

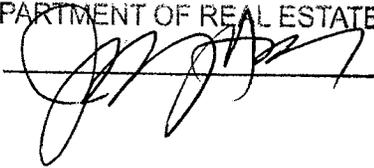
1 DEPARTMENT OF REAL ESTATE  
2 320 West Fourth Street, Ste. 350  
3 Los Angeles, California 90013

4 (213) 576-6982

**FILED**

AUG 03 2011

DEPARTMENT OF REAL ESTATE

BY: 

8  
9 STATE OF CALIFORNIA

10 DEPARTMENT OF REAL ESTATE

11 To:	)	
	)	NO. H- 37422 LA
12 NEWKEY FINANCIAL CORP,	)	
13 or any other fictitious names used by New Key	)	
14 Financial; KYLE EDWARD O'KELLY,	)	
15 Individually and as designated officer of	)	
16 NewKey Financial Corp; and RICHARD LEE	)	ORDER TO DESIST AND
	)	REFRAIN
	)	(B&P Code Section 10086)
	)	

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18 The Commissioner ("Commissioner") of the California Department of Real Estate

19 ("Department") caused an investigation to be made of the activities of NEWKEY FINANCIAL

20 CORP, formerly known as. Mac One Investments, (hereinafter "NFC") , KYLE EDWARD

21 O'KELLY (hereinafter "O'KELLY"), and RICHARD LEE (hereinafter "LEE"). Based on that

22 investigation, the Commissioner has determined that NFC, O'KELLY and LEE have engaged

23 in, are engaging in, or are attempting to engage in, acts or practices constituting violations of the

24 California Business and Professions Code ("Code") and/or Title 10, California Code of

25 Regulations ("Regulations"), including the business of, acting in the capacity of, and/or

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1 advertising or assuming to act as, a real estate broker in the State of California within the  
2 meaning of Code Section 10131(d) (performing services for borrowers in connection with loans  
3 secured by real property) and 10131.2 (advance fee handling) of the Code. Based on the findings  
4 of that investigation, set forth below, the Commissioner hereby issues the following Findings of  
5 Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086 of  
6 the Code.

7  
8 Whenever acts referred to below are attributed to NFC, O’KELLY, or LEE, those acts  
9 are alleged to have been done by NFC, acting by itself or by and/or through one or more agents,  
10 associates, affiliates, and/or co-conspirators, including, but not limited to NFC and using the  
11 names “NewKey Financial Corp,” “Futura Realty of NFC,” “NewKey Home Lending,”  
12 “Pinnacle Home Loan,” “NewKey Home Lending Pinnacle dba Mac One Investments, Inc.” or  
13 other names or fictitious names unknown at this time.

14  
15 Whenever acts referred to below are attributed to NFC or O’KELLY, those acts are  
16 alleged to have been done by O’KELLY, acting by himself or by and/or through one or more  
17 agents, associates, affiliates, and/or co-conspirators, including, but not limited to NFC and using  
18 the names “NewKey Financial Corp,” “Futura Realty of NFC,” “NewKey Home Lending,”  
19 “Pinnacle Home Loan,” “NewKey Home Lending Pinnacle dba Mac One Investments, Inc.” or  
20 other names or fictitious names unknown at this time.

21  
22 Whenever acts referred to below are attributed to NFC or LEE, those acts are alleged to  
23 have been done by LEE, acting by himself or by and/or through one or more agents, associates,  
24 affiliates, and/or co-conspirators, including, but not limited to NFC and using the names  
25 “NewKey Financial Corp,” “Futura Realty of NFC,” “NewKey Home Lending,” “Pinnacle  
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1 Home Loan,” “NewKey Home Lending Pinnacle dba Mac One Investments, Inc.” or other  
2 names or fictitious names unknown at this time.

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4 FINDINGS OF FACT

5 1. NFC is presently licensed by the Department as a real estate corporation. KYLE  
6 EDWARD O’KELLY was the designated officer of NFC until May 19, 2010. Prior to  
7 O’KELLY, Neal Arrington was the designated officer of NFC until September 18, 2009. The  
8 d.b.a.s listed by NFC with the Department are: Futura Realty of NFC, NewKey Home Lending,  
9 and Pinnacle Financial Group. NFC was licensed by the Department of Corporations as a  
10 residential mortgage lender and mortgage loan servicer until its license was revoked on or about  
11 December 9, 2009. NFC is a registered corporation incorporated under the laws of the State of  
12 California. Mac One Investments filed Articles of Organization with the Secretary of State on  
13 May 3, 2001 with Maria Looney listed as the Agent for Service of Process. NFC filed a  
14 Certificate of Amendment with the Secretary of State on June 1, 2004 to change its name to  
15 “NewKey Financial Corp.” NFC filed a Statement of Information with the Secretary of State on  
16 June 23, 2009 listing NFC’s address as 20422 Beach Boulevard, Suite #115, Huntington Beach,  
17 CA 92648, and listing Richard Lee as the Chief Executive Officer, Secretary, and Chief  
18 Financial Officer and Cristal Pickersgill as the Agent for Service of Process. Cristal Pickersgill  
19 filed a Resignation of Agent Upon Whom Process May Be Served on January 25, 2010.  
20 Pinnacle Financial Group, Pinnacle Home Loan, and Newkey Home Lending had Fictitious  
21 Business Name Statements filed with the Orange County listing Mac One Investments, Inc. as  
22 the owner; these Fictitious Business Name Statements have expired. On or about March 24,  
23 2010, NFC’s HUD/FHA mortgagee approval pursuant to 24 C.F.R. Part 25 for a period of one  
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1 year was withdrawn by the Department of Housing Development Mortgagee Review Board for  
2 NFC's violation of the HUD's Regulations at 24 C.F.R. Part 202. At the times set forth below,  
3 NFC solicited borrowers to negotiate loans secured by real property for compensation or in  
4 expectation of compensation to NFC.

