

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105

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FILED
MAY 26 2011
DEPARTMENT OF REAL ESTATE

By C. R.

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 To:) No. H-37299 LA
12)
13 PARK PLACE SERVICES;) ORDER TO DESIST
14 NORTH PARK FINANCIAL) AND REFRAIN
15 SERVICES GROUP, INC.;)
16 TINA M. LATHAM;)
17 MEAGAN RAE BEETS;) (B&P Code Section 10086)
18 ANDY ESPINEIRA;)
19 **LOAN MODIFICATION SERVICE;**)
20 **ESP LENDING, INC.;**)
21 **MICHAEL JAY KNIEBERG;**)
22 **JEANNE HARRIS;**)
23 **DENISE ESPINEIRA;**)
24 **JARED PERSONIUS;**)
25 **HELEN YI; and**)
26 **ALAN KAVETSKY.**)

22 The Commissioner ("Commissioner") of the California Department of Real Estate
23 ("Department") caused an investigation to be made of the activities of PARK PLACE
24 SERVICES; NORTH PARK FINANCIAL SERVICES GROUP, INC.; TINA M. LATHAM;
25 MEAGAN RAE BEETS; ANDY ESPINEIRA; LOAN MODIFICATION SERVICE; ESP
26 LENDING, INC.; MICHAEL JAY KNIEBERG; JEANNE HARRIS; DENISE ESPINEIRA;
27 JARED PERSONIUS; HELEN YI; and ALAN KAVETSKY. Based on that investigation the

1 Commissioner has determined that PARK PLACE SERVICES; NORTH PARK FINANCIAL
2 SERVICES GROUP, INC.; TINA M. LATHAM; MEAGAN RAE BEETS; ANDY
3 ESPINEIRA; LOAN MODIFICATION SERVICE; ESP LENDING, INC.; MICHAEL JAY
4 KNIEBERG; JEANNE HARRIS; DENISE ESPINEIRA; JARED PERSONIUS; HELEN YI;
5 and ALAN KAVETSKY have engaged in or are engaging in acts or attempting to engage in the
6 business of, acting in the capacity of, and/or advertising or assuming to act as real estate brokers
7 in the State of California within the meaning of Business and Professions Code Sections 10131
8 (a) (solicit prospective sellers or purchasers or negotiate the purchase, sale or exchange of real
9 property) and 10131(d) (solicit borrowers for or negotiate loans or perform services for
10 borrowers in connection with loans secured by liens on real property).

11 In addition, based on that investigation, the Commissioner has determined that
12 PARK PLACE SERVICES; NORTH PARK FINANCIAL SERVICES GROUP, INC.; TINA M.
13 LATHAM; MEAGAN RAE BEETS; ANDY ESPINEIRA; LOAN MODIFICATION
14 SERVICE; ESP LENDING, INC.; MICHAEL JAY KNIEBERG; JEANNE HARRIS; DENISE
15 ESPINEIRA; JARED PERSONIUS; HELEN YI; and ALAN KAVETSKY have engaged in or
16 are engaging in acts or are attempting to engage practices constituting violations of the California
17 Business and Professions Code (“Code”) and/or Title 10, California Code of Regulations
18 (“Regulations”). Based on the findings of that investigation, set forth below, the Commissioner
19 hereby issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order
20 under the authority of Section 10086 of the Code.

21 FINDINGS OF FACT

22 1. From June 6, 2008, through the present, PARK PLACE SERVICES (“PPS”)
23 has been licensed by the Department of Real Estate (“Department”) as a real estate corporation,
24 Department License No. 01845421. PPS was licensed to do business as
25 “FamilyHomeLoans.Net” and “FamilyHomeLoans.Net, Inc.”

26 2. From May 11, 2006, through the present, TINA M. LATHAM (“LATHAM”)
27 has been licensed by the Department as a real estate broker, Department License No. 01719774.

1 At all times herein mentioned, LATHAM was licensed as a real estate broker and as the broker-
2 officer of PPS.

3 3. From December 11, 2007, through the present, NORTH PARK FINANCIAL
4 SERVICES GROUP, INC. ("NFSGI") has been licensed by the Department as a real estate
5 corporation, Department License No. 01837330.

6 4. From May 19, 2001, through the present, MEAGAN RAE BEETS ("BEETS")
7 has been licensed by the Department as a real estate broker, Department License No. 01230545.
8 At all times herein mentioned, BEETS was licensed as a real estate broker and as the broker-
9 officer of NFSGI.

10 5. From August 3, 2007, through the present, ANDY ESPINEIRA has been
11 licensed by the Department as a real estate salesperson, Department License No. 01258936.
12 From August 14, 2007, through May 8, 2010, ANDY ESPINEIRA was licensed under the
13 employment of real estate broker, Mortgage Sense, Inc. ANDY ESPINEIRA has been licensed
14 under the employment of real estate broker, VIP Independent Mortgage, Inc., from July 19,
15 2010, through the present.

