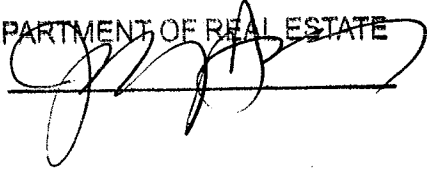


1 Department of Real Estate
2 320 West Fourth Street, Ste. 350
3 Los Angeles, California 90013

4 Telephone: (213) 576-6982

FILED

MAY 11 2012

DEPARTMENT OF REAL ESTATE
BY: 

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

11 To:)	No. H-38133 LA
)	
12 AUTHORITY LENDING)	<u>ORDER TO DESIST</u>
13 CORPORATION; DERRICK ANTHONY)	<u>AND REFRAIN</u>
14 JONES, individually, and as)	(B&P Code Section 10086)
15 designated officer for)	
16 Authority Lending)	
17 Corporation; STEVEN G.)	
18 RIVERA; KURT S. BROOM; and)	
19 CARL ALLEN IV)	
)	

18 The Commissioner ("Commissioner") of the California
19 Department of Real Estate ("Department") caused an investigation
20 to be made of the activities of AUTHORITY LENDING CORPORATION
21 ("AUTHORITY"), DERRICK ANTHONY JONES ("JONES"), individually, and
22 as designated officer for AUTHORITY, STEVEN G. RIVERA ("RIVERA"),
23 KURT S. BROOM ("BROOM") and CARL ALLEN IV ("ALLEN"), and has
24 determined that each of them engaged in or is engaging in acts or
25 practices constituting violations of the California Business and
26 Professions Code ("Code") and/or Title 10, California Code of
27

1 Regulations ("Regulations"). Said parties are engaging in the
2 business of, acting in the capacity of, advertising, or assuming
3 to act, as a real estate broker in the State of California within
4 the meaning of Section 10131(d) (soliciting borrowers or lenders
5 or negotiating loans) and Section 10131.2 (advance fee handling).
6 Based on the findings of that investigation, as set forth below,
7 the Commissioner hereby issues the following Findings of Fact and
8 Desist and Refrain Order pursuant to Section 10086 of the Code.

9 FINDINGS OF FACT

10 1. AUTHORITY is presently licensed and/or has license
11 rights under the Real Estate Law (Part 1 of Division 4 of the
12 Business and Professions Code, hereinafter "Code"), as a real
13 estate corporation.

14 2. JONES is presently licensed and/or has license
15 rights under the Real Estate Law as a real estate broker. At all
16 times relevant herein JONES was the designated broker-officer of
17 AUTHORITY.

18 3. At no time have STEVEN G. RIVERA ("RIVERA"), KURT S.
19 BROOM ("BROOM"), OR CARL ALLEN IV ("ALLEN") been licensed by the
20 Department in any capacity.

21 4. Whenever acts referred to below are attributed to
22 AUTHORITY, those acts are alleged to have been done by
23 AUTHORITY, acting by and/or through one or more agents,
24 associates, affiliates, and/or co-conspirators, including but
25 not limited to each of those named herein, and using the name
26 "Authority Lending", or any fictitious name unknown at this
27

time.

1
2 5. AUTHORITY employed and/or compensated individuals,
3 including those named herein, who were not licensed as real
4 estate salespersons or as real estate brokers to perform some or
5 all of the services alleged in Paragraphs 11 and 13, below.

6 6. AUTHORITY engaged in the business of claiming,
7 demanding, charging, receiving, collecting or contracting for the
8 collection of an advance fee, as defined by Code Section 10026,
9 including but not limited to the activities described in
10 Paragraphs 11 and 13, below.

11 7. In or around January, 2009, AUTHORITY and JONES
12 proposed to engage in the business of advance fee brokerage
13 within the definition of Code Section 10131.2 by claiming,
14 demanding, charging, receiving, collecting or contracting for the
15 collection of an advance fee, within the meaning of Code Section
16 10026, in connection with any employment undertaken to obtain or
17 to modify a loan or loans.

18 8. On or about April 3, 2009, pursuant to the
19 provisions of Code Section 10085 and Section 2970, Title 10,
20 Chapter 6, Code of Regulations ("Regulations"), the Department
21 issued a "No Objection" letter to AUTHORITY authorizing the use
22 of specified materials AUTHORITY proposed to use in obtaining the
23 advance fee agreements described in Paragraph 11, below.
24

25 9. At all times mentioned herein AUTHORITY, JONES,
26 RIVERA, BROOM and ALLEN engaged in the business of soliciting
27 borrowers and lenders and negotiating the terms of loans secured

1 by real property between borrowers and third party lenders for or
2 in expectation of compensation, within the meaning of Code
3 Section 10131(d).

