



IDAHO
DEPARTMENT OF FINANCE

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NEWS RELEASE

For Immediate Release

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CALIFORNIA REAL ESTATE BROKER AND MORTGAGE LOAN ORIGINATOR ORDERED TO CEASE AND DESIST DECEPTIVE ADVERTISING

(Boise) – Gavin Gee, Director of the Idaho Department of Finance, announced today the issuance of an Order to Cease and Desist against Gary James Sroka and Joseph Terrazas. Sroka is a real estate broker and Terrazas is a mortgage loan originator, both based in San Clemente, California. The Order to Cease and Desist requires the two men to cease violating both Idaho and federal law by disseminating advertisements to Idaho consumers that are confusing, misleading and deceptive.

The deceptive and misleading advertising alleged in the order included using the name of the recipient's mortgage lender in the return address on the envelope; misleading the recipient to believe that he or she was pre-qualified for credit; listing low mortgage interest rates not available in today's market; and including what appeared to be a legitimate check in the amount of \$44,000.35 made out to the recipient.

Small print at the bottom of the "check" stated "Non-negotiable—This is not a check." The mortgage lenders whose names were displayed prominently on the allegedly misleading advertisements did not authorize the advertisements disseminated by Sroka and Terrazas. The allegedly misleading advertisements were sent in envelopes made of gold-colored paper, similar to envelopes used by the federal government for mailing federal tax refunds.

Gee said the department became aware of the alleged misleading and deceptive advertising after receiving complaints from several individuals and from financial institutions whose names had been deceptively used in the advertisements. A new law effective July 1 of this year makes it illegal to use the name, trademark, service mark or logo of a financial institution in connection with the sale, offering for sale, distribution or advertising of any product or service without the consent of the financial institution. The new law also allows a financial institution to file a lawsuit to recover damages for such violations.

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PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS SINCE 1905

The department is investigating the role of the company on whose behalf the deceptive advertising was conducted in Idaho by Sroka and Terrazas.

Gee encourages Idahoans who receive these deceptive advertisements to contact the Idaho Department of Finance at 208-332-8002 or toll free in Idaho at 888-346-3378. A copy of the Cease and Desist order is available on the department's website at <http://finance.idaho.gov>.

Gee also reminds consumers to carefully read any solicitations or advertisements they receive offering credit to avoid falling prey to bait-and-switch advertising, and other forms of deceptive or misleading solicitations for credit.

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Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.