trust account in the name
10 of the real estate broker as trustee and which is in compliance with Section 10146
11 of the Code; and,

12 (c) Have provided an accounting to the owner/beneficiaries for all advance fee trust
13 funds pursuant to Section 2972 of the Regulations.

14 DATED: 1-7-11

15 JEFF DAVIS
16 Real Estate Commissioner



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20 -NOTICE-

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

cc: PETRASH, INC.
26192 Mesa Drive
Carmel, CA 93923

PETRASH, INC
c/o Michael R. Lykken
2 San Carlos S/W of 7th Street
Carmel, CA 93921

FRANCIS STEPHEN PETRASH
26192 Mesa Drive
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TTY AEF/kc