

FILED

SEP 11 2014

BUREAU OF REAL ESTATE

By S. Black

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of

S.F.D., INC., BRADLEY L. MAASKE,
and JOSEPHINE SOUZA,

Respondents.

No. H-2621 FR

OAH No. 2011060094

DECISION AFTER REJECTION

On March 5 and 6, 2014, in Fresno, California, Karen J. Brandt, Administrative Law Judge (ALJ), Office of Administrative Hearings, State of California (OAH), heard this matter.

On March 27, 2014, the ALJ submitted a Proposed Decision recommending a 15-day suspension of Respondents S.F.D., INC. (SFD), BRADLEY L. MAASKE (Maaske), and JOSEPHINE SOUZA's (Souza) (collectively "Respondents") real estate licenses. I declined to adopt the Proposed Decision as my Decision. Pursuant to Section 11517(c) of the Government Code of the State of California, Respondents were served with notice of my determination not to adopt the Proposed Decision of the ALJ along with a copy of said Proposed Decision. Respondents were notified that the case would be decided by me upon the record, the transcript of proceedings held on March 5 and 6, 2014, and upon any written argument offered by Respondents and Complainant.

1 Respondents and Complainant have submitted written argument.

2 I have given careful consideration to the record in this case, including the transcript of the
3 proceedings held on March 5 and 6, 2014, and the written arguments.

4 The following shall constitute the Decision of the Real Estate Commissioner in this proceeding:

5 FACTUAL FINDINGS

6 1. Complainant made and filed the Accusation in his official capacity.

7 2. A corporate real estate broker license was issued to SFD on January 31, 1986, with
8 Maaske as the designated officer. The license reflects that SFD conducts business under the names
9 of Realty World-Investors Realty, California Loan Support, and Investors Property Management.
10 The license was in effect at all times relevant to the allegations in this matter.

11 3. A real estate salesperson license was issued to Maaske on February 4, 1983. A real
12 estate broker license was issued to Maaske on February 5, 1993. Maaske's broker license was in
13 effect at all times relevant to the allegations in this matter.

14 4. A real estate salesperson license was originally issued to Souza on
15 October 27, 1978. The real estate salesperson license at issue in this matter was issued to Souza on
16 January 22, 2004. At all times relevant to the allegations in this matter, Century 21 C. Watson
17 Real Estate, Inc., was Souza's employing broker. Neither SFD nor Maaske have ever been Souza's
18 employing broker.

19 5. The Accusation alleges that Respondents SFD and Maaske received advance fees
20 for loan modification services relating to six loans involving the following homeowners: (1) Heidi
21 Wichert; (2) Monica Vasquez; (3) Roberto Castaneda; (4) Linda Alanis; (5) Gary Smith; and (6)
22 Arlene Gonzales. The Accusation also alleges that Respondents SFD and Maaske failed to submit
23 an advance fee contract for prior approval by the Bureau before collecting advance fees from three
24 of these six homeowners: (1) Ms. Wichert; (2) Ms. Vasquez; and (3) Mr. Castaneda. The
25 Accusation alleges further that Souza collected advance fees and was paid by Maaske for her
26 services with regard to four of these six homeowners: (1) Mr. Castaneda; (2) Ms. Alanis; (4) Ms.
27 Vasquez; and (4) Mr. Smith.

1 *California Loan Support Loan Modification Services and Documentation*

2 6. Respondents provided the loan modification services at issue in this matter through
3 California Loan Support, one of the names under which SFD is authorized to conduct business. At
4 hearing, Respondents submitted the documentation package they used when they provided loan
5 modification services for the six loans listed in the Accusation. The documentation package
6 included: (1) a Notice Regarding Payment of Fees for Services Rendered, Cancellation and Refund
7 Policy (Notice); (2) a description of the loan modification process; (3) a Homeowner Submission
8 Check List; (4) a Homeowner Information Form; (5) a Homeowner Budget form; (6) a
9 Homeowner Fee Agreement; (7) a Loan Modification Services Agreement; (8) an Agreement; and
10 (9) a Third Party Authorization.

11 7. Notice. The Notice, in relevant part, stated that:

12 California [L]oan [S]upport is a licensed California Real Estate
13 Broker. We do not charge advance fees for providing services in
14 relationship to your financial hardship. Our fee schedule allows for
15 payment of fees only after services have been rendered to assist you
16 with your situation. You may cancel your agreement with us at anytime
17 [sic] during the process. You are under no obligation to complete all
18 phases of the modification process with California Loan Support.

19 8. Homeowner Fee Agreement. The Homeowner Fee Agreement stated that the
20 homeowner agreed to pay the listed fees, and to:

21 ... immediately tender the fees payable to California Loan Services
22 upon receipt of an invoice for services rendered. An invoice for the
23 amounts listed below will be sent to Homeowner as the work outlined
24 in each phase is completed. This is not an advance fee agreement. Fees
25 are due and payable only after each phase of services has been
26 completed. Personnel licensed by the California Department of Real
27 Estate are utilized to perform the services and engage in activities that
require a license.

The Homeowner Fee Agreement set forth the phases of the loan modification process and
the fees that the homeowner would be charged as follows:

1 Phase I of the process consisted of: "A) Receipt of Modification Packet" and "B)
2 Prequalification to determine eligibility for services." The Homeowner Fee Agreement indicated
3 that no fee was charged for these services.

4 Phase II consisted of: "C) Complete Financial Form, analyze income and debt load," "D)
5 Analyze loan affordability based on guidelines," and "E) Quality Control Review to insure benefit
6 to Homeowner." The total fee the homeowner was charged for Phase II services for a single loan
7 or two loans with the same lender was \$400.

8 Phase III consisted of: "F) Comprehensive Review of comparable property sales and
9 listings," "G) Final underwriting analysis," "H) Structure modification proposal to Lender's
10 guidelines," and "I) Assemble and deliver modification packet to Lender." The total fee the
11 homeowner was charged for Phase III services for a single loan or two loans with the same lender
12 was \$500.

