

1 DEPARTMENT OF REAL ESTATE
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3 Sacramento, CA 95818-7007
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FILED

SEP 14 2010

DEPARTMENT OF REAL ESTATE

By R. Henry

9 STATE OF CALIFORNIA

10 DEPARTMENT OF REAL ESTATE

11 To:)
12) NO. H-5469 SAC
13))
14) **ORDER TO DESIST AND**
15) **REFRAIN**
16) (B&P Code Section 10086)
17)
18)
19)

17 The Commissioner (Commissioner) of the California Department of Real Estate
18 (Department) caused an investigation to be made of the activities of CLOUD 10 FINANCIAL
19 INC ("CFI"). Based on the investigation, the Commissioner has determined CFI has engaged in,
20 is engaging in, or is attempting to engage in, acts or practices constituting violations of the
21 California Business and Professions Code (Code) and/or Title 10, Chapter 6, California Code of
22 Regulations (Regulations), including the business of, acting in the capacity of, and/or advertising
23 or assuming to act as, a real estate broker in the State of California within the meaning of Section
24 10131(d) of the Code (performing services for borrowers in connection with loans secured by
25 real property). Furthermore, based on the investigation, the Commissioner hereby issues the

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1 following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the
2 authority of Section 10086 of the Code.

3 Whenever acts referred to below are attributed to CFI those acts are alleged to
4 have been done by, or through one or more agents, associates, affiliates, and/or co-conspirators
5 using the name CLOUD 10 FINANCIAL INC., or other names or fictitious names unknown at
6 this time.

7 FINDINGS OF FACT

8 1. At no time herein mentioned has CFI been licensed by the Department in
9 any capacity.

10 2. At all times relevant herein and to the present, CFI and/or its agents,
11 associates, affiliates, and/or co-conspirators solicited one or more borrowers and negotiated to
12 do one or more of the following acts for another or others, for or in expectation of
13 compensation: negotiated one or more loans for, or perform services for, borrowers and/or
14 lenders in connection with loans secured directly or collaterally by one or more liens on real
15 property; and charged, demanded or collected an advance fee for any of the services offered, in
16 violation of Sections 10130 (real estate broker license required to perform certain acts),
17 10085.5 (real estate broker license required to charge or collect an advance fee), and 10139
18 (criminal penalties for unlicensed activity) of the Code.

19 3. CFI would represent its clients with regards to the client's desire to modify
20 the client's mortgage loan obligations or provide other mortgage loan forbearance services.
21 CFI undertook such services for the below listed clients wherein the clients agreed to pay CFI
22 an advanced fee for services to be rendered in the sum or sums listed below, in violation of
23 Sections 10130, 10085.5, and 10139 of the Code.

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Borrower Name	Property Address	Date of Contract Signed	Date of Advance Fee Collected	Amount of Advance Fee Collected
Tom V. and Vanna N.	3462 Costantino Cr. Stockton, CA	11/20/2008	11/20/2008	\$ 595.00
Tom V. and Vanna N.	3915 Montaro Ln. Stockton, CA	08/26/2008	08/26/2008	\$ 595.00
Bonifacio G.	2034 S. Olive Ave. Stockton, CA	12/09/2008	12/09/2008	\$1,420.00

CONCLUSIONS OF LAW

5. Based on the findings of fact contained in Paragraphs 1 through 3, above, CFI acting by and/or through one or more agents, associates, affiliates, and/or co-conspirators, or under other names or fictitious names unknown at this time, solicited borrowers and negotiated to do one or more of the following acts for another or others, for or in expectation of compensation; negotiate one or more loans for, or perform services for, borrowers and/or lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charge, demand or collect an advance fee for any of the services offered; acts which require a real estate license under Section 10131(d) of the Code, during a period of time when CFI was not licensed by the Department in any capacity.

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein, CLOUD 10 FINANCIAL INC., IS HEREBY ORDERED:

1. To immediately desist and refrain from charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any of the services you offer to others which require a real estate license, unless and until you demonstrate and provide evidence satisfactory to the Commissioner that you are properly licensed by the Department as a real estate broker, and that:

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1 (A) Have an advance fee agreement which has been submitted to the Department and
2 which is in compliance with Sections 2970 and 2972 of the Regulations;

3 (B) CFI has placed all previously collected advance fees into a trust account for that
4 purpose and is in compliance with Section 10146 of the Code;

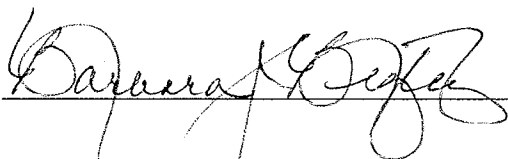
5 (C) CFI has provided an accounting to trust fund owner-beneficiaries pursuant to
6 Section 2972 of the Regulations; and

7 (D) CFI is in compliance with California law, as amended effective as of October 11,
8 2009, with respect to loan modification and/or forbearance services. Under the amended law,
9 CFI can only collect advance fees for loan modification or other mortgage loan forbearance
10 services related to commercial loans and loans for residential properties containing five or more
11 dwelling units.

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 any form, and
14 under any conditions, with respect to the performance of loan modification or any other form of
15 mortgage loan forbearance services in connection with loans on residential property containing
16 four or fewer dwelling units.

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18 DATED: 8/25, 2010

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20 JEFF DAVI
Real Estate Commissioner

21
22 By 

23
24 BY: Barbara J. Bigby
Chief Deputy Commissioner

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1 **Notice**

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

8 TO:

9 Cloud 10 Financial Inc.
10 c/o Timothy Canada, Agent for Service of Process
11 1852 W. 11th Street #258
12 Tracy, CA 95376

13 Cloud 10 Financial Inc.
14 c/o Milo Lewis
15 1852 W. 11th Street #258
16 Tracy, CA 95376

17 Cloud 10 Financial Inc.
18 c/o Milo Lewis
19 640 Tracey Jean Court
20 Tracy, California

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