

1 DEPARTMENT OF REAL ESTATE  
2 P. O. Box 187007  
3 Sacramento, CA 95818-7007

4 Telephone: (916) 227-0791

FILED

JUL 22 2009

DEPARTMENT OF REAL ESTATE

By H. Contreras

8 STATE OF CALIFORNIA  
9 DEPARTMENT OF REAL ESTATE

10 To:

11 NEW LEAF MODIFICATIONS, INC.,  
12 JOEY M. SCHLAEGEL, and  
13 SCOTT MORAIS.

)  
) NO. H- 5245 SAC  
) ORDER TO DESIST AND REFRAIN  
) (B&P Code Section 10086)  
)

14 The Commissioner (Commissioner) of the California Department of Real Estate  
15 (Department) caused an investigation to be made of the activities of JOEY M. SCHLAEGEL  
16 ("SCHLAEGEL"), SCOTT MORAIS ("MORAIS"), and NEW LEAF MODIFICATIONS, INC.  
17 ("NEW LEAF") (collectively, "RESPONDENTS"). Based on that investigation, the  
18 Commissioner has determined that RESPONDENTS have engaged in, are engaging in, or are  
19 attempting to engage in, acts or practices constituting violations of the California Business and  
20 Professions Code (the Code) and/or Title 10, Chapter 6, California Code of Regulations (the  
21 Regulations), including the business of, acting in the capacity of, and/or advertising or assuming  
22 to act as, a real estate broker in the State of California within the meaning of Section 10131(d)  
23 (performing services for borrowers and/or lenders in connection with loans secured by real  
24 property) of the Code and Section 10085 (collecting unauthorized advanced fees) of the Code.  
25 Furthermore, based on the investigation, the Commissioner hereby issues the following Findings  
26 of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086  
27 of the Code.

1 Whenever acts referred to below are attributed to Respondent SCHLAEGEL,  
2 those acts are alleged to have been done by SCHLAEGEL, acting by himself, or by and/or  
3 through NEW LEAF, one or more agents, associates, affiliates, and/or co-conspirators, and using  
4 the name "New Leaf Modifications, Inc.," or other names or fictitious names unknown at this  
5 time.

6 Whenever acts referred to below are attributed to Respondent MORAIS, those  
7 acts are alleged to have been done by MORAIS, acting by himself, or by and/or through NEW  
8 LEAF, one or more agents, associates, affiliates, and/or co-conspirators, and using the name  
9 "New Leaf Modifications, Inc.," or other names or fictitious names unknown at this time.

10 FINDINGS OF FACT

11 1.

12 At no time herein mentioned has SCHLAEGEL been licensed by the Department  
13 in any capacity.

14 2.

15 At no time herein mentioned has MORAIS been licensed by the Department in  
16 any capacity.

17 3.

18 At no time herein mentioned has NEW LEAF been licensed by the Department in  
19 any capacity.

20 4.

21 During the period of time set out below, SCHLAEGEL and MORAIS have been  
22 employees of NEW LEAF.

23 5.

24 During the period of time set out below, Respondent SCHLAEGEL and  
25 Respondent MORAIS, while employed by or acting on behalf of NEW LEAF, solicited  
26 borrowers and negotiated to do one or more of the following acts for another or others, for or in  
27 expectation of compensation: negotiate one or more loans for, or perform services for, borrowers

1 and/or lenders in connection with loans secured directly or collaterally by one or more liens on  
2 real property; and charge, demand or collect an advance fee for any of the services offered.

3 6.

4 On or about February 26, 2009, Respondents SCHLAEGEL and MORAIIS  
5 solicited Michael and Kelly Sanders (the Sanders) in order to provide loan modification services  
6 to the Sanders.

7 7.

8 In furtherance of RESPONDENTS plan and scheme to provide loan modification  
9 services to the Sanders, SCHLAEGEL and MORAIIS requested an advance fee of \$4,400.00  
10 from the Sanders. In reliance on SCHLAEGEL and MORAIIS' representations, the Sanders paid  
11 SCHLAEGEL and MORAIIS that amount in installments of \$2,000.00 and \$2,200.00, payable to  
12 NEW LEAF.