5 2. O'KELLY has been licensed by the Department as a real estate salesperson since May 1,  
6 2002, and as a real estate broker since April 18, 2006. O'KELLY was the designated officer of  
7 NewKey Financial Corp. until he was cancelled May 19, 2010. O'KELLY is presently the  
8 designated officer for O'Kelly Enterprises.

9 3. LEE is not now, and has never been, licensed by the Department in any capacity

10 4. On or about October 10, 2008, Katie R. paid \$2,995.00 via credit card to NFC and NFC  
11 representative Chad Brown as advance fees, pursuant to an agreement pertaining to loan  
12 solicitation, negotiation, and modification services to be provided by NFC with respect to a loan  
13 secured by real property located at 441 South Maple, #37, Mesa, AZ 85206. After ten months,  
14 Katie R. received no results on her loan and learned that NFC had not worked on negotiating or  
15 modifying the terms of her loan on the Woodside property. On or about June 1, 2009, Katie R.  
16 notified NFC that it was no longer authorized to represent her in her loan modification, and  
17 requested a full refund. Katie R. received a refund of \$1,505.00 from her credit card company  
18 on or about September 29, 2009.

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21 CONCLUSIONS OF LAW

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23 5. Based on the findings of fact contained in paragraphs 1 through 4, NFC, acting by  
24 itself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators,  
25 including, but not limited to O'KELLY and LEE, and using the name "NEWKEY FINANCIAL  
26 CORP," or other names or fictitious names unknown at this time, solicited borrowers to negotiate  
27 loans or perform services, in connection with loans secured directly or collaterally by one or

1 more liens on real property. These acts, which require a real estate broker license under Section  
2 10131(d) of the Code, were performed during a period of time when LEE was CEO of NFC, but  
3 was not licensed by the Department as a real estate broker, a violation of Code Section 10130.

4 6. Based on the findings of fact contained in paragraphs 1 through 4, the agreement  
5 between Katie R. and NFC constitutes an advance fee agreement within the meaning of Code  
6 Section 10026. The failure by NFC and O'KELLY to submit the advance fee agreement to the  
7 Commissioner two days before using it constitutes a violation of Code Section 10085 and  
8 Regulation 2970.

9 DESIST AND REFRAIN ORDER: RICHARD LEE

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11 Based upon the Findings of Fact and Conclusions of Law stated herein, it is hereby  
12 ordered that RICHARD LEE, whether doing business under your own name or as NewKey  
13 Financial Corp., or any other name(s) or fictitious name(s), IS HEREBY ORDERED to  
14 immediately desist and refrain from performing any acts within the State of California for which  
15 a real estate broker license is required, unless you are so licensed. In particular you are  
16 ORDERED TO DESIST AND REFRAIN from:

- 17
- 18 1. charging, demanding, claiming, collecting and/or receiving advance fees, as that term  
19 is defined in Section 10026 of the Code, in any form, and under any conditions, with  
20 respect to the performance of loan modifications or any other form of mortgage loan  
21 forbearance service in connection with loans on residential property containing four  
22 or fewer dwelling units; and
  - 23 2. charging, demanding, claiming, collecting and/or receiving advance fees, as that term  
24 is defined in Section 10026 of the Code, for any other real estate related services  
25 offered by them to others.  
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- 1 c. have complied with the provisions of Code Section 10145 and Sections 2831,  
2 2831.1 and 2831.2 of the Regulations with respect to any trust account into which  
3 advance fees are deposited; and  
4 d. have provided an accounting to trust fund owner-beneficiaries from whom  
5 advance fees have previously been collected in compliance with Code Section  
6 10146 and Section 2972 of the Regulations.  
7

8 DATED: 7/29 2011

9 BARBARA J. BIGBY  
10 Acting Real Estate Commissioner

11 By   
12

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

19 cc: NEWKEY FINANCIAL CORP  
20 20422 each Blvd., Suite 115  
21 Huntington Beach, CA 92648

22 KYLE EDWARD O'KELLY  
23 P.O. Box 3868  
24 Dana Point, CA 92629

25 KYLE EDWARD O'KELLY  
26 26933 Camino De Estrella, Suite B  
27 Capistrano Beach, CA 92624-1602

RICHARD LEE  
20422 Beach Boulevard, Suite 115  
Huntington Beach, CA 92648