4 10. At all times mentioned herein AUTHORITY, JONES,
5 RIVERA, BROOM and ALLEN engaged in the business of advance fee
6 brokerage within the definition of Code Section 10131.2 by
7 claiming, demanding, charging, receiving, collecting or
8 contracting for the collection of an advance fee, within the
9 meaning of Code Section 10026, in connection with any employment
10 undertaken to obtain a loan or loans.

11 11. AUTHORITY, JONES, RIVERA, BROOM and ALLEN engaged
12 in advance fee activities including, but not limited to, the
13 following activities with respect to loans which were secured by
14 liens on real property:

15 a. On or about September 9, 2009, Sandra Jeanette R.
16 was solicited by ALLEN, who was acting as an unlicensed
17 representative of AUTHORITY, to obtain a loan modification of
18 the loan on her real property. On or about September 9, 2009,
19 Sandra Jeanette R. paid an advance fee of \$2,876 to AUTHORITY.
20 The advance fee was collected pursuant to the provisions of an
21 agreement pertaining to loan solicitation, negotiation, and
22 modification services to be provided by AUTHORITY with respect
23 to the real property at 32145 Cedar Crest Court, Temecula,
24 California 92592. At no time did AUTHORITY obtain a loan
25 modification of the real estate loan.
26

27 ///

1 12. On October 11, 2009, Code Section 10085.6 went into
2 effect. By its terms Section 10085.6 prohibits any real estate
3 licensee who negotiates, attempts to negotiate, arranges,
4 attempts to arrange, or otherwise offers to perform a loan
5 modification with respect to residential property to "claim,
6 demand, charge, collect, or receive any compensation until after
7 the licensee has fully performed each and every service the
8 licensee contracted to perform or represented that he, she, or it
9 would perform."

10 13. After October 11, 2009, AUTHORITY, JONES, RIVERA,
11 BROOM and ALLEN engaged in advance fee activities including, but
12 not limited to, the following activities with respect to loans
13 which were secured by liens on real property:

14 (a) On or about November 17, 2010, James Newton F. was
15 solicited by BROOM, who was acting as an unlicensed
16 representative of AUTHORITY, to obtain a loan modification of the
17 loan on his real property. On or about November 17, 2010, James
18 Newton F. paid an advance fee of \$925 to AUTHORITY. The advance
19 fee was collected pursuant to the provisions of an agreement
20 providing for payment in the amount of \$1,950 and pertaining to
21 loan solicitation, negotiation, and modification services to be
22 provided by AUTHORITY with respect to the real property at 32145
23 Cedar Crest Court, Temecula, California 92592. At no time did
24 AUTHORITY obtain the loan modification or refund any portion of
25 the payment made.
26
27

1 (b) On or about December 3, 2010, Luis G. was solicited
2 by RIVERA, who was acting as an unlicensed representative of
3 AUTHORITY, to obtain a loan modification of the loan on his real
4 property. On or about December 3, 2010, Luis G. paid an advance
5 fee of \$1,850 to AUTHORITY. The advance fee was collected
6 pursuant to the provisions of an agreement pertaining to loan
7 solicitation, negotiation, and modification services to be
8 provided by AUTHORITY with respect to the real property at 16255
9 Blossom Time Court, Riverside, California 92503. At no time did
10 AUTHORITY obtain the loan modification or refund any portion of
11 the payment made.

12 (c) On or about December 4, 2010, Jolyn and Jeffrey H.
13 were solicited by mail to obtain a loan modification of the loan
14 on their real property. On or about December 4, 2010, Jolyn and
15 Jeffrey H. paid an advance fee of \$1,850 to AUTHORITY. The
16 advance fee was collected pursuant to the provisions of an
17 agreement pertaining to loan solicitation, negotiation, and
18 modification services to be provided by AUTHORITY with respect to
19 the real property at 12214 Jamestown Place, Chino, California
20 91710. At no time did AUTHORITY obtain the loan modification or
21 refund any portion of the payment made.
22

23 CONCLUSIONS OF LAW

24 14. The activities described in Paragraphs 11 and 13,
25 above, require a real estate license under Section 10131(d) and
26 Section 10131.2 of the Code.

27 15. Based on the information contained in Paragraphs

1 11 and 13, above, RIVERA, BROOM and ALLEN performed and/or
2 participated in loan solicitation, negotiation and modification
3 activities which require a real estate broker license under the
4 provisions of Code Sections 10131(d) and 10131.2 during a period
5 of time when they were not licensed by the Department as a real
6 estate broker nor employed as a real estate salesperson by the
7 broker on whose behalf the activities were performed in
8 violation of Section 10130 of the Code.

9 16. Based on the information contained in Paragraphs
10 11 and 13, above, AUTHORITY and JONES violated Section 10137 of
11 the Code by employing and/or compensating individuals who were
12 not licensed as a real estate salesperson or as a broker to
13 perform activities requiring a real estate license.

14 17. Based on the information contained in Paragraphs
15 11 and 13, above, AUTHORITY collected fees pursuant to an
16 agreement which constitutes an advance fee agreement within the
17 meaning of Code Section 10085.

