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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Charlene Goodrich Loan Servicing, Inc.
Charlene Marie Goodrich
375 E Street, Suite 120
Santa Rosa, California 95404

DESIST AND REFRAIN ORDER
(For violation of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner (“Commissioner”) finds that:

1. At all relevant times, Charlene Goodrich Loan Servicing, Inc. (“CGLS”) is or was a California corporation with its principle place of business at 375 E Street, Suite 120, Santa Rosa, California 95404.
2. CGLS was a licensed real estate corporation broker from April 1997 until its license was revoked by the California Department of Real Estate (“DRE”) in or about April 2009. At all relevant times, Charlene Marie Goodrich (“Goodrich”) was a natural person and licensed real estate broker from March 1982 until her license was surrendered to DRE in or about December 2010.
3. Goodrich was the owner and DRE-designated officer of CGLS from April 1997 until she sold her interest in the company to Marlisa Rodriguez in or about April 2008.
4. On January 6, 2003, the California Department of Corporations (“DOC”) issued a permit under Corporations Code section 25113 to CGLS to offer and sell securities in the form of fractional interests in notes secured by deeds of trust in California.
5. The DOC permit was issued under a limited offering qualification authorizing the offer and sale of CGLS’s securities only to investors with: (a) net worth (exclusive of home, furnishings and automobiles) of at least \$250,000 and an annual gross income of at least \$65,000, or (b) net worth (exclusive of home, furnishings and automobiles) of at least \$500,000; and, the amount of each

1 investor's investment must not exceed 10% of such investor's net worth (exclusive of home,
2 furnishings and automobiles.)

3 6. On August 27, 2008, the Commissioner issued an Order Suspending Effectiveness of
4 Qualification pursuant to Corporations Code section 25143 based upon findings that CGLS failed to
5 disclose to the Commissioner that Goodrich had sold her entire interest in CGLS to a third party in or
6 about April 2008. CGLS did not timely request a hearing, and the suspension order remains in effect.
7

8 7. In connection with the offers and sales in fractional interests in notes secured by California
9 real property, CGLS and Goodrich made the following material misrepresentations or omissions:

10 a. The loan would be secured by a first deed of trust on California real property that
11 would be senior to all other recorded monetary liens;

12 b. The total amount of the loan would generally not exceed 80% of the value of the
13 residential property as determined by an independent appraiser; and,

14 c. Unimproved property must be developable as intended by the borrower under existing
15 zoning and general plans.

16 Based upon the foregoing findings, the California Corporations Commissioner is of the
17 opinion that these securities were offered or sold by Charlene Goodrich Loan Servicing, Inc. and
18 Charlene Marie Goodrich in a manner that varies or differs from, exceeds the scope of, or fails to
19 conform with either a material term or material condition of qualification of the offering as set forth
20 in the permit or qualification order, or a material representation as to the manner of offering which is
21 set forth in the application for qualification, and constituted unqualified offers or sales in violation of
22 section 25110 of the Corporate Securities Law of 1968.

23 Pursuant to section 25532 of the Corporate Securities Law of 1968, Charlene Goodrich Loan
24 Servicing, Inc. and Charlene Marie Goodrich are hereby ordered to desist and refrain from the further
25 offer or sale of securities in the State of California, including but not limited to fractional interests in
26 notes secured by deeds of trust, in violation of section Corporations Code section 25110 or unless
27 exempt.
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1 Further, the California Corporations Commissioner is of the opinion that the securities in the
2 form of fractional interests in notes secured by deeds of trust were offered or sold in this state by
3 Charlene Goodrich Loan Servicing, Inc. and Charlene Marie Goodrich through means of written or
4 oral communications which included untrue statements of material facts and/or omitted to state a
5 material facts necessary in order to make the statements made, in the light of the circumstances under
6 which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law
7 of 1968.

8 Pursuant to section 25532 of the Corporate Securities Law of 1968, Charlene Goodrich Loan
9 Servicing, Inc. and Charlene Marie Goodrich are hereby ordered to desist and refrain from offering or
10 selling any security in the State of California, including but not limited to fractional interests in notes
11 secured by deeds of trust, by means of any written or oral communication which includes an untrue
12 statement of a material fact or omits to state a material fact necessary in order to make the statements
13 made, in the light of the circumstances under which they were made, not misleading.

14 This Order is necessary, in the public interest, for the protection of investors and consistent
15 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

16 Dated: April 6, 2011
17 Los Angeles, California

18 Preston DuFauchard
19 California Corporations Commissioner

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21 By _____
22 Alan S. Weinger
23 Deputy Commissioner
24 Enforcement Division
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