13 The Homeowner Fee Agreement listed two more steps that would be provided at no charge:
14 "J) Follow up with Lender for status updates" and "K) Assessment of Lender's Proposal."

15 The Homeowner Fee Agreement included an additional final charge of \$100 for a single
16 loan or two loans with the same lender to "Meet with Homeowners to sign and notarize
17 modification."

18 The total charge for a homeowner for all the loan modification services for a single loan or
19 two loans with the same lender was \$1,000.

20 9. Loan Modification Services Agreement. In bold print at the top, the Loan
21 Modification Services Agreement stated:

22 **This is not an Advance Fee Agreement. Fees for any Services**
23 **rendered under this Agreement are due and payable only after**
24 **those Services have been completed as specified and further**
25 **described in the Homeowner Fee Agreement attached hereto.**
26 (Bolding in original.)
27

1 10. Agreement. The Agreement set forth the homeowner's obligation to provide
2 documentation "so that the Company can perform Services on behalf of Homeowner." The
3 Agreement included a provision entitled "No Guarantee of Success," which stated:

4 Homeowner understands that Company does not in any way guarantee
5 success in obtaining a Modification Agreement, and acknowledges that
6 approval of a Modification Agreement is in the sole and absolute
discretion of Lender.

7 The provision in the Agreement discussing the fees the homeowner was required to pay
8 stated, in relevant part, that the "fees will be due and payable for each Phase as specified in the
9 Homeowner Fee Agreement only when such Services have been rendered." The fees provision also
10 included the following notice:

11 THIS IS NOT AN ADVANCE FEE AGREEMENT. FEES ARE DUE
12 AND PAYABLE ONLY AFTER SPECIFIED SERVICES HAVE
13 BEEN COMPLETED AS DESCRIBED IN THE HOMEOWNER FEE
AGREEMENT. (Capitalization in original.)

14 *Souza Agreement*

15 11. On April 20, 2009, Maaske and Souza executed a Counselor Fee Agreement (Souza
16 Agreement). In the Souza Agreement, Maaske was designated as "Broker," and Souza was
17 designated as "Counselor." California Loan Support was the "Company." The Souza Agreement
18 stated:

19 Counselor Jo Souza acknowledge(s) and agrees to the fees listed below
20 for services rendered by Counselor and upon completion of Phase I and
21 Phase II Services by Counselor and determination by Counselor that
22 Homeowner is eligible for services, Counselor will collect the Phase II
23 Services Due to Company from Homeowner and Counselor will be
24 paid by Company for Services rendered by Counselor under the
schedule listed below. Broker agrees that personnel licensed by the
California Department of Real Estate are utilized to perform the
services and engage in activities that require a license.

25 The Souza Agreement described the services that Souza was to provide and the fees she
26 was to receive for those services. The Souza Agreement included the same phases that were
27 included in the Homeowner Fee Agreement described in Finding 8 above. The Souza Agreement

1 provided that, if the homeowner had a single loan or two loans with the same lender: (1) Souza
2 would perform the services listed in Phase I for no fee; (2) Souza would perform the services
3 listed in Phase II and would be paid \$150; (3) California Loan Support would perform the services
4 listed in Phase III, and Souza would be paid \$100; and (4) Souza would be paid \$50 to "Meet with
5 Homeowners to sign and notarize modification." The total amount that Souza could be paid under
6 the Souza Agreement for loan modification services if the homeowner had a single loan or two
7 loans with the same lender was \$300.

8 *Advance Fee Agreement*

9 12. On May 26, 2009, the Bureau received an advance fee agreement with a verified
10 accounting statement from SFD. On June 3, 2009, the Bureau issued a no-objection letter to SFD
11 regarding the advance fee agreement and verified accounting statement. Respondents did not use
12 this advance fee agreement for any of the loan modification services provided to the homeowners
13 identified in the Accusation.

14 *Transactions with Homeowners*

15 13. Koehler/Wichert Loan Modification. Billie Koehler and Heidi Wichert, mother and
16 daughter, sought loan modification services from Maaske. On February 16, 2009, they signed the
17 agreements listed in Finding 6 above, and paid \$400 for the services described in Phase II of the
18 Homeowner Fee Agreement. From the information included in the complaint filed by Ms. Koehler
19 and Ms. Wichert, it appears that they received a letter, dated February 27, 2009, from Maaske,
20 stating that his office had prepared a financial package that was ready to be shipped to their
21 lender, but before his office would ship the financial package, Maaske requested that they pay him
22 \$500 for completing Phase III. On March 11, 2009, Ms. Koehler and Ms. Wichert paid Maaske an
23 additional \$500. On September 11, 2009, their lender offered a trial loan modification to Ms.
24 Koehler and Ms. Wichert. On October 12, 2009, they signed a "Home Affordable Modification
25 Trial Period Plan (Step One of Two-Step Documentation Process)." On October 13, 2009, Maaske
26 sent a letter to Ms. Koehler and Ms. Wichert, which stated that his office "had reviewed and
27 discussed your Modification offer. Our part in this process is complete. [II] Please return the

1 payment of \$100 for the completion of Phase IV in the enclosed envelope...." Ms. Koehler and Ms.
2 Wichert paid the additional \$100 to Maaske on January 3, 2010. In total, Ms. Koehler and Ms.
3 Wichert paid \$1,000 to Maaske for loan modification services. Respondents have not refunded any
4 of the \$1,000 paid by Ms. Koehler and Ms. Wichert.

5 Maaske's records indicate that in February 2010, his office had communications with Ms.
6 Koehler and her lender about a final loan modification, but Ms. Koehler and Ms. Wichert did not
7 enter into a final loan modification agreement at that time. Instead, they continued to pay the
8 monthly loan payment set forth in the Trial Period Plan. In April 2010, their lender foreclosed on
9 their home. They called Maaske, who referred them to an attorney. Thereafter, they entered into a
10 final loan modification agreement with their lender, and the foreclosure was rescinded.