18 18. Based on the information contained in Paragraph
19 11, above, the failure by AUTHORITY and JONES to submit all
20 portions of the advance fee agreement to the Commissioner ten
21 days before using it constitutes a violation of Code Section
22 10085 and Section 2970 of the Regulations.

23 19. By virtue of the application of newly enacted Code
24 Section 10085.6 to the advance fee transactions described in
25 Paragraph 13, above, AUTHORITY violated the statute's provisions
26
27

1 when it collected advance fees after such fees were prohibited by
2 Code Section 10085.6.

3 DESIST AND REFRAIN ORDER

4 Based on the Findings of Fact and Conclusions of Law
5 stated herein:

6 1. IT IS HEREBY ORDERED that AUTHORITY and JONES,
7 whether doing business under the name "Authority Lending," or any
8 other name(s), or any fictitious name:

9 (i) Immediately desist and refrain from charging,
10 demanding, claiming, collecting and/or receiving advance fees,
11 as that term is defined in Section 10026 of the Code, in any
12 form, and under any conditions, with respect to the performance
13 of loan modification or any other form of mortgage loan
14 forbearance services in connection with loans on residential
15 property containing four or fewer dwelling units (Code Section
16 10085.6).

17
18 (ii) Immediately desist and refrain from charging,
19 demanding, claiming, collecting and/or receiving advance fees, as
20 that term is defined in Section 10026 of the Code, for any of the
21 other real estate related services offered to others, unless and
22 until AUTHORITY and JONES demonstrate and provide evidence
23 satisfactory to the Commissioner that they:

24 (a) have an advance fee agreement which has been
25 submitted to the Department and which is in compliance with
26 Section 10085 of the Code and Section 2970 of the Regulations;
27

1 (b) have placed all previously collected advance fees
2 into a trust account for that purpose and is in compliance with
3 Section 10146 of the Code; and

4 (c) have provided an accounting to trust fund owner-
5 beneficiaries from whom advance fees have previously been
6 collected in compliance with Code Section 10146 and Section 2972
7 of the Regulations.

8 2. AUTHORITY and JONES immediately desist and refrain
9 from employing or compensating any person for performing any act
10 for which a real estate license is required unless that person is
11 licensed as a real estate broker, or as a real estate salesperson
12 licensed under the broker employing or compensating him. In
13 particular, AUTHORITY and JONES are ordered to desist and refrain
14 from:

15 (i) employing or compensating any person who does not
16 hold a real estate license from soliciting borrowers and/or
17 performing services for borrowers or lenders in connection with
18 loans secured directly or collaterally by one or more liens on
19 real property.
20

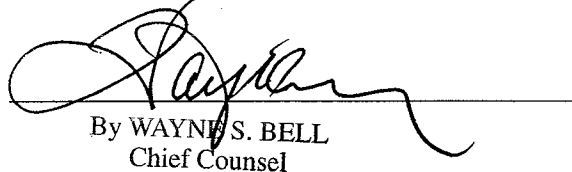
21 3. IT IS HEREBY ORDERED that RIVERA, BROOM and
22 ALLEN, whether doing business under their own names, or any
23 other names, or any fictitious name, ARE HEREBY ORDERED to
24 immediately desist and refrain from performing any acts within
25 the State of California for which a real estate broker license
26 is required. In particular each of them is ORDERED TO DESIST
27 AND REFRAIN from:

1 (i) charging, demanding, claiming, collecting and/or
2 receiving advance fees, as that term is defined in Section 10026
3 of the Code, in any form, and under any conditions, with respect
4 to the performance of loan modifications or any other form of
5 mortgage loan forbearance service in connection with loans on
6 residential property containing four or fewer dwelling units
7 (Code Section 10085.6); and

8 (ii) charging, demanding, claiming, collecting and/or
9 receiving advance fees, as that term is defined in Section 10026
10 of the Code, for any other real estate related services offered
11 by them to others.

12
13
14 DATED: May 6, 2012.

15
16 REAL ESTATE COMMISSIONER

17 
18 By WAYNE S. BELL
19 Chief Counsel

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21
22 **Notice:** Business and Professions Code Section 10139 provides
23 that "Any person acting as a real estate broker or real estate
24 salesperson without a license or who advertises using words
25 indicating that he or she is a real estate broker without being
26 so licensed shall be guilty of a public offense punishable by a
27 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: Authority Lending Corporation
2 4790 Riverside Drive
3 Chino, California 91710

4 Derrick Anthony Jones
5 4391 Jasmine Hill Court
6 Chino Hills, California 91709

7 Steven G. Rivera
8 850 East Cedar Street, Apt. C
9 Ontario, California 91761

10 Kurt S. Broom
11 11324 Amigo Avenue
12 Porter Ranch, California 91326

13 Carl Allen IV
14 8546 Mill Pond Place
15 Riverside, California 92508

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