


FILED

December 13, 2011

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0791

DEPARTMENT OF REAL ESTATE

By 

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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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FRANKLIN MORTGAGE, INC.,
and VIRENDER PURI, an individual

No. H-11263 SF

ORDER TO DESIST AND REFRAIN
(B&P Code Section 10086)

16 The Commissioner of the California Department of Real Estate ("Commissioner")
17 caused an investigation to be made of the activities of FRANKLIN MORTGAGE, INC. ("FMI")
18 and VIRENDER PURI ("VP"). Based on the investigation, the Commissioner has determined
19 FMI and VP have engaged in, are engaging in, or are attempting to engage in, acts or practices
20 constituting violations of the California Business and Professions Code ("Code") and/or Title 10,
21 Chapter 6, California Code of Regulations ("Regulations"), including the business of, acting in
22 the capacity of, and/or advertising or assuming to act as, a real estate broker in the State of
23 California within the meaning of Section 10131(d) (performing services for borrowers in
24 connection with loans secured by real property) of the Code. Furthermore, based on the
25 investigation, the Commissioner hereby issues the following Findings of Fact, Conclusions of
26 Law, and Desist and Refrain Order under the authority of Section 10086 of the Code.

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Borrower Name	Date of the Agreement/ Authorization	Loan Mod Proposal by PURI	Advance Fees Received
J. Y. Crescenta Ct, Lafayette	09/17/10 - - 09/20/10	Yes	\$875.00 \$875.00 \$875.00
C. R. Quail Ct, Concord	09/30/10	Yes	\$750.00 \$750.00

CONCLUSIONS OF LAW

4. Based on the findings of fact contained in paragraphs 1 through 3, above, FMI, acting by and through VP and/or one or more agents, associates, affiliates, and/or co-conspirators, operating under fictitious names unknown at this time, solicited one or more borrowers and performed services for those borrowers and/or those borrowers' lenders in connection with loans secured directly or collaterally by one or more liens on real property, acts which require a real estate license under Section 10131(d) of the Code, during a period of time when FMI and VP were not licensed by the Department in any capacity.

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein, VIRENDER PURI, doing business under his own name, the corporate name FRANKLIN MORTGAGE, INC., and/or any corporation which does not hold a valid California Department Real Estate Corporate Broker License or any other names or fictitious names which does not hold a valid Real Estate license, is HEREBY ORDERED to:

1. Immediately desist and refrain from performing any acts within the State of California for which a real estate broker license is required, and in particular, VP is ordered to desist and refrain from soliciting borrowers and/or performing services for borrowers or lenders in connection with loans secured directly or collaterally by one or more liens on real property.

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1 2. Immediately desist and refrain from charging, demanding, claiming,
2 collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for
3 any of the services VP offers to others, unless and until VP demonstrates and provides evidence
4 satisfactory to the Commissioner that VP is properly licensed by the Department as a real estate
5 broker, and:

6 (a) VP has an advance fee agreement which has been submitted to the
7 Department and which is in compliance with Sections 2970 and 2972 of the Regulations;

8 (b) VP has placed all previously collected advance fees into a trust
9 account for that purpose and is in compliance with Section 10146 of the Code;

10 (c) VP has provided an accounting to trust fund owner-beneficiaries
11 pursuant to Section 2972 of the Regulations; and

12 (d) VP is in compliance with California law, as amended effective as
13 of October 11, 2009, with respect to loan modification and/or forbearance services. Under the
14 amended law, VP can only collect advance fees for loan modification or other mortgage loan
15 forbearance services related to commercial loans and loans for residential properties containing
16 five or more dwelling units.

17 As to FRANKLIN MORTGAGE, INC., doing business as FRANKLIN
18 MORTGAGE, INC. and/or doing business as any other corporation which does not hold a valid
19 corporate broker license issued by the Department or is doing business under any other business
20 names or fictitious business names which does not hold a valid license issued by the Department,
21 is HEREBY ORDERED to:

22 1. Immediately desist and refrain from performing any acts within the State
23 of California for which a real estate broker license is required, and in particular, desist and refrain
24 from soliciting borrowers and/or performing services for borrowers or lenders in connection with
25 loans secured directly or collaterally by one or more liens on real property.

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

1 any of the services FMI offers to others, unless and until FMI demonstrates and provides
2 evidence satisfactory to the Commissioner that FMI is properly licensed by the Department as a
3 corporate real estate broker, and:

4 (a) FMI has an advance fee agreement which has been submitted to the
5 Department and which is in compliance with Sections 2970 and 2972 of the Regulations;

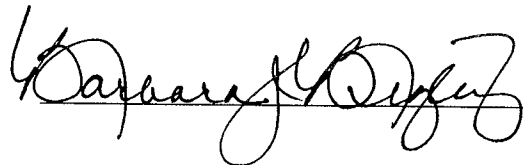
6 (b) FMI has placed all previously collected advance fees into a trust
7 account for that purpose and is in compliance with Section 10146 of the Code;

8 (c) FMI has provided an accounting to trust fund owner-beneficiaries
9 pursuant to Section 2972 of the Regulations; and,

10 (d) FMI is in compliance with California law, as amended effective as
11 of October 11, 2009, with respect to loan modification and/or forbearance services. Under the
12 amended law, FMI can only collect advance fees for loan modification or other mortgage loan
13 forbearance services related to commercial loans and loans for residential properties containing
14 five or more dwelling units.

15 DATED: 12/7, 2011

17 BARBARA J. BIGBY
18 Acting Real Estate Commissioner

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21 **NOTICE:**

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

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1 cc:

2 FRANKLIN MORTGAGE, INC
3 3000 Citrus Circle, #215
4 Walnut Creek, CA 94598

5 VIRENDER PURI
6 3000 Citrus Circle, #215
7 Walnut Creek, CA 94598

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