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MAR 08 2012

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DEPARTMENT OF REAL ESTATE
BY: *Justine Valenzuela*

9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 To:)	NO. H-37960 LA
)	
13 STEVEN FATTORUSSO,)	ORDER TO DESIST
14 USA LOAN AUDITORS, and)	<u>AND REFRAIN</u>
15 RELIEF LAW CENTER)	
)	
)	(B & P Code Section 10086)
)	
)	

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18 The Real Estate Commissioner of the State of California ("Commissioner") has

19 caused an investigation to be made of the activities of STEVEN FATTORUSSO, RELIEF

20 LAW CENTER, and USA LOAN AUDITORS. Based on that investigation, the Commissioner

21 has determined that STEVEN FATTORUSSO, RELIEF LAW CENTER and USA LOAN

22 AUDITORS have engaged in, are engaging in, or are attempting to engage in, acts or practices

23 constituting violations of the California Business and Professions Code ("Code"), including

24 acting in the capacity of, advertising or assuming to act as a real estate broker in the State of

25 California within the meaning of Section 10131(d) (advertising, soliciting borrowers for, and

26 offering to perform loan modification services for distressed homeowners) without being

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1 properly licensed. In addition, the Commissioner is of the opinion that STEVEN
2 FATTORUSSO, RELIEF LAW CENTER, and USA LOAN AUDITORS have violated
3 Sections 14701, 14702, 10140 and 17500 of the Code, and Section 2848 of Title 10, Chapter 6,
4 California Code of Regulations (hereinafter "Regulations").

5 Based on that investigation, the Commissioner hereby issues the following
6 Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of
7 Section 10086 of the Code.

8
9 FINDINGS OF FACT

10 1. At no time mentioned herein was STEVEN FATTORUSSO
11 ("FATTORUSSO") licensed by the Department of Real Estate of the State of California
12 ("Department") in any capacity.

13 2. RELIEF LAW CENTER ("RLC") is a California corporation. RLC has
14 never been licensed by the Department in any capacity.

15 3. USA LOAN AUDITORS ("USALA") was a fictitious business name used
16 by or affiliated with RLC and FATTORUSSO. USALA has never been licensed by the
17 Department in any capacity.

18 4. All further references to the individuals and entities listed in Paragraphs 1
19 through 3 above include those parties and fictitious business names, and also include the
20 officers, directors, employees, agents and real estate licensees employed by or associated with
21 said parties and business names, who at all times were engaged in the furtherance of the
22 businesses or operations of said party and business names, and who were acting within the
23 course and scope of their authority and employment.

24 5. Between on or before March 23, 2010 and on or after April 30, 2010,
25 FATTORUSSO engaged in mortgage loan activities doing business as, or as an agent of, RLC
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1 and/or USALA. FATTORUSSO, RLC and USALA engaged in the business of, acted in the
2 capacity of, advertised or assumed to act as real estate brokers in the State of California, within
3 the meaning of Code Section 10131(d) for another or others, all for or in expectation of
4 compensation. These activities included advertising and soliciting borrowers to provide
5 mortgage loan and loan modification services. These activities also included advertising in the
6 form of direct mail solicitation of borrowers for loans secured by deeds of trust.

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8 6. Beginning on or before April 1, 2010, and continuing to the present time,
9 USALA and RLC mailed advertisements soliciting borrowers for loans secured by real
10 property which were false, misleading or deceptive and/or which otherwise created the false
11 impression that the recipients of the "Lender Investigation Notification," ("Notice") might be
12 the victims of lender misconduct, that their mortgage lenders were being investigated for lender
13 misconduct, that the recipient borrowers might be entitled to legal relief in the form of loan
14 modification, and that failure to respond promptly to the Notice would negatively impact legal
15 rights. In truth and fact, you were not investigating the named lenders for predatory lending,
16 but rather were soliciting the consumers' loan modification business.

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18 7. Specific examples of solicitations for loan modifications you mailed out
19 between on or before March 20, 2010 and on or after April 30, 2010 include the following:

20 a) On or before April 6, 2010, USALA sent consumers of loans originated by
21 Sun American Mortgage mail solicitations in the form of 'notice of pending investigations' of
22 that lender, which solicitations offered the consumers assistance in modifying the terms of their
23 mortgage loans;

24 b) On or before April 5, 2010, USALA sent consumers of loans originated by
25 Prime West Mortgage Corporation mail solicitations in the form of 'notice of pending
26 investigations' of that lender, which solicitations offered the consumers assistance in modifying
27

1 the terms of their mortgage loans;

2 c) On or before April 19, 2010, USALA sent consumers of loans originated by
3 Pentagon Federal Credit Union mail solicitations in the form of 'notice of pending
4 investigations' which solicitations offered the consumers assistance in modifying the terms of
5 their mortgage loans;

