

1 Department of Real Estate  
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FILED

AUG 23 2011

DEPARTMENT OF REAL ESTATE

*K. Contreras*

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8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

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11 To: )  
12 CHRISTINA L. FLANARY and ) NO. H-2661 FR  
13 THE PRO PER LEGAL ) ORDER TO DESIST AND REFRAIN  
14 PROFESSIONALS. ) (B&P Code Section 10086)  
15 )

16 The Commissioner (hereafter "the Commissioner") of the California  
17 Department of Real Estate (hereafter "the Department") caused an investigation to be made of  
18 the activities of CHRISTINA L. FLANARY (hereafter "FLANARY") and THE PRO PER  
19 LEGAL PROFESSIONALS (hereafter "PRO PER"), (collectively hereafter "Respondents").  
20 Based on that investigation, the Commissioner has determined that Respondents have engaged  
21 in, are engaging in, or are attempting to engage in, acts or practices constituting violations of  
22 the California Business and Professions Code ("Code") and/or Title 10, Chapter 6, California  
23 Code of Regulations ("Regulations"), including acting in the capacity of, advertising or  
24 assuming to act as a real estate broker in the State of California within the meaning of Section  
25 10131(d) (performing services for borrowers and/or lenders in connection with loans secured  
26 by real property), 10131.2 (collection of advance fees), 10085 (advance fee agreements and  
27 materials) and 10085.5 (collecting unauthorized advance fees) of the Code. Furthermore,

1 based on the investigation, the Commissioner hereby issues the following Findings of Fact,  
2 Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086 of the  
3 Code.

4 FINDINGS OF FACT

5 1. At all times relevant herein, FLANARY was and is licensed by the Department  
6 as a real estate salesperson.

7 2. At no time has PRO PER been licensed by the Department in any capacity.

8 3. During the period of time set out below, Respondents performed services for  
9 one or more borrowers and negotiated to do one or more of the following acts for another or  
10 others, for or in expectation of compensation: negotiate one or more loans for, or perform  
11 services for, borrowers and/or lenders with respect to the collection of advance fees and loan  
12 modification, loan refinance, principal reduction, foreclosure abatement or short sale services  
13 and/or those borrowers' lenders in connection with loans secured directly or collaterally by one  
14 or more liens on real property; and charged, demanded or collected an advance fee for any of  
15 the services offered.

16 4. In furtherance of their plan and scheme to solicit advance fees and provide loan  
17 modification services, on or about October 30, 2009, Respondents entered into a loan  
18 modification services agreement with Ana Maria G. According to that agreement, Respondents  
19 agreed to negotiate a loan modification on behalf of Ana Maria G. for her property located at  
20 1317 Shadowglen Road, Sacramento, California, in exchange for an advance fee payment of  
21 \$1,595. On or about November 4, 2009, Ana Maria G. paid the advance fee of \$1,595 to  
22 Respondents. No loan modification was ever obtained by Respondents for Ana Maria G., nor  
23 did Respondents ever refund the advance fee paid to them by Ana Maria G.

24 5. In furtherance of their plan and scheme to solicit advance fees and provide loan  
25 modification services, on or about October 7, 2009, Respondents entered into a loan  
26 modification services agreement with Elida G. According to that agreement, Respondents  
27 agreed to negotiate a loan modification on behalf of Elida G. for her property located at 33444

1 Canvas Back, Woodland, California, in exchange for an advance fee payment of \$250. On or  
2 about that same date, Elida G. paid the advance fee of \$250 to Respondents. On or about  
3 November 11, 2009, Elida G. paid an additional \$1,595 to Respondents to be enrolled in “The  
4 Hedge Fund Program” loan modification program. No loan modification was ever obtained by  
5 Respondents for Elida G., nor have Respondents ever refunded the advance fees paid to them  
6 by Elida G.

7 CONCLUSIONS OF LAW

8 6. Based on the Findings of Fact contained in Paragraphs 1 through 5, above,  
9 CHRISTINA L. FLANARY and THE PRO PER LEGAL PROFESSIONALS, solicited  
10 borrowers and/or performed services for those borrowers with respect to the collection of  
11 advance fees and loan modification, loan refinance, principal reduction, foreclosure abatement  
12 or short sale services and/or those borrowers’ lenders in connection with loans secured directly  
13 or collaterally by one or more liens on real property; and charged, demanded or collected  
14 advance fees for the services to be provided, which acts require a real estate broker license  
15 under Sections 10131(d) and 10131.2 of the Code in violation of Section 10130 of the Code.

16 7. CHRISTINA L. FLANARY and THE PRO PER LEGAL PROFESSIONALS  
17 used a form of an advance fee agreement which had not been provided to the Department for its  
18 prior review and consideration, in violation of Section 10085 of the Code, and Sections 2970  
19 (submission of advance fee materials) and 2972 (content of verified accounting) of the  
20 Regulations.

21 DESIST AND REFRAIN ORDER

22 Based on the Findings of Fact and Conclusions of Law stated herein,  
23 CHRISTINA L. FLANARY and THE PRO PER LEGAL PROFESSIONALS, whether doing  
24 business under your own name, or any other name or fictitious name, ARE HEREBY  
25 ORDERED to:

- 26 1. Immediately desist and refrain from charging, demanding, claiming, collecting  
27 and/or receiving advance fees, as that term is defined in Section 10026 of the

1 Code, for any of the services you offer to others, unless and until you  
2 demonstrate and provide evidence satisfactory to the Commissioner that you are  
3 properly licensed by the Department as a real estate broker and that

4 CHRISTINA L. FLANARY and THE PRO PER LEGAL PROFESSIONALS:

- 5 (a) Has an advance fee agreement which has been submitted to the Department  
6 and which is in compliance with Sections 2970 and 2972 of the Regulations;  
7 (b) Has placed all previously collected advance fees into a trust account for that  
8 purpose and are in compliance with Section 10146 (deposit of advance fees  
9 into trust account) of the Code;  
10 (c) Has provided an accounting to trust fund owner-beneficiaries pursuant to  
11 Section 2972 of the Regulations.

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

18 DATED: 8/19/11

19 BARBARA J. BIGBY  
20 Acting Real Estate Commissioner

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1 **Notice:** Business and Professions Code Section 10139 provides that, “Any person acting as a  
2 real estate broker or real estate salesperson without a license or who advertises using words  
3 indicating that he or she is a real estate broker without being so licensed shall be guilty of a  
4 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by  
5 imprisonment in the county jail for a term not to exceed six months, or by both fine and  
6 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars  
7 (\$60,000)....”

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