11 Ms. Koehler testified that she went to Maaske for help in obtaining a loan modification.
12 She did not go to him for loan counseling. Ms. Koehler testified further that Maaske did not help
13 her obtain the final loan modification. According to Ms. Koehler, although she continued to make
14 her loan payments, her lender foreclosed on her home. After she refused to move out, she retained
15 an attorney other than the one recommended by Maaske. When a judge threatened to sanction her
16 lender, the lender offered a final loan modification, which Ms. Koehler and Ms. Wichert accepted.

17 14. Vasquez Loan Modification. Monica Vasquez, now known as Monica Noriega,
18 sought loan modification services from Respondents. On May 1, 2009, Ms. Noriega met with
19 Souza, signed the agreements listed in Finding 6 above, and paid \$400 to Souza for the services
20 described in Phase II of the Homeowner Fee Agreement. In June 2009, she paid Maaske an
21 additional \$500. Respondents' records indicate that Ms. Noriega paid a total of \$1,000 to
22 Respondents for loan modification services, but there was no evidence about when Ms. Noriega
23 paid the final \$100. Respondents' records also indicate that they had discussions with Ms.
24 Noriega's lender between June 2009 and February 2010. On February 10, 2010, Ms. Noriega's
25 lender contacted her and offered her a loan modification, which she accepted.

26 Ms. Noriega testified that, in 2009, she was going through a divorce and fell behind in her
27 loan payments. She went to Souza for help in obtaining a mortgage loan modification. She

1 testified that Respondents did not help her obtain a loan modification. According to Ms. Noriega,
2 she contacted her lender herself. When she did so, her lender told her that they had not received
3 any documents from Respondents requesting a loan modification. During the period in question,
4 Ms. Noriega was deployed to Iraq. Ms. Noriega testified that, when she went to Iraq, the law
5 relating to the military prevented her lender from pursuing foreclosure against her. After she was
6 in Iraq for six months, her lender offered her a loan modification. Respondents have not returned
7 any of the money that Ms. Noriega paid to them for loan modification services.

8 15. Castaneda Loan Modification. Roberto Castaneda and his wife sought loan
9 modification services from Respondents. On May 27, 2009, Mr. Castaneda and his wife met with
10 Souza, signed the agreements listed in Finding 6 above, and paid \$400 to Souza for the services
11 described in Phase II of the Homeowner Fee Agreement. On September 9, 2009, Mr. Castaneda
12 paid an additional \$500 to Maaske. On September 21, 2009, Mr. Castaneda's lender offered to
13 modify Mr. Castaneda's loan. Maaske's office transmitted the lender's offer to Mr. Castaneda.
14 Because Mr. Castaneda still could not afford the monthly payments offered by his lender, he asked
15 Maaske's office if they could get a better offer. Maaske's office was not able to get a better offer
16 from Mr. Castaneda's lender. Respondents closed Mr. Castaneda's file on January 22, 2010. Mr.
17 Castaneda's lender foreclosed on his home on May 3, 2010. Respondents have not refunded to Mr.
18 Castaneda any of the \$900 he paid to them.

19 16. Alanis Loan Modification. Linda Alanis sought loan modification services from
20 Respondents. On June 1, 2009, Ms. Alanis met with Souza, signed the agreements listed in
21 Finding 6 above, and paid \$400 to Souza for the services described in Phase II of the Homeowner
22 Fee Agreement. In September 2009, Ms. Alanis paid Maaske an additional \$600. In November
23 2009, Ms. Alanis' lender offered her a trial loan modification. In November 2010, Ms. Alanis
24 entered into a permanent loan modification with her lender. Respondents have not refunded to Ms.
25 Alanis any of the \$1,000 she paid to them.

26 17. Smith Loan Modification. Gary Smith sought loan modification services from
27 Respondents. On June 1, 2009, Mr. Smith met with Souza, signed the agreements listed in Finding

1 6 above, and paid \$400 to Souza for the services described in Phase II of the Homeowner Fee
2 Agreement. In July 2009, Mr. Smith received a loan modification offer from his lender, but since
3 the modification required him to make higher monthly payments, he rejected it. On July 28, 2009,
4 Mr. Smith paid an additional \$600 to Maaske for loan modification services. Maaske's office
5 continued to work with the lender. In January 2010, the lender offered another modification,
6 which again increased Mr. Smith's monthly loan payment. Mr. Smith rejected the offer. Maaske
7 offered to represent Mr. Smith on a short sale. Mr. Smith rejected Maaske's offer, saying he had a
8 realtor friend. Mr. Smith asked that Respondents return the \$1,000 he had paid. Respondents told
9 Mr. Smith that the fee was nonrefundable due to the extensive work they had done on his file.

10 18. Gonzales Loan Modification. Arlene Gonzales sought loan modification services
11 from Maaske. On September 15, 2009, Ms. Gonzales signed the agreements listed in Finding 6
12 above. On December 8, 2009, Ms. Gonzales paid Maaske \$450. On January 13, 2010, Ms.
13 Gonzales paid Maaske another \$450. Ms. Gonzales entered into a trial loan modification with her
14 lender in or about May 2011. She entered into a final loan modification in or about November
15 2011.

16 Ms. Gonzales testified that she retained Maaske to obtain a modification of her mortgage
17 loan. According to Ms. Gonzales, she was no longer working at the time and was unable to pay her
18 mortgage. When she first entered into the agreements with Maaske, she was not able to pay the fee
19 he was charging. He told her to pay if and when she could. She subsequently received a Social
20 Security disability award. She then paid him a total of \$900 in December 2009 and January 2010.
21 Ms. Gonzales asserted that Respondents were not instrumental in obtaining a loan modification
22 for her. Instead, she testified that she worked directly with her lender herself for two years before
23 her loan was modified. Respondents did not refund any of the \$900 she paid to them.

