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FILED

MAR 03 2011

DEPARTMENT OF REAL ESTATE
By *L. First*

8 STATE OF CALIFORNIA
9 DEPARTMENT OF REAL ESTATE

10 * * *

11 TO:)
12) NO. H-4170 SD
13 AMERICAN MORTGAGE AUDITORS, INC.,)
14 a California corporation, and) ORDER TO DESIST AND
15 KEVIN L. STRAITON) REFRAIN
) (B&P Code Section 10086)
)

16 The Commissioner (hereinafter "Commissioner") of the California Department
17 of Real Estate (hereinafter "Department") caused an investigation to be made of the activities of
18 AMERICAN MORTGAGE AUDITORS, INC., a California corporation, and KEVIN L.
19 STRAITON. Based on that investigation, the Commissioner has determined that AMERICAN
20 MORTGAGE AUDITORS, INC., and KEVIN L. STRAITON have engaged in, are engaging in,
21 or are attempting to engage in, acts or practices constituting violations of the California
22 Business and Professions Code (hereinafter "Code") and/or Title 10, California Code of
23 Regulations (hereinafter "Regulations"), including engaging in the business of, acting in the
24 capacity of, advertising, or assuming to act as, a real estate broker in the State of California
25 within the meaning of Section 10131(d) (performing services for borrowers and lenders in
26 connection with loans secured by real property) of the Code. Based on the findings of that
27 investigation, as set forth below, the Commissioner hereby issues the following Findings of

1 Fact, Conclusions of Law, and Desist and Refrain Order under authority of Section 10086 of the
2 Code.

3 FINDINGS OF FACT

4 1. At no time herein mentioned have AMERICAN MORTGAGE
5 AUDITORS, INC., and KEVIN L. STRAITON been licensed by the Department in any
6 capacity.

7 2. Whenever reference is made in this Desist and Refrain Order to an act or
8 omission of AMERICAN MORTGAGE AUDITORS, INC., such reference shall be deemed to
9 mean that the owners, officers, directors, employees, agents, and real estate licensees employed
10 by or associated with said entity committed such act or omission while engaged in the
11 furtherance of the business or operations of said entity and while acting within the course and
12 scope of their corporate authority and employment.

13 3. For an unknown period beginning on or about January 2009 until and
14 including May 2010, and at all times herein mentioned, AMERICAN MORTGAGE
15 AUDITORS, INC., and KEVIN L. STRAITON solicited borrowers and lenders and negotiated
16 to do one or more of the following acts for another or others, for or in expectation of
17 compensation, within the meaning of Section 10131(d) of the Code: negotiate one or more loans
18 for borrowers and lenders in connection with loans secured or to be secured directly or
19 collaterally by one or more liens on real property, or perform services for borrowers and/or
20 lenders in connection with loans secured or to be secured directly or collaterally by one or more
21 liens on real property.

22 4. For an unknown period of time beginning on or about January 6, 2009,
23 AMERICAN MORTGAGE AUDITORS, INC., and KEVIN L. STRAITON, for or in
24 expectation of compensation, solicited Cole F. as borrower to negotiate the modification of, to
25 obtain an extension of the maturity date of, to change the interest rate of, and/or to lower the
26 monthly payments of the loans secured by the borrower's real properties commonly known as
27 4282-86 - 49th Street, 5230-34 Landis Street, and 4231 - 41st Street in San Diego, California,

1 and 7704-06 Alton Drive, in Lemon Grove California, and 1721-10 Melrose Avenue in Chula
2 Vista, California, within the meaning of Section 10131(d) of the Code.

3 5. On or about January 6, 2009, AMERICAN MORTGAGE AUDITORS,
4 INC., and KEVIN L. STRAITON for or in expectation of compensation, within the meaning of
5 Section 10131(d) of the Code, solicited Cole F. as borrower for the purpose of negotiating the
6 modification of, obtaining an extension of the maturity date of, changing the interest rate of,
7 and/or of lowering the monthly payments of a loan secured by the borrower's real properties
8 described in Paragraph 4, negotiated for, demanded and collected from said borrower an
9 advance fee of \$9,250.00, and submitting to said borrower a written agreement for said advance
10 fee without first obtaining approval of an advance fee agreement from the Commissioner in
11 accordance with Sections 10085 and 10085.5 of the Code.