16 6. At no time mentioned herein have LOAN MODIFICATION SERVICE; ESP
17 LENDING, INC.; MICHAEL JAY KNIEBERG; JEANNE HARRIS; DENISE ESPINEIRA;
18 JARED PERSONIUS; and ALAN KAVETSKY ever been licensed by the Department in any
19 capacity.

20 7. On July 11, 2007, LATHAM formed Family Homeloans.Net, Inc., a California
21 corporation. LATHAM is the President, CEO, and Secretary and owns or controls 10 percent or
22 more of the corporation's stock.

23 8. On October 17, 2007, MICHAEL JAY KNIEBERG and JEANNE HARRIS
24 formed NFSGI, a California corporation. MICHAEL JAY KNIEBERG is the President and
25 CEO of NFSGI. JEANNE HARRIS is the Secretary and CFO of NFSGI. MICHAEL JAY
26 KNIEBERG and JEANNE HARRIS own or control 10 percent or more of the NFSGI's stock.

1 9. On or about May 2, 2008, NFSGI filed a fictitious business name statement in
2 Orange County, California, to do business as "LOAN MODIFICATION SERVICE" at 5440
3 Trabuco Road, Suite 100, Irvine, California 92620.

4 10. On June 18, 2007, ANDY ESPINEIRA and DENISE ESPINEIRA formed
5 ESP LENDING, INC., a California corporation. ANDY ESPINEIRA is the President and CFO
6 of ESP Lending, Inc. DENISE ESPINEIRA is the Secretary of ESP Lending, Inc. ANDY
7 ESPINEIRA and DENISE ESPINEIRA own or control 10 percent or more of the corporation's
8 stock.

9 11. For an unknown period of time beginning no later than May 27, 2008, while
10 using the unlicensed fictitious business names "LOAN MODIFICATION SERVICE" and "ESP
11 LENDING, INC.," PARK PLACE SERVICES; NORTHPARK FINANCIAL SERVICES
12 GROUP, INC.; TINA M. LATHAM; MEAGAN RAE BEETS; ANDY ESPINEIRA; LOAN
13 MODIFICATION SERVICE; ESP LENDING, INC.; MICHAEL JAY KNIEBERG; JEANNE
14 HARRIS; DENISE ESPINEIRA; JARED PERSONIUS; HELEN YI; and ALAN KAVETSKY,
15 severally or jointly, engaged in the business of soliciting to modify or negotiate loans secured by
16 real property, and claimed, demanded, charged, received, collected or contracted for the
17 collection of advance fees, within the meaning of Code Section 10026, for including, but not
18 limited to, the following borrowers:

19 12. Fernnelia and Edward Payne

20 (a) In or around May 27, 2008, Fernnelia P. contacted PPS (formerly doing
21 business as Familyhomeloans.Net) after hearing a radio advertisement for loan modification
22 services. JARED PERSONIUS visited the home of Fernnelia and Edward P. and solicited loan
23 modification and negotiation services on behalf of Familyhomeloans.Net. On May 28, 2008,
24 Fernnelia and Edward P. paid an advance fee of \$4,000 to Familyhomeloans.Net pursuant to an
25 advance fee agreement for loan modification and negotiation services in connection with a loan
26 secured by real property. Familyhomeloans.Net failed to perform the loan modification and
27 negotiation services that had been promised to Fernnelia and Edward P.

1 (b) On or about May 28, 2008, PPS (formerly doing business as
2 Familyhomeloans.Net) referred Fernnelia and Edward P.'s loan modification file to NFSGI
3 (doing business as LOAN MODIFICATION SERVICE) to perform services for borrowers
4 Fernnelia and Edward P. including, but not limited to, negotiating with Fernnelia and Edward
5 P.'s lender. Familyhomeloans.Net told Fernnelia and Edward P. that their loan modification
6 would be handled by an attorney. Fernnelia and Edward P. later discovered that HELEN YI, the
7 person assigned to handle their file on behalf of LOAN MODIFICATION SERVICE, was not a
8 licensed California attorney. NFSGI failed to perform the loan modification and negotiation
9 services that had been promised to Fernnelia and Edward P.

10 13. Wilma Y.

11 (a) On or about October 18, 2008, ANDY ESPINEIRA solicited or offered to
12 provide loan modification and negotiation services to borrower, Wilma Y. in connection with her
13 mortgage loan secured by real property. Wilma Y. entered into a loan modification agreement
14 with ESP LENDING, INC. for the performance of the same. ANDY ESPINEIRA, while doing
15 business as ESP LENDING, INC., demanded and collected an advance fee of \$3,000 from
16 Wilma Y. and her daughter, Charlotte Y.