24 *Respondents' Testimony and Other Evidence*

25 19. Both Souza and Maaske asserted that the fees they collected from homeowners were
26 not advance fees. Instead, they were fees paid for loan modification services after those services
27 were fully provided.

1 20. Testimony from Souza. Souza was first licensed as a real estate salesperson in
2 1978. She worked for less than one year and let her license lapse. She testified that she began
3 working as a real estate salesperson again in 2007. Sometime in the 2007/2008 time frame, when
4 the mortgage loan crisis hit, she began volunteering with the Fresno Community Housing Council
5 (Council), a non-profit trying to assist homeowners to save their homes from foreclosure. Initially,
6 she was not paid for the loan modification services she provided. At some point, the Council
7 obtained a grant and informed its volunteer counselors that they would be paid a fee for their
8 services. At that time, some of the Council's volunteer counselors were licensed by the Bureau and
9 some were not. Souza asked her broker if any fees she received from the Council had to "come
10 through" his office. He told her that they did not. But the Council decided that any volunteers who
11 wished to continue providing loan modification services could not be licensed. When the Council
12 made this decision, Souza stopped volunteering for the Council.

13 21. After Souza stopped volunteering for the Council, Maaske asked her to work for
14 him. According to Souza, the work she performed for Maaske under the Souza Agreement was
15 identical to the volunteer work she performed for the Council. Souza did not talk to her employing
16 broker or the Bureau before she signed the Souza Agreement and began working for Maaske. She
17 testified that she provided counseling services under the Souza Agreement for only a few months
18 to about eight or nine of Maaske's clients. She testified further that these clients were sent to her
19 by Maaske because they lived in the Fresno area where she was located. She denied that she ever
20 referred any clients to Maaske or received any referral fees from him. According to Souza, she
21 provided the services described in Phases I and II of the Souza Agreement as a convenience for
22 Maaske's clients who lived closer to her in Fresno, than to Maaske's Visalia office. Souza obtained
23 homeowners' signatures on the agreements described on Finding 6, and gathered information from
24 homeowners. She provided this information to Maaske. She did not perform any of the services
25 described in Phase III of the Souza Agreement, and did not send any completed loan modification
26 requests to lenders.

27 ///

1 22. Souza testified that, after she performed the services described in Phases I and II of
2 the Souza Agreement, she would collect \$400 for those services and forward this amount to
3 Maaske, who would thereafter pay her the fees set forth in the Souza Agreement. Souza stopped
4 performing loan modification services for Maaske in October 2009, after the enactment of SB 94.

5 23. *Testimony and Other Evidence from Maaske.* Maaske testified that he has been
6 licensed by the Bureau for 32 years. In about October 2008, during the mortgage loan crisis, a
7 non-profit called "No Homeowner Left Behind" asked him for assistance in setting up a program
8 to help homeowners seeking to save their homes from foreclosure. Maaske volunteered his time
9 with No Homeowner Left Behind and other non-profits. In about November 2008, Maaske began
10 offering loan modification services to homeowners for a fee. Maaske testified that, when he set up
11 his loan modification program, he relied upon the advice he received from the California
12 Association of Realtors (C.A.R.). In January 21, 2009, C.A.R. issued a document entitled "Loan
13 Modifications." The document stated that it was a "legal article" that discussed "the legal and
14 practical issues surrounding loan modifications," and provided "working guidelines" to help
15 realtors assist "their clients with loan modifications." The document was written in a question and
16 answer format. Question and answer 35 stated:

17 ***Q 35. Instead of collecting an advance fee, are there other***
18 ***things a real estate broker could do to help make sure that he or she***
19 ***will be compensated for performing loan modification services?***

20 A. Yes. Instead of collecting an advance fee, a real estate broker and
21 homeowner may agree that the broker will perform a series of distinct
22 loan modification services and be compensated once each service has
23 been performed. For example, a broker and homeowner may agree that
24 the homeowner will pay a certain dollar amount after the broker
25 provides the homeowner with an initial consultation, another dollar
26 amount after the broker prepares and submits a loan modification
27 package to the lender, and another dollar amount after the broker has
negotiated the loan modification with the homeowner's lender.
Alternatively, the broker and homeowner may agree that the broker
will charge a certain hourly rate for services rendered, and that the
broker will collect that hourly fee after performing an hour of work.
(Bolding and italics in original.)

1 Maaske testified that he followed C.A.R.'s guidelines when developing his Homeowner Fee
2 Agreement.

3 24. Maaske submitted a letter dated August 4, 2011, from Gov Hutchinson, C.A.R.'s
4 Assistant General Counsel, which, in relevant part, stated:

5 We respectfully request that you take notice that Mr. Maaske may have
6 acted in reliance upon C.A.R.'s legal article on Loan Modifications
7 dated January 21, 2009 (copy attached). C.A.R.'s Loan Modifications
8 legal article is currently no longer in circulation. However, when it was
9 in circulation before Senate Bill 94 was enacted, Question 35, in
10 particular, outlined a business arrangement wherein a broker could
11 perform distinct loan modification services for a homeowner and be
12 compensated only upon completion of each service. We did not believe
13 that was an advance fee as each service would be completed before
14 payment for that particular service. We based this proposition on good
15 faith and sound and reasonable legal research, investigation, and
16 analysis that this business arrangement was legal.

17 25. Maaske testified that in or about early May 2009 he met with Commissioner Davi,
18 Barbara Bixby and Bill Moran, and presented his loan modification services agreements.
19 According to Maaske, these Bureau representatives stated that they preferred that he utilize an
20 advance fee agreement, but they did not otherwise express concern with the manner in which he
21 was operating.