13 8.

14 After the Sanders made the payments mentioned above to SCHLAEGEL and  
15 MORAIIS, the Sanders did not obtain a successful and sustainable loan modification, obtain any  
16 other benefit from SCHLAEGEL and MORAIIS, or from anyone connected in any way with  
17 SCHLAEGEL, MORAIIS, or NEW LEAF, or receive a refund of the amount the Sanders paid to  
18 NEW LEAF.

19 CONCLUSIONS OF LAW

20 9.

21 Based on the Findings of Fact contained in Paragraphs 1 through 8,  
22 SCHLAEGEL, acting by himself, and through NEW LEAF, and MORAIIS, acting by himself,  
23 and through NEW LEAF, or other names or fictitious names unknown at this time, solicited  
24 borrowers and represented that they would perform services for those borrowers and/or the  
25 borrowers' lender in connection with one or more loans secured directly or collaterally by one or  
26 more liens on real property; and charged, demanded or collected an advance fee for the services  
27 to be provided, which acts require a real estate broker license under Sections 10131(d) and

1 10131.2 of the Code, and prior submission by the broker of an advance fee agreement to the  
2 Department for its review under Section 10085 of the Code.

3 10.

4 SCHLAEGEL, acting by himself, and through NEW LEAF, and MORAIS, acting  
5 by himself, and through NEW LEAF, or other names or fictitious names unknown at this time  
6 failed to provide the Sanders with the services SCHLAEGEL and MORAIS represented to the  
7 Sanders that RESPONDENTS would perform.

8 DESIST AND REFRAIN ORDER

9 Based on the Findings of Fact and Conclusions of Law stated herein, you,  
10 JOEY M. SCHLAEGEL, SCOTT MORAIS, and NEW LEAF MODIFICATIONS, INC.,  
11 whether doing business under your own name, or any other name or fictitious name, ARE  
12 HEREBY ORDERED to immediately desist and refrain from:

13 A. Doing any acts requiring a real estate license unless and until you have a  
14 real estate broker license properly issued by the Department; and

15 B. Charging, demanding, or collecting advance fees, as that term is defined  
16 in Section 10026 of the Code, for any of the services you offer to others,  
17 in any form, and particularly with respect to loan modification, loan  
18 refinance, principal reduction, foreclosure abatement or short sale  
19 services, unless and until you demonstrate and provide evidence  
20 satisfactory to the Commissioner that you are properly licensed by the  
21 Department as a real estate broker, and that you have:

22 (i) an advance fee agreement which has been submitted to the Department  
23 and which is in compliance with Sections 2970 and 2972 of the  
24 Regulations;

25 (ii) placed all previously collected advance fees into a trust account for  
26 that purpose and are in compliance with Section 10146 of the Code;  
27 and,

1 (iii) provided an accounting to trust fund owner-beneficiaries pursuant to  
2 Section 2972 of the Regulations.  
3

4 DATED: 7/9, 2009  
5

6 JEFF DAVI  
7 Real Estate Commissioner

8 By   
9 BARBARA J. BIGBY  
10 Chief Deputy Commissioner

11 **- NOTICE -**

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

19 cc: JOEY M. SCHLAEGEL  
20 1025 Creekside Ridge Dr., Suite 175  
21 Roseville, California 95678

22 SCOTT MORAIS  
23 1025 Creekside Ridge Dr., Suite 175  
24 Roseville, California 95678

25 NEW LEAF MODIFICATIONS, INC.  
26 Attn: Oleg Artishuk, Agent for Service of Process  
27 1025 Creekside Ridge Dr., Suite 175  
Roseville, California 95678

NEW LEAF MODIFICATIONS, INC.  
Attn: Oleg Artishuk, Agent for Service of Process  
114 N. Sunrise Avenue, Suite A2  
Roseville, California 95661