

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

TO: **Guadalupe Haro Valencia, a.k.a.  
Lupe Valencia  
The Real Estate and Loan Consultants, a.k.a.  
RE Equity Group, LLC  
9911 Paramount Blvd., #252  
Downey, CA 90240**

**DESIST AND REFRAIN ORDER**

**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times herein, The Real Estate and Loan Consultants, which was formed in April 2007, a.k.a. RE Equity Group, LLC (“RE Equity Group”), a California corporation, which was formed in May 2007, was located at 9911 Paramount Blvd., #252, Downey, CA 90240.

2. At all relevant times herein, Guadalupe Haro Valencia (“Valencia”) a.k.a. Lupe Valencia was President of RE Equity Group.

3. Beginning in around September 2007 and continuing through February 2009, Valencia and RE Equity Group offered and sold securities in the form of promissory notes allegedly secured by deeds of trust to approximately sixty-five investors, of which thirty-three are California residents, in excess of \$6,000,000. Valencia obtained investment money by soliciting family and friends to become investors, through investor networking programs, primarily the Live Out Loud investor networking community, and by “word of mouth.”

4. RE Equity Group’s alleged business was to use the investors’ investments to make loans to buyers of real estate at an interest rate where, upon repayment, Valencia and the investors would make a commission. Valencia typically promised 10% return for investing with her. After Valencia received the investment money, Valencia gave the investors promissory notes allegedly secured by deeds of trust but the trust deeds were never recorded. Once the real estate market started to decline, the borrowers were not able to repay and Valencia had more investors than borrowers so Valencia solicited other investors for alleged real estate and other investment

1 opportunities and used these funds to make payments to the initial investors. Valencia also began to  
2 generate fraudulent promissory notes and deeds of trust.

3           5.       In connection with the offer and sale of these securities, Valencia and RE Equity  
4 Group made, or caused to be made, misrepresentations of material fact or omitted to state material  
5 facts necessary in order to make the statements made, in the light of the circumstances under which  
6 they were made, not misleading. These misrepresentations and omissions included, but are not  
7 limited to the following:

- 8           a.       Investors were not told that Valencia failed to record the deeds of trust given to  
9                    investors as security for the promissory notes;
- 10          b.       Investors were not told that Valencia was generating and distributing  
11                    fraudulent promissory notes and fraudulent deeds of trust; and
- 12          c.       Investors were typically promised 10% return on their investments in real  
13                    estate transactions, real estate, and other investment opportunities, but, in fact,  
14                    the money that was paid out came from other investors' money.

15           Based on the foregoing findings, the California Corporations Commissioner is of the opinion  
16 that the securities in the form of promissory notes allegedly secured by deeds of trust offered and sold  
17 by Valencia and RE Equity Group are securities subject to qualification under the California  
18 Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified,  
19 in violation of Section 25110 of the Corporate Securities Law of 1968.

20           Pursuant to Section 25532 of the Corporate Securities Law of 1968, Guadalupe Valencia,  
21 a.k.a. Lupe Valencia and The Real Estate and Loan Consultants, a.k.a. RE Equity Group, LLC are  
22 hereby ordered to desist and refrain from the further offer or sale in the State of California of  
23 securities, including, but not limited to promissory notes unless and until qualification has been made  
24 under said law or unless exempt. The sale of such securities is subject to qualification under said law  
25 and such securities are being or have been offered for sale without first being so qualified.

26           Further, the California Corporations Commissioner is of the opinion that the securities offered  
27 and sold by Valencia and RE Equity Group were offered and sold in this state by means of written or  
28 oral communications that included untrue statements of material fact or omitted to state material facts

1 necessary in order to make the statements made, in the light of the circumstances under which they  
2 were made, not misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

3 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Guadalupe Valencia,  
4 a.k.a. Lupe Valencia and The Real Estate and Loan Consultants, a.k.a. RE Equity Group, LLC are  
5 hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security  
6 in the State of California, including, but not limited to, promissory notes by means of any written or  
7 oral communication which includes an untrue statement of a material fact or omits to state a material  
8 fact necessary in order to make the statements made, in the light of the circumstances under which  
9 they were made, not misleading.

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

12 Dated: October 11, 2010  
13 Los Angeles, California

14 PRESTON DuFAUCHARD  
15 California Corporations Commissioner

16 By \_\_\_\_\_  
17 ALAN S. WEINGER  
18 Deputy Commissioner  
19 Enforcement Division  
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