22 26. Between November 2008 and October 2009, Maaske met with over 2,000
23 homeowners to discuss loan modification services. Of these 2,000 homeowners, he agreed to
24 accept 282 as clients, most of whom paid the fees set forth in the Homeowner Fee Agreement. If
25 Maaske collected approximately \$1,000 from each of the 282 clients he agreed to perform services
26 for, he would have collected approximately \$282,000 for the twelve month period beginning in
27 November 2008 and ending in October 2009 for his loan modification services. According to
Maaske, these homeowners understood there was no guarantee that their lender would agree to a
loan modification. Maaske asserted that he provided loan modification services to these clients in
an effort to keep them in their homes and stabilize their neighborhoods. He made an effort to

1 provide these clients with "good advice" so that they could make "good decisions" about their
2 mortgages.

3 27. With regard to his retention of Souza, Maaske stated that he consulted with an
4 attorney at C.A.R. about whether unlicensed assistants could perform some of the loan
5 modification services for which he charged. The C.A.R. attorney told him the types of services
6 that required a license to perform. From the information he received, Maaske understood that
7 Souza would not be performing the types of services for which a license was required, because she
8 would only be conducting the initial intake process to ensure that homeowners qualified for the
9 loan modification services he was offering, and he could reject any clients she signed up. Maaske
10 was aware that Souza was employed under the license of another broker when he entered into the
11 Souza Agreement with her.

12 28. Maaske testified that, after SB 94 was enacted in October 2009, he stopped
13 providing loan modification services to new clients. He continued to provide loan modification
14 services to clients with whom he had contracted prior to the enactment of that legislation.
15 Nevertheless, claiming, demanding, or accepting an advance fee for loan modification services
16 was illegal, except for a licensed California real estate broker with an approved advance fee
17 agreement before October 11 2009, and it has been illegal for anyone to accept an advance fee for
18 loan modification services after October 11, 2009.

19 29. Other Witnesses. Respondents called two other witnesses to testify at hearing,
20 Ginger Lynn Town and Mary Sturdivant.

21 (a) Ms. Town has been in the mortgage lending business for 32 years. She does
22 not have a real estate license. During the past 25 years, she has worked with Maaske on
23 various matters. In or about 2007/2008, when the mortgage crisis began, she helped
24 coordinate and plan seminars for No Homeowner Left Behind. Maaske provided
25 consultation services, reviewed mortgage documents, and helped train counselors for No
26 Homeowner Left Behind to assist homeowners in trying to save their homes from
27 foreclosure. He was not paid for any of these services. Ms. Horn referred homeowners to

1 Maaske because she believed he was the most knowledgeable broker in California
2 regarding loan modifications.

3 (b) Ms. Sturdivant was licensed as a real estate salesperson in 2008. She worked
4 on loan modifications for Maaske from 2008 through March or April 2011. She described
5 the loan modification services that Maaske provided and the fees that he charged for each
6 phase of the process. She confirmed that Maaske did not take on any new clients after SB
7 94 was enacted in October 2009.

8 *Discussion*

9 30. Advance Fees. SB 94 was enacted into law on October 11, 2009, and went into
10 effect immediately. As explained in section 14 of that legislation:

11 With foreclosures at historic levels, foreclosure rescue scams are
12 pervasive and rampant. In order to prevent financially stressed
13 homeowners from being victimized and to provide them with needed
14 protection at the earliest possible time, it is necessary that this act take
effect immediately.

15 31. As set forth in the Legal Conclusions, before October 11, 2009, real estate licensees
16 were not permitted to collect advance fees unless those fees were collected pursuant to an advance
17 fee agreement that was submitted to the Bureau for prior approval. Respondents asserted that the
18 fees they collected from their clients prior to October 11, 2009, were not advance fees; instead,
19 they were fees paid for loan modification services that had already been provided. Respondents'
20 assertion was not persuasive. Ms. Koehler, Ms. Noriega and Ms. Gonzales testified that they went
21 to Respondents for help modifying their mortgage loans so that they could avoid foreclosure of
22 their homes. Although the Homeowner Fee Agreement divided the work that Respondents agreed
23 to provide into different "Phases," the specific functions set forth in each of these "Phases" were
24 not separate compensable services; instead, they were steps in a single loan modification process.
25 Under the reasoning of the court in *Nelson v. Department of Real Estate* (1984) 161 Cal.App.3d
26 939, discussed in the Legal Conclusions below, the fees that Respondents collected from Ms.
27 Koehler and Ms. Wichert, Ms. Noriega, Mr. Castaneda, Ms. Alanis and Mr. Smith were advance

1 fees, notwithstanding the disclaimers Respondents included in their agreements and documents.
2 By collecting these advances fees before these clients entered into loan modification agreements
3 and without using an advance fee agreement submitted for prior approval by the Bureau,
4 Respondents violated the law in effect prior to October 11, 2009.

5 32. Although Maaske entered into the Homeowner Fee Agreement with Ms. Gonzales
6 prior to October 11, 2009, she did not pay fees under that agreement until after SB 94 went into
7 effect. The fees she paid were therefore subject to the prohibitions set forth in that legislation.
8 Those fees constituted illegal advance fees.

9 33. Maaske's Agreement with Souza. The agreement that Maaske entered into with
10 Souza raises greater concerns. As set forth in the Legal Conclusions below, when Souza
11 performed the services delineated in the Souza Agreement, she was acting in the capacity of a real
12 estate salesperson. As such, Maaske could not pay her for those services unless she was employed
13 under his or SFD's broker license. While Souza may have asked her broker about whether
14 collecting fees directly from the non-profit Council was acceptable, there was no indication that
15 she sought any legal guidance from her broker, the Bureau or legal counsel when she decided to
16 accept fees from another real estate broker. And while Maaske obtained information from a
17 C.A.R. attorney, there was no indication that he sought legal guidance from his own attorney or
18 the Bureau. Maaske and Souza violated the laws governing broker compensation of a salesperson.