17 (b) In connection with Wilma Y.'s loan modification file, ANDY ESPINEIRA
18 referred Wilma Y.'s file to NFSGI (doing business as LOAN MODIFICATION SERVICE) for
19 performance of loan modification services for borrower Wilma Y., including, but not limited to,
20 negotiating with the Wilma Y.'s lender. ALAN KAVETSKY was the individual assigned to
21 handle Wilma Y.'s loan modification file on behalf of ESP LENDING, INC. and/or LOAN
22 MODIFICATION SERVICE.

23 14. The materials and advance fee agreements used by PPS (while doing business
24 as Familyhomeloans.Net) and ESP LENDING, INC. had not been approved by the Department
25 prior to use as is required under Code Section 10085 and Section 2970, Title 10, Chapter 6,
26 California Code of Regulations (hereinafter "Regulations").
27

1 15. The advance fees collected by PPS (while doing business as
2 Familyhomeloans.Net) were not deposited in a trust account as required under Code Section
3 10146.

4 CONCLUSIONS OF LAW

5 16. Based on the information contained in Paragraphs 1 through 15, above,
6 MICHAEL JAY KNIEBERG; and JEANNE HARRIS (while doing business as LOAN
7 MODIFICATION SERVICE); ANDY ESPINEIRA and DENISE ESPINEIRA (while doing
8 business as ESP LENDING, INC.); JARED PERSONIUS; HELEN YI; and ALAN
9 KAVETSKY, violated Section 10130 of the Code by engaging in the activities without first
10 obtaining a broker license from the Department or being under the employ of a licensed real
11 estate broker.

12 17. Based on the information contained in Paragraphs 1 through 15, above,
13 PARK PLACE SERVICES; NORTH PARK FINANCIAL SERVICES GROUP, INC.; TINA M.
14 LATHAM; and MEAGAN RAE BEETS; violated Section 10137 of the Code by accepting
15 compensating, directly or indirectly, any person for performing activities that require a real estate
16 license.

17 18. Based on the information contained in Paragraphs 1 through 15, above,
18 NORTH PARK FINANCIAL SERVICES GROUP, INC. and MEAGAN RAE BEETS; violated
19 Section 10159.5 of the Code and Section 2731 of the Regulations by using an unlicensed
20 fictitious business name to conduct activities that require a real estate license.

21 DESIST AND REFRAIN ORDER

22 Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW stated
23 herein, IT IS HEREBY ORDERED THAT, ANDY ESPINEIRA; LOAN MODIFICATION
24 SERVICE; ESP LENDING, INC.; MICHAEL JAY KNIEBERG; JEANNE HARRIS; DENISE
25 ESPINEIRA; JARED PERSONIUS; HELEN YI; and ALAN KAVETSKY, immediately desist
26 and refrain from: engaging in the activities requiring a real estate license, under their name or
27

1 any fictitious business name, without first obtaining a broker license or being licensed as a
2 salesperson under the employ of a licensed real estate broker.

3 Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW stated
4 herein, IT IS HEREBY ORDERED THAT PARK PLACE SERVICES (while doing business as
5 Familyhomeloans.Net, Inc. Or Familyhomeloans.Net); NORTH PARK FINANCIAL SERVICES
6 GROUP, INC.; TINA M. LATHAM and MEAGAN RAE BEETS immediately desist and refrain
7 from employing or compensating, directly or indirectly, any unlicensed persons for engaging in
8 the activities requiring a real estate license.

9 Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW stated
10 herein, IT IS HEREBY ORDERED THAT NORTH PARK FINANCIAL SERVICES GROUP,
11 INC.; MICHAEL JAY KNIEBERG; and JEANNE HARRIS; MEAGAN RAE BEETS; ANDY
12 ESPINEIRA and DENISE ESPINEIRA immediately desist and refrain from using an unlicensed
13 fictitious business name while engaging in activities that require a real estate license including,
14 but not limited to, the following unlicensed fictitious business names: LOAN MODIFICATION
15 SERVICE and ESP LENDING, INC.

16
17 DATED: 5/20, 2011.

18
19 BARBARA J. BIGBY
Acting Real Estate Commissioner

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23
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).”

1 cc: Park Place Services, Tina M. Latham, and Jared Personius
2 26861 Trabuco Road East 221
3 Mission Viejo, CA 92691

4 Northpark Financial Services Group, Inc., Meagan Rae Beets, Michael Jay Knieberg, Jeanne
5 Harris, Helen Yi, Alan Kavetsky
6 19 Foliate Way
7 Ladera Ranch, CA 92694

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