12 CONCLUSIONS OF LAW

13 6. Based on the information contained in paragraphs 1 through 5, above,
14 AMERICAN MORTGAGE AUDITORS, INC., and KEVIN L. STRAITON solicited borrowers
15 and lenders, negotiated loans, and performed services for those borrowers and/or those
16 borrowers' lenders in connection with loans secured or to be secured directly or collaterally by
17 one or more liens on real property, which requires a real estate license under Section 10131(d)
18 of the Code, during a period of time when AMERICAN MORTGAGE AUDITORS, INC., and
19 KEVIN L. STRAITON were not licensed by the Department in any capacity and demanded and
20 collected advance fees without first obtaining approval of an advance fee agreement from the
21 Commissioner in accordance with Sections 10085 and 10085.5 of the Code.

22 7. Based on the information contained in paragraphs 1 through 5, above,
23 AMERICAN MORTGAGE AUDITORS, INC., and KEVIN L. STRAITON violated Section
24 10130 of the Code without first obtaining a real estate broker license from the Department.

25 8. Based on the information contained in paragraphs 1 through 5, above,
26 AMERICAN MORTGAGE AUDITORS, INC., and KEVIN L. STRAITON violated Section
27 10085.5 of the Code.

1 9. Based on the information contained in paragraphs 1 through 5,
2 AMERICAN MORTGAGE AUDITORS, INC., and KEVIN L. STRAITON violated Section
3 10139 of the Code, which violation is a public offense punishable by a fine not exceeding
4 twenty thousand dollars (\$20,000.00), or by imprisonment in the county jail for a term not to
5 exceed six months, or by both fine and imprisonment or, when violated by a corporation,
6 punishable by a fine not exceeding sixty thousand dollars (\$60,000.00).

7 * * *

8 DESIST AND REFRAIN ORDER

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

10 AMERICAN MORTGAGE AUDITORS, INC., and KEVIN L. STRAITON,
11 doing business under your own names, or any other names, YOU ARE HEREBY ORDERED
12 to:

13 1. Immediately desist and refrain from performing any acts within the State of
14 California for which a real estate broker license is required unless and until you obtain a real
15 estate broker license issued by the Department.

16 2. In particular you are ordered to immediately desist and refrain from:

17 (i) Soliciting borrowers or lenders and/or performing services for borrowers or
18 lenders in connection with loans secured or to be secured directly or collaterally by one or more
19 liens on real property, and,

20 (ii) From charging, demanding, or collecting advance fees unless and until you
21 obtain a real estate broker license issued by the Department, and until you demonstrate and
22 provide evidence satisfactory to the Commissioner that you are in full compliance with all of the
23 requirements of the Code and Chapter 6, Title 10, California Code of Regulations (hereinafter
24 "Regulations") relating to charging, collecting, and accounting for advance fees.

25 3. Immediately desist and refrain from demanding or collecting advance fees,
26 as that term is defined in Section 10026 of the Code, in any form, unless and until you
27 demonstrate and provide evidence satisfactory to the Commissioner that you have :

1 (i) An advance fee agreement which has been submitted to the Department and
2 which is in compliance with Sections 2970 and 2972 of the Regulations:

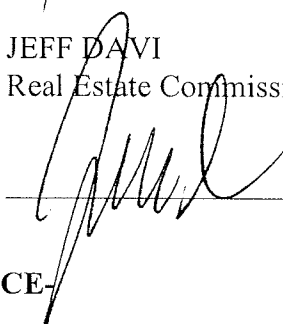
3 (ii) Placed all previously collected advance fees into a trust account for that
4 purpose and are in compliance with Section 10146 of the Code; and,

5 (iii) Provided an accounting to trust fund owner-beneficiaries pursuant to
6 Section 2972 of the Regulations.

7 DATED: _____

2/1/2014

8 JEFF DAVI
9 Real Estate Commissioner

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12 -NOTICE-

13 Business and Professions Code Section 10139 provides that "Any person acting
14 as a real estate broker or real estate salesperson without a license or who advertises using words
15 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
16 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by
17 imprisonment in the county jail for a term not to exceed six months, or by both fine and
18 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
19 (\$60,000). . . ."

20 cc: AMERICAN MORTGAGE AUDITORS, INC.
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23 San Diego, CA, 92111

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