

1 DEPARTMENT OF REAL ESTATE
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FILED

MAR 29 2012

DEPARTMENT OF REAL ESTATE

By B. Contreras

8 BEFORE THE
9 DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 TO:)
13) NO. H-11351 SF
14 MORTGAGE RELIEF ASSISTANCE)
15 GROUP, INC., a Corporation, and) ORDER TO DESIST AND REFRAIN
16 DAVID EDGARDO REYES MELENDEZ.) (B&P Code Section 10086)

17 The Real Estate Commissioner (Commissioner) of the California Department of
18 Real Estate (Department) caused an investigation to be made of the activities of MORTGAGE
19 RELIEF ASSISTANCE GROUP, INC., and DAVID EDGARDO REYES MELENDEZ. Based
20 on that investigation, the Commissioner has determined that MORTGAGE RELIEF
21 ASSISTANCE GROUP, INC. (MRAGI) and DAVID EDGARDO REYES MELENDEZ
22 (REYES) (collectively referred to as "you") have engaged in, are engaging in, or are attempting
23 to engage in, acts or practices constituting violations of the California Business and Professions
24 Code (Code) and/or Title 10, Chapter 6, California Code of Regulations (Regulations), including
25 the business of, acting in the capacity of, and/or advertising or assuming to act as real estate
26 brokers in the State of California within the meaning of Section 10131(d) (performing services
27 for borrowers in connection with loans secured by real property) of the Code. Additionally, you
have violated Sections 10130 (unlicensed activity), 10131.2 (brokers collecting advance fees),

1 and failed to deposit said advance fees into a trust account with a bank or other recognized
2 depository, in violation of Sections 10130, 10131.2, 10139, 10085, 10085.5, 10085.6, and 10146
3 of the Code, and Sections 2970 and 2972 of the Regulations:

| <u>Borrower</u> | <u>Property Address</u> | <u>Advance Fee</u> | <u>Date</u> |
|-----------------|-------------------------------------|--------------------|----------------------|
| Alicia G. | Newbridge St. East Palo Alto, CA | \$1,300 | 7/30/09 |
| Martin G. | Sunatra Ave San Jose, CA | \$1,300 \$1,300 | 7/29/09 9/15/09 |
| Abron N. | Fallbrook Ave. San Jose, CA | \$1,300 \$1,300 | 12/18/09 12/20/09 |
| | | \$ 900 | 11/xx/10 |

10 5. On about December 18, 2009, REYES represented himself as an attorney to
11 Abron M., when in fact; REYES is not now, and has never been, licensed as an attorney, in
12 violation of Sections 10176(a) and 10176(i) of the Code.

13 6. Between about July 30, 2009 and about December 18, 2009, REYES failed to
14 obtain a real estate license bearing the fictitious business name "Mortgage Relief Assistance
15 Group, Inc." while conducting activities for which a license was required, in violation of Section
16 10159.5 of the Code and Section 2731 of the Regulations.

CONCLUSIONS OF LAW

18 1. Based on the Findings of Fact contained in Paragraphs 1 through 6, MRAGI,
19 acting by itself, or by and/or through one or more agents, associates, affiliates, and/or co-
20 conspirators, solicited borrowers, to perform services for those borrowers and their lenders in
21 connection with loans secured directly or collaterally by one or more liens on real property, and
22 charged, demanded or collected advance fees for the services to be provided, which acts require a
23 real estate broker license under Sections 10130, 10131(d), 10131.2 and 10139 of the Code,
24 during a period of time when MRAGI was not licensed by the Department in any capacity.

25 2. Based on the Findings of Fact contained in Paragraphs 1 through 6, REYES,
26 represented himself as an attorney and acting through MGRI, by himself or by and/or through
27 one or more agents, associates, affiliates, and/or co-conspirators, solicited borrowers, to perform

1 services for those borrowers and their lenders in connection with loans secured directly or
2 collaterally by one or more liens on real property, and charged, demanded or collected advance
3 fees for the services to be provided, which acts require a real estate broker license under
4 Sections 10130, 10131(d), 10131.2, 10139, 10159.5 and 10176(a) and (i) of the Code and
5 Section 2731 of the Regulations, during a period of time when REYES, was not in the employ
6 of a broker.

7 3. Based on the Findings of Fact contained in Paragraphs 1 through 6, MRAGI,
8 and REYES, acting by themselves, or by and/or through one or more agents, associates,
9 affiliates, and/or co-conspirators, known or unknown, solicited borrowers and performed
10 services for those borrowers and/or those borrowers' lenders in connection with loans secured
11 directly or collaterally by one or more liens on real property, and charged, demanded or
12 collected advance fees for the services to be provided, in violation of Sections 10085, 10085.5,
13 10085.6, 10131.2, 10146 and 10177(d) of the Code, and Sections 2970 and 2972 of the
14 Regulations.

15 DESIST AND REFRAIN ORDER

16 Based on the Findings of Fact and Conclusions of Law stated herein, you,
17 MORTGAGE RELIEF ASSISTANCE GROUP, INC., whether doing business under your own
18 name, or any other names or fictitious names, ARE HEREBY ORDERED to:

19 1. Immediately desist and refrain from performing any acts within the State of
20 California for which a real estate broker license is required until and unless you have obtained a
21 real estate broker license. And, in particular, you are ordered to desist and refrain from:

- 22 (i) charging, demanding, claiming, collecting and/or receiving advance fees, as
23 that term is defined in Section 10026 of the Code, in any form, and under
24 any conditions, with respect to the performance of loan modifications or
25 any other form of mortgage loan forbearance service in connection with
26 loans on residential property containing four or fewer dwelling units
27 (Section 10085.6 of the Code); and,

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

Based upon the Findings of Fact and Conclusions of Law stated herein, it is hereby ordered that you, DAVID EDGARDO REYES MELENDEZ, whether doing business under your own name, or any other names, or any fictitious names, ARE HEREBY ORDERED TO IMMEDIATELY DESIST AND REFRAIN from:

1. charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, in any form, and under any conditions, with respect to the performance of loan modifications or any other form of mortgage loan forbearance service in connection with loans on residential property containing four or fewer dwelling units (Section 10085.6 of the Code);
2. charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any other real estate related services offered by you to others;
3. representing yourself as an attorney until such time as you have obtained a license to practice law; and,
4. using the fictitious business name "Mortgage Relief Assistance Group, Inc." until such time as you have obtained a real estate license bearing said fictitious business name.

DATED: 3/23, 2012

BARBARA BIGBY
Acting Real Estate Commissioner



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- NOTICE -

Business and Professions Code Section 10139 provides that “Any person acting as a real estate broker or real estate salesperson without a license or who advertises using words indicating that he or she is a real estate broker without being so licensed shall be guilty of a 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).”

cc: MORTGAGE RELIEF ASSISTANCE GROUP, INC.
DAVID EDGARDO REYES MELENDEZ
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Fremont, CA 94539
and
25354 Cypress Avenue
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