19 *Appropriate Discipline*

20 34. Respondent Souza. Souza provided services under the Souza Agreement for about
21 eight or nine of Maaske's clients. The services Souza provided to clients were identical to the
22 Phases set forth in the client agreement used by SFD. The services Souza provided for Maaske's
23 clients were intended to assist them in obtaining loan modifications. Souza was directly involved
24 in providing loan modification services and illegally collecting advance fess on behalf of SFD.
25 Souza, while licensed as a real estate salesperson to Century 21 C. Watson Real Estate, Inc.
26 (Watson), performed services requiring a real estate license outside of her employment by Watson.
27 Overall, Souza earned fees for each step of the loan modification process for clients she obtained

1 on behalf of SFD, resulting in a total fee of \$300 to Souza if the loan modification was completed.
2 Complainant did not submit sufficient evidence to establish that Souza engaged in fraudulent or
3 dishonest conduct. Complainant did not establish that her violations of the laws regarding advance
4 fee and broker employment of a salesperson warrant outright revocation of Souza's license. A
5 restricted real estate salesperson license under the terms and conditions set forth below is adequate
6 to fully protect the public interest.

7 35. Respondents SFD and Maaske. SFD and Maaske accepted advance fees and
8 employed Souza in violation of the law. Maaske's testimony demonstrated that SFD collected
9 advance fees, totaling approximately \$282,000, from 282 clients between November 2008 and
10 October 2009. Such activity shows an ongoing pattern of violations involving a significant
11 amount of money. No refunds have been provided to the witnesses. Maaske has failed to
12 acknowledge any wrongdoing or demonstrate a change in attitude. However, there was no
13 evidence to suggest that SFD and Maaske were the kind of scam artists SB 94 was designed to
14 thwart. The evidence demonstrated that Maaske, at the outset of the mortgage loan crisis,
15 volunteered his time to help homeowners modify their loans and escape foreclosure. Ms. Koehler,
16 Ms. Noriega and Ms. Gonzales asserted that they obtained their loan modifications without
17 Respondents' help. Respondents' records demonstrated that Respondents made diligent efforts to
18 help the borrowers named in the Accusation obtain loan modifications. While Maaske made an
19 effort to determine whether the loan modification services he offered prior to the enactment of SB
20 94 were compatible with existing law, *Nelson v. Department of Real Estate* (1984) 161
21 Cal.App.3d 939 (see Legal Conclusions, paragraph 7 below) had been decided in 1984; and
22 Maaske's employment and compensation of Souza for her services in connection with SFD's loan
23 modification business was a violation of the law. He relied upon the guidelines issued by the
24 C.A.R. He met with representatives of the Bureau. He stopped providing loan modification
25 services to new clients when SB 94 went into effect. When all the evidence is considered,
26 Complainant did not establish that, when offering and charging for loan modification services,
27 Respondents engaged in dishonest or fraudulent conduct. Consequently, Complainant did not

1 establish that their violations of the laws regarding advance fees, broker employment of a
2 salesperson, and supervision warrant outright revocation of SFD and Maaske's licenses. A
3 restricted real estate license under the terms and conditions set forth below is adequate to fully
4 protect the public interest.

5 LEGAL CONCLUSIONS

6 *Pre-SB 94 Fees*

7 1. The fees for loan modification services collected by Respondents from Ms. Koehler
8 and Ms. Wichert, Ms. Noriega, Mr. Castaneda, Ms. Alanis and Mr. Smith were collected before
9 the enactment of SB 94 on October 11, 2009¹. Thus, the statutes and regulations in effect at the
10 time those fees were collected are applicable.

11 2. Prior to the enactment of SB 94, Business and Professions Code section 10026
12 defined "advance fee" to mean:

13 a fee claimed, demanded, charged, received, collected or contracted
14 from a principal for a listing, advertisement or offer to sell or lease
15 property, other than in a newspaper of general circulation, issued
16 primarily for the purpose of promoting the sale or lease of business
17 opportunities or real estate or for referral to real estate brokers or
18 salesmen, or soliciting borrowers or lenders for, or to negotiate loans
19 on, business opportunities or real estate. As used in this section,
20 "advance fee" does not include "security" as that term is used in
21 Section 1950.5 of the Civil Code, or a "screening fee" as that term is
22 used in Section 1950.6 of the Civil Code. This section does not exempt
23 from regulation the charging or collecting of a fee under Section
24 1950.5 or 1950.6 of the Civil Code, but instead regulates fees that are
25 not subject to those sections.

26 3. Business and Professions Code section 10131.2 provided:

27 A real estate broker within the meaning of this part is also a person
who engages in the business of claiming, demanding, charging,
receiving, collecting or contracting for the collection of an advance fee
in connection with any employment undertaken to promote the sale or

¹ Ms. Koehler paid an additional \$100 to Maaske in January 2010, but that amount was for a meeting with the homeowners to sign and notarize the trial loan modification agreement.

1 lease of real property or of a business opportunity by advance fee
2 listing, advertisement or other offering to sell, lease, exchange or rent
3 property or a business opportunity, or to obtain a loan or loans thereon.

4 4. Business and Professions Code section 10085, in relevant part, provided:

5 The commissioner may require that any or all materials used in
6 obtaining advance fee agreements, including but not limited to the
7 contract forms, letters or cards used to solicit prospective sellers, and
8 radio and television advertising be submitted to him or her at least 10
9 calendar days before they are used. Should the commissioner determine
10 that any such matter, when used alone or with any other matter, would
11 tend to mislead he or she may, within 10 calendar days of the date he
12 or she receives same, order that it not be used, disseminated, nor
13 published.