6 d) On or before April 29, 2010, USALA sent consumers of loans originated by
7 San Mateo Credit Union mail solicitations in the form of 'notice of pending investigations'
8 which solicitations offered the consumers assistance in modifying the terms of their mortgage
9 loans;
10

11 e) On or before April 14, 2010, USALA sent consumers of loans originated by
12 Jefferson Bank mail solicitations in the form of 'notice of pending investigations' which
13 solicitations offered the consumers assistance in modifying the terms of their mortgage loans;

14 f) On or before April 19, 2010, USALA sent consumers of loans originated by
15 Cherry Creek Mortgage Company mail solicitations in the form of 'notice of pending
16 investigations' which solicitations offered the consumers assistance in modifying the terms of
17 their mortgage loans;

18 g) Between on or before March 20, 2010 and March 23, 2010, USALA and
19 RLC sent consumers residing in the State of Idaho mail solicitations in the form of 'notice of
20 pending investigations' which solicitations offered the consumers assistance in modifying the
21 terms of their mortgage loans.
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23
24 8. Specific examples of misleading, false and/or deceptive, representations
25 and/or representations which constituted unfair and unlawful business practices, which
26 representations were included in the solicitations for loan modification services described
27 above include the following:

1 a) The solicitations conspicuously, in bold, capitalized print stated, "NOTICE
2 REGARDING PREDATORY LEDING YOUR IMMEDIATE PARTICIPATION IS
3 REQUIRED." The solicitations purported to be notifying consumers of a pending investigation
4 of specific lenders when no such investigations were in fact pending.

5 b) The solicitations conspicuously used terms such as "Notice," "investigation,"
6 and "Failure to Respond," in such ways that the they could be construed to mean the
7 solicitations were actually documents originated from a governmental agency or as part of a
8 then pending lawsuit, with the implication being that the lenders were under a government
9 investigation and/or the subject of a consumer lawsuit. Although the documents also contained
10 a disclaimer that the sender was not a governmental agency, the disclaimer was in small print.

11 c) The mail solicitations used lenders' names in such a way as to suggest lender
12 affiliation without lenders' consent.

13 d) The mail solicitations appeared to contain consumers' loan numbers, without
14 consumers' loan numbers without consent of the consumers. This also was misleading in that it
15 implied that lenders' and/or consumers' records had been reviewed as part of the
16 "investigation."

17 9. FATTORUSSO, USALA and RLC were not licensed by the Department in
18 any capacity at any time when they mailed advertisements soliciting loan modifications, as
19 described above. They therefore unlawfully engaged in activities requiring a real estate broker
20 license.

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CONCLUSIONS OF LAW

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2 1. The conduct, acts and/or omissions of FATTUROSSO, USALA and RLC,
3 in advertising, soliciting, and negotiating on behalf of borrowers for or in expectation of
4 compensation when they were not licensed by the Department, was in violation of Code
5 Section 10130.

6 2. The conduct, acts and/or omissions of FATTUROSSO, USALA, and RLC in
7 making misleading, false and/or deceptive, representations and/or representations which
8 constituted unfair and unlawful business practices, and in using the names of lenders and
9 consumers in mail solicitations, was in violation of Code Sections 10140, 14701, 14702 and/or
10 17500.

DESIST AND REFRAIN ORDER

13 Based on the Findings of Fact and Conclusions of Law stated herein, it is
14 hereby ordered that STEVEN FATTORUSSO, USA LOAN AUDITORS, and RELIEF LAW
15 CENTER, whether doing business under their own names, or any other names, or any
16 fictitious names, ARE HEREBY ORDERED to immediately desist and refrain from
17 performing any acts within the State of California for which a real estate broker license is
18 required. In particular, each of them is ORDERED TO DESIST AND REFRAIN from:

20 (i) Soliciting borrowers and/or performing services for borrowers or lenders in
21 connection with loans secured directly or collaterally by one or more liens on real property,
22 and

24 (ii) charging, demanding, claiming, collecting and/or receiving a fee for any of
25 the services offered by them to others, unless and until you obtain a real estate broker license
26 issued by the Department, and until you demonstrate and provide evidence satisfactory to the
27 Commissioner that you are in full compliance with all of the requirements of the Code and

1 Commissioner's Regulations relating to charging, collecting, and accounting for fees.

2 In addition, it is hereby ordered that, STEVEN FATTORUSSO, USA LOAN
3 AUDITORS, and RELIEF LAW CENTER whether doing business under their own names, or
4 any other names, or any fictitious names, ARE HEREBY ORDERED to immediately desist
5 and refrain from making misleading, false and/or deceptive statements in advertisements;
6 refrain from using the names of lenders and consumers without consent; and otherwise desist
7 and refrain from engaging in deceptive business practices.

8 DATED: 2/16/12

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10 Barbara J. Bigby
Acting Real Estate Commissioner

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