

1 10131(d) (performing services for borrowers in connection with
2 loans secured by real property), and, further, that JC LENDING
3 and HERNANDEZ have employed and/or compensated individuals who
4 were not licensed by the Department to perform activities
5 requiring a real estate license in violation of Code Section
6 10137, and have engaged in or are engaging in the business of
7 claiming, demanding, charging, receiving, collecting or
8 contracting for the collection of an advance fee in connection
9 with employment undertaken to promote the sale or lease of real
10 property or to obtain a loan or loans on real property, including
11 the performance of loan negotiation and loan modification
12 services with respect to loans which are secured by liens on real
13 property, within the meaning of Code Section 10131.2. In
14 addition, the Commissioner has determined that JC LENDING and
15 HERNANDEZ have engaged in or are engaging in activities which
16 constitute violations of the Code and Title 10, California Code
17 of Regulations ("Regulations"). Based on this investigation, the
18 Commissioner hereby issues the following Findings of Fact,
19 Conclusions of Law, and Desist and Refrain Order under the
20 authority of Section 10086 of the Code.

21
22 FINDINGS OF FACT

23 1. JC LENDING is presently licensed and/or has
24 license rights under the Real Estate Law (Part 1 of Division 4
25 of the Code) as a real estate corporation.

26 2. HERNANDEZ is presently licensed and/or has license
27 rights under the Real Estate Law as a real estate broker.

1 HERNANDEZ is the designated broker officer of JC LENDING.

2 3. At no time has William Ward ("Ward") been licensed
3 by the Department.

4 4. Whenever acts referred to below are attributed to
5 JC LENDING, those acts are alleged to have been done by JC
6 LENDING, acting by itself, or by and/or through one or more
7 agents, associates, affiliates, and/or co-conspirators, including
8 but not limited to Ward, and using the name "All State
9 Foreclosure Solutions" or any fictitious name unknown at this
10 time.

11 5. JC LENDING and HERNANDEZ engaged in the business of
12 claiming, demanding, charging, receiving, collecting or
13 contracting for the collection of an advance fee, including but
14 not limited to the activities described in Paragraph 6, below.

15 6. On or about December 5, 2008, Ward, acting on
16 behalf of JC LENDING and HERNANDEZ, entered into an agreement
17 with James Juarez for the negotiation of a modification of a loan
18 secured by a lien(s) on the real property located at 8264
19 Gardenia Vista Drive, Riverside, California 92508 in exchange for
20 an advance fee payment of \$4,500.

21 7. JC LENDING and HERNANDEZ collected the advance fee
22 described in Paragraph 6, above, pursuant to the provisions of a
23 document entitled "Homeownership Counseling Acknowledgement."

24 8. JC LENDING and HERNANDEZ failed to submit the
25 advance fee agreement referred to in Paragraph 7, above, to the
26 Commissioner ten days before using it.
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CONCLUSIONS OF LAW

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2 9. Based on the information contained in Paragraph 7,
3 above, the document entitled "Homeownership Counseling
4 Acknowledgement" constitutes an advance fee agreement within the
5 meaning of Code Section 10026.

6 10. Based on the information contained in Paragraphs
7 6, 7, and 8, above, the failure by JC LENDING and HERNANDEZ to
8 submit the advance fee agreement to the Commissioner ten days
9 before using it constitutes a violation of Code Section 10085 and
10 Section 2970 of the Regulations.

11 11. The activities of Ward described in Paragraph 6,
12 above, require a real estate license under the provisions of
13 Code Sections 10130, 10131(d) and 10131.2.

14 12. Based on the information contained in Paragraphs
15 3 and 6, above, JC LENDING and HERNANDEZ violated Section 10137
16 of the Code by employing and/or compensating an individual who
17 was not licensed as a real estate salesperson or as a broker to
18 perform activities requiring a real estate license.
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DESIST AND REFRAIN ORDER

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21 Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW
22 stated herein, it is hereby ordered that JC LENDING INC. and
23 JULIO CESAR HERNANDEZ, individually, and as designated officer
24 for JC Lending Inc. immediately desist and refrain from:

25 1. employing or compensating any person for performing
26 any act for which a real estate license is required unless that
27 person is licensed as a real estate broker, or as a real estate

1 salesman licensed under the broker employing or compensating him.

2 In particular, JC LENDING INC. and JULIO CESAR HERNANDEZ are
3 ordered to desist and refrain from:

4 (i) employing or compensating any person who does not
5 hold a real estate license from soliciting borrowers and/or
6 performing services for borrowers or lenders in connection with
7 loans secured directly or collaterally by one or more liens on
8 real property.

9 2. collecting advance fees, as that term is defined in
10 Section 10026 of the Code, in any form and particularly with
11 respect to loan modification, loan negotiation, loan refinance,
12 principal reduction, foreclosure abatement or short sale
13 services, unless and until JC LENDING INC. and JULIO CESAR
14 HERNANDEZ demonstrate and provide evidence satisfactory that JC
15 LENDING and JULIO CESAR HERNANDEZ have done the following:

16 (i) submitted an advance fee agreement to the
17 Commissioner in compliance with Code Section 10085 and Section
18 2970 of the Regulations; and
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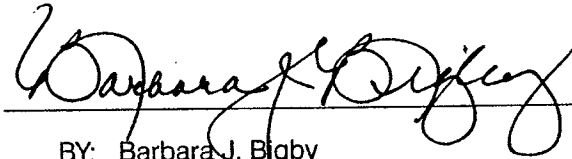
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1 (ii) are in full compliance with all the requirements
2 of the Code and Regulations relating to charging, collecting and
3 accounting for advance fees.

4 DATED: 9/22, 2009.

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6 JEFF DAVI
Real Estate Commissioner

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9 BY: Barbara J. Bigby
10 Chief Deputy Commissioner

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24 cc: Julio Cesar Hernandez
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