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1 Department of Real Estate
2 320 West Fourth St. #350
3 Los Angeles, CA 90013

DEPARTMENT OF REAL ESTATE
BY: Jane B. Han

4 (213) 576-6982

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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

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11 To:) No. H-36969 LA
12 SECOND CHANCE FINANCIAL GROUP INC. and)
13 SOLEDAD CASTILLO.) ORDER TO DESIST AND
14) REFRAIN
15) (B&P Code Section 10086)
)
)

16 The Real Estate Commissioner of the State of California ("Commissioner") has
17 caused an investigation to be made of the activities of SECOND CHANCE FINANCIAL
18 GROUP INC. and SOLEDAD CASTILLO. Based on that investigation, the Commissioner has
19 determined that SECOND CHANCE FINANCIAL GROUP INC. and SOLEDAD CASTILLO
20 have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting
21 violations of the California Business and Professions Code ("Code"). Based on that
22 investigation, the Commissioner hereby issues the following Findings of Fact, Conclusions of
23 Law, and Desist and Refrain Order under the authority of Section 10086 of the Code.
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1 Whenever acts referred to below are attributed to SECOND CHANCE
2 FINANCIAL GROUP INC., those acts are alleged to have been done by its officers, directors,
3 employees, agents, affiliates and real estate licensees employed by or associated with that party
4 who at all times mentioned were engaged in the furtherance of its business or operations and
5 were acting within the course and scope of their authority and employment.

6 FINDINGS OF FACT

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8 1. SECOND CHANCE FINANCIAL GROUP INC. ("SCFGP") is not now and has
9 never been licensed by the Department of Real Estate of the State of California ("Department")
10 as a real estate broker.

11 2. SOLEDAD CASTILLO ("CASTILLO") is not licensed by the Department as a
12 real estate broker. Between September 4, 1997 and September 3, 2001, CASTILLO was
13 licensed by the Department as a real estate salesperson. Since September 3, 2001, CASTILLO
14 has not been licensed by the Department in any capacity.

15 3. All further references to the parties listed above include those parties and entities
16 themselves, as well as their officers, agents and employees.

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18 4. At all times relevant herein, the parties and entities listed above engaged in the
19 business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the
20 State of California within the meaning of Code Sections 10131(d) and 10131.2. Their activities
21 included soliciting borrowers or lenders for and/or negotiating loans, collecting payments and/or
22 performing services for borrowers or lenders in connection with loans secured by liens on real
23 property. Their activities also included claiming, demanding, charging, receiving, collecting or
24 contracting for the collection of an advance fee within the meaning of Code Sections 10026 and
25 10085.
26

1 5. Beginning at a time no later than May 18, 2008, SCFGI and CASTILLO solicited
2 borrowers for loan modification and related financial services. Those solicitations offered loan
3 modification services in exchange for payment of advance fees.

4 Unlicensed Activities

5 6. SCFGI and CASTILLO were not licensed by the Department in any capacity
6 during the period between May 18, 2008 and the present.

7 7. Beginning at a time prior to May 18, 2008 and continuing through on or before
8 May 1, 2009, SCFGI and CASTILLO solicited borrower Marilyn S., and entered into a loan
9 modification agreement with her. Between May 18, 2008 and August 21, 2008, SCFGI, acting
10 through CASTILLO, collected advance fees totaling \$2,000.00 from Marilyn S., and agreed to
11 negotiate with lenders on her behalf to reduce or renegotiate the terms of her home loan. SCFGI
12 and CASTILLO did not in fact perform the promised activities, and did not refund or provide an
13 accounting for the advance fees collected. SCFGI and CASTILLO were not licensed by the
14 Department, and therefore were unlawfully engaging in activities requiring a real estate license.
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17 CONCLUSIONS OF LAW

18 The conduct, acts and/or omissions of SCFGI and CASTILLO in soliciting and
19 negotiating on behalf of borrowers when they were not licensed by the Department was in
20 violation of Code Section 10130.

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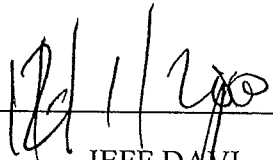
DESIST AND REFRAIN ORDER

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2 Based on the Findings of Fact and Conclusions of Law stated herein, SCFGI and
3 CASTILLO, whether doing business under their own names, or any other names, or any
4 fictitious names, ARE HEREBY ORDERED to immediately desist and refrain from performing
5 any acts within the State of California for which a real estate broker license is required. In
6 particular, each of them is ORDERED TO DESIST AND REFRAIN from:

7 (i) charging, demanding, claiming, collecting and/or receiving advance fees,
8 as that term is defined in Section 10026 of the Code, in any form, and under any conditions,
9 with respect to the performance of loan modifications or any other form of mortgage loan
10 forbearance service in connection with loans on residential property containing four or fewer
11 dwelling units; and

12 (ii) charging, demanding, claiming, collecting and/or receiving advance fees,
13 as that term is defined in Section 10026 of the Code, for any other real estate related services
14 offered by them to others.
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18 DATED: _____


JEFF DAVI
Real Estate Commissioner

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

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cc: Second Chance Financial Group Inc.
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Downey, CA 90240

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