

FILED

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105

FEB 28 2012

4 Telephone: (213) 576-6982

DEPARTMENT OF REAL ESTATE
BY: *Guadalupe Valencia*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 To:)	No. H-37919 LA
)	
12 MICHAEL B. FRANKS)	<u>ORDER TO DESIST</u>
)	<u>AND REFRAIN</u>
)	
)	
15)	(B&P Code Section 10086)
)	

16 The Commissioner ("Commissioner") of the California Department of Real Estate
17 ("Department") caused an investigation to be made of the activities of MICHAEL B. FRANKS
18 ("FRANKS"). Based on that investigation the Commissioner has determined that FRANKS has
19 engaged in, or is engaging in, acts, or is attempting to engage in the business of, acting in the
20 capacity of, and/or assuming to act as a real estate broker in the State of California within the
21 meaning of Business and Professions Code Sections 10131(d) (soliciting borrowers, negotiating
22 loans or performing services for borrowers in connection with loans secured by real property)
23 and 10131.2 (advance fee handling).

24 In addition, based on that investigation, the Commissioner has determined that
25 FRANKS has engaged in, or is engaging in, acts, or is attempting to engage in practices
26 constituting violations of the California Business and Professions Code ("Code"). Based on the
27

1 findings of that investigation, set forth below, the Commissioner hereby issues the following
2 Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of
3 Section 10086 of the Code.

4 FINDINGS OF FACT

5 1. From March 22, 2008 to September 20, 2010, the real estate salesperson
6 license of FRANKS was under conditional suspension for failure to meet his education
7 requirements, pursuant to Code Section 10153.4.

8 2. Since September 20, 2010, FRANKS has not retained any renewal rights
9 for his former real estate salesperson license.

10 3. At the times set forth below, FRANKS negotiated to do one or more of the
11 following acts for others, for or in expectation of compensation: engaged in the business of,
12 acted in the capacity of, or advertised a loan modification and negotiation service and advance
13 fee brokerage with respect to loans which were secured by liens on real property for
14 compensation or in expectation of compensation and for fees collected in advance of the
15 transaction (Code Sections 10131(d) and 10131.2).

16 Grant W. Transaction

17 4. On or about October 1, 2009, FRANKS solicited Grant W. regarding loan
18 modification services offered by Orange Coast Capital Inc ("OCCI"). On October 6, 2009, and
19 April 9, 2010, Grant W. submitted advance fees to FRANKS, in exchange for FRANKS's offer
20 to negotiate a modification of Grant W.'s mortgage loan.

21 Judith D. Transaction

22 5. After multiple solicitations from FRANKS regarding loan modification
23 services offered by OCCI, Judith D. submitted an advance fee to FRANKS on February 10,
24 2010, in exchange for FRANKS's offer to negotiate a modification of Judith D's mortgage loan.

25 Darrell H. Transaction

26 6. On or about March 10, 2010, Darrell H. submitted advance fees to FRANKS,
27 in exchange for FRANKS's offer to negotiate a modification of Darrell H.'s mortgage loan.

1 Susan Y. Transaction

2 7. On or about March 30, 2009, FRANKS solicited Susan Y. regarding loan
3 modification services offered by OCCI. On April 17, 2009 and February 5, 2010, Susan Y.
4 submitted advance fees to FRANKS, in exchange for FRANKS's offer to negotiate a
5 modification of Susan Y.'s mortgage loan

6 CONCLUSIONS OF LAW

7 8. Based on the information contained in Paragraphs 1 through 7 above,
8 FRANKS violated Code Section 10130 by engaging in activities requiring a broker license
9 without first obtaining a broker license from the Department.

10 DESIST AND REFRAIN ORDER

11 Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW stated
12 herein, it is hereby ordered that:

13 MICHAEL B. FRANKS, immediately desist and refrain from: performing any
14 acts within the State of California for which a real estate broker license is required, unless
15 MICHAEL B. FRANKS is so licensed.

16
17 DATED: 2/17/12

18
19 BARBARA J. BIGBY
Acting Real Estate Commissioner

20
21 
22

23 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a
24 real estate broker or real estate salesperson without a license or who advertises using words
25 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
26 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by
27 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)."

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

cc: MICHAEL B. FRANKS
6185 Magnolia Ave, Suite 120
Riverside, CA 92506