14 5. Business and Professions Code section 10085.5, in relevant part, provided:

15 (a) It shall be unlawful for any person to claim, demand, charge,
16 receive, collect, or contract for an advance fee (1) for soliciting lenders
17 on behalf of borrowers or performing services for borrowers in
18 connection with loans to be secured directly or collaterally by a lien on
19 real property, before the borrower becomes obligated to complete the
20 loan or, (2) for performing any other activities for which a license is
21 required, unless the person is a licensed real estate broker and has
22 complied with the provisions of this part.

23 6. California Code of Regulations, title 10, section 2970, in relevant part, provided:

24 (a) A person who proposes to collect an advance fee as defined in
25 Section 10026 in the Code shall submit to the Commissioner not less
26 than ten calendar days before publication or other use, all materials to
27 be used in advertising, promoting, soliciting and negotiating an
agreement calling for the payment of an advance fee including the form
of advance fee agreement proposed for use.

California Code of Regulations, title 10, section 2972 set forth what was required to be
included in a verified accounting that had to be submitted to the Bureau with an advance fee
agreement.

7. Complainant cited to *Nelson v. Department of Real Estate* (1984) 161 Cal.App.3d
939 to support the allegations that the fees charged prior to October 2009 by Respondents to the
identified homeowners were advance fees. The clients in *Nelson* retained a real estate broker to

1 assist them in obtaining loans that were to be secured by real estate. The clients entered into an
2 agreement with the broker which required "the immediate payment of a fee for 'the preparation of
3 our standard loan package, for the time involved to appraise the feasibility of the loan requested
4 and for the time involved in reviewing the details of this loan with any potential lender or
5 lenders." (Id. at p. 942.) The broker argued that the preparation fees paid by the clients were not
6 "advance fees." The court found that the fees in question were advance fees, reasoning that:

7 Clearly, [the clients] did not hire [the broker] simply to have their loan
8 packages assembled. Rather, they engaged [the broker] to obtain loans.
9 They were induced to pay advance preparation fees because [the
10 broker] promised to act as their exclusive agent in securing the loans.
11 Indeed, the [broker] agreement makes payment of the preparation fee a
12 prerequisite to the rendition of any services. As such, we conclude that
13 the initial preparation fees, although nonrefundable in whole or in part,
14 were advance fees. They were "claimed, demanded, charged, received,
15 collected [and] contracted for" by [the broker] as part of its
16 consideration for "soliciting ... lenders for, or to negotiate loans on,
17 business opportunities or real estate." (§ 10026.)

18 (Id. at pp. 944-945.)

19 The court explained that:

20 Although the agreement breaks [the broker's] fee down into
21 components, i.e., a percentage finder's fee and a loan package
22 preparation fee, these components nevertheless comprise a single
23 overall fee which [the clients] agreed to pay for the sole purpose of
24 soliciting lenders, making loan arrangements, and obtaining their
25 loans. 'Mere words and ingenuity of contractual expression, whatever
26 their effect between the parties, cannot by description make
27 permissible a course of conduct forbidden by law.' [Citation.] The
question of the violation of a statute is not always determined with
reference to the private rights of the parties to a transaction, and the
result will not turn on the skill with which the parties have manipulated
their transaction but on the significance of their acts in the terms of the
provisions of the statute itself and of the public policy declared
thereby. [Citation.]" [Citation.]

28 (Id. at p. 945.)

29 8. Under the reasoning of *Nelson*, the fees that Ms. Koehler and Ms. Wichert, Ms.
30 Noriega, Mr. Castaneda, Ms. Alanis and Mr. Smith paid to Respondents prior to October 11, 2009,

1 were "advance fees" as that term was then defined in Business and Professions Code section
2 10026.

3 9. Under Business and Professions Code section 10177, subdivision (d), the license of
4 a real estate licensee may be disciplined if the licensee has "[w]illfully disregarded or violated the
5 Real Estate Law ..." The court in *Handeland v. Department of Real Estate* (1976) 58 Ca1.App.3d
6 513, 518, held that a real estate licensee may be found to have willfully disregarded the Real
7 Estate Law even when the licensee did not know that his actions violated the law, explaining that:

8 Disciplinary procedures provided for in the Business and Professions
9 Code, such as section 10177, subdivision (d), are to protect the public
10 not only from conniving real estate salesmen but also from the
11 uninformed, negligent, or unknowledgeable salesman.

12 10. Respondents' collection of advance fees from Ms. Koehler and Ms. Wichert, Ms.
13 Noriega, Mr. Castaneda, Mr. Alanis and Mr. Smith prior to October 11, 2009, violated Business
14 and Professions Code section 10085.5, and constitutes cause to discipline their licenses under
15 Business and Professions Code section 10177, subdivision (d).

16 11. SFD and Maaske failed to obtain approval from the Bureau before using an
17 agreement to collect advance fees from Ms. Wichert and Ms. Koehler, Ms. Noriega and Mr.
18 Castaneda in violation of Business and Professions Code sections 10085 and 10085.5, and
19 California Code of Regulations, title 10, sections 2790 and 2792. These violations constitute cause
20 to discipline SFD's and Maaske's licenses under Business and Professions Code section 10177,
21 subdivision (d).

22 *Post-SB 94 Fees*

23 12. As of October 11, 2009, SB 94 amended Business and Professions Code section
24 10026 to define "advance fee" to mean:

25 a fee, regardless of the form, that is claimed, demanded, charged,
26 received, or collected by a licensee for services requiring a license, or
27 for a listing, as that term is defined in Section 10027, before fully
completing the service the licensee contracted to perform or
represented would be performed. Neither an advance fee nor the

1 services to be performed shall be separated or divided into components
2 for the purpose of avoiding the application of this division.

3 SB 94 added Business and Professions Code section 10085.6, which, in relevant part,
4 provides:

5 (a) Notwithstanding any other provision of law, it shall be unlawful for
6 any licensee who negotiates, attempts to negotiate, arranges, attempts
7 to arrange, or otherwise offers to perform a mortgage loan modification
8 or other form of mortgage loan forbearance for a fee or other
9 compensation paid by the borrower, to do any of the following:
(1) Claim, demand, charge, collect, or receive any compensation until
after the licensee has fully performed each and every service the
licensee contracted to perform or represented that he, she, or it would
perform.

10 13. The fees that Maaske and SFD collected from Ms. Gonzales after October 11, 2009,
11 were advance fees as defined in Business and Professions Code section 10026 as amended by SB
12 94. Their collection of those fees violated Business and Professions Code section 10085.6. This
13 violation constitutes cause to discipline their broker licenses under Business and Professions Code
14 section 10177, subdivision (d).

15 *Maaske's Agreement with Souza*

16 14. Business and Professions Code section 10137, in relevant part, provides:

17 It is unlawful for any licensed real estate broker to employ or
18 compensate, directly or indirectly, any person for performing any of the
19 acts within the scope of this chapter who is not a licensed real estate
20 broker, or a real estate salesperson licensed under the broker
employing or compensating him or her...

21 No real estate salesperson shall be employed by or accept
22 compensation from any person other than the broker under whom he or
she is at the time licensed.

23 15. Business and Professions Code section 10131, subdivision (d), in relevant part,
24 provides:

25 A real estate broker within the meaning of this part is a person who, for
26 a compensation or in expectation of a compensation, regardless of the
27 form or time of payment, does or negotiates to do one or more of the
following acts for another or others:

1 [90] • • • [90]

2 (d) Solicits borrowers or lenders for or negotiates loans or collects
3 payments or performs services for borrowers or lenders or note owners
4 in connection with loans secured directly or collaterally by liens on real
property or on a business opportunity.

5 16. Business and Professions Code section 10132, provides that a real estate
6 salesperson "is a natural person who, for a compensation or in expectation of a compensation, is
7 employed by a licensed real estate broker to do one or more of the acts set forth in Sections 10131,
8 10131.1, 10131.2, 10131.3, 10131.4, and 10131.6."

9 17. Under the Souza Agreement, Maaske and SFD paid Souza to perform services
10 for borrowers in connection with loans secured directly or collaterally by liens on real property.
11 When Souza performed these services, she was acting in the capacity of a real estate salesperson
12 as set forth in Business and Professions Code section 10131, subdivision (d), as applied by
13 Business and Professions Code section 10132. Consequently, SFD, Maaske and Souza violated
14 Business and Professions Code section 10137 when SFD and Maaske paid Souza for her services
15 under the Souza Agreement. This violation constitutes cause to discipline SFD's, Maaske's and
16 Souza's licenses under Business and Professions Code section 10177, subdivision (d).

17 *Failure to Supervise*

18 18. Business and Professions Code section 10159.2, in relevant part, provides:

19 (a) The officer designated by a corporate broker licensee pursuant to
20 Section 10211 shall be responsible for the supervision and control of
21 the activities conducted on behalf of the corporation by its officers and
22 employees as necessary to secure full compliance with the provisions
23 of this division, including the supervision of salespersons licensed to
the corporation in the performance of acts for which a real estate
license is required.

24 19. California Code of Regulations, title 10, section 2725, in relevant part, provides:

25 A broker shall exercise reasonable supervision over the activities of his
26 or her salespersons. Reasonable supervision includes, as appropriate,
the establishment of policies, rules, procedures and systems to review,
27 oversee, inspect and manage:

1 (a) Transactions requiring a real estate license.

2 (b) Documents which may have a material effect upon the rights or
3 obligations of a party to the transaction.

4 [9] • • • [9]

5 A broker shall establish a system for monitoring compliance with such
6 policies, rules, procedures and systems. A broker may use the services
7 of brokers and salespersons to assist in administering the provisions of
8 this section so long as the broker does not relinquish overall
responsibility for supervision of the acts of salespersons licensed to the
broker.

9 20. Under Business and Professions Code section 10177, subdivision (h), the license of
10 a real estate broker may be disciplined if the broker has “failed to exercise reasonable supervision
11 over the activities of his or her salespersons, or, as the officer designated by a corporate broker
12 licensee, failed to exercise reasonable supervision and control of the activities of the corporation
13 for which a real estate license is required.”

14 21. The violations found in Legal Conclusions 10, 11, 13 and 17 establish that Maaske
15 failed to exercise reasonable supervision over the activities of SFD, their salespersons and agents,
16 in violation of Business and Professions Code section 10159.2 and California Code of
17 Regulations, title 10, section 2725. Consequently, Complainant established cause to discipline
18 Maaske's broker license under Business and Professions Code section 10177, subdivisions (d) and
19 (h).

20 22. Complainant also alleged that Respondents' licenses should be disciplined under
21 Business and Professions Code sections 10176, subdivision (i) (fraud or dishonest dealing), and
22 10177, subdivisions (g) (negligence or incompetence) and (j) (fraud or dishonest dealing).
23 Complainant did not establish cause to discipline Respondents' licenses under these provisions.

24 *Public Purpose of Discipline*

25 23. Business and Professions Code Section 10050 provides: “It shall be the principal
26 responsibility of the commissioner to enforce all laws in this part ... in a manner which achieves
27

1 the maximum protection for the purchasers of real property and those persons dealing with real
2 estate licensees." The discipline of Respondents' licenses must be considered in that context.

3 *Appropriate Discipline*

4 24. As set forth in Findings 34 and 35, when all the evidence is considered, the
5 revocation of Respondents real estate license, and granting of restricted real estate licenses under
6 the terms and conditions set forth below is necessary to protect the public interest.

7 ORDER

8 I

9 All licenses and licensing rights of Respondent SFD under the Real Estate Law are
10 revoked; provided, however, a restricted real estate corporate license shall be issued to Respondent
11 pursuant to Section 10156.5 of the Code if SFD makes application therefor and pays to the Bureau the
12 appropriate fee for the restricted license within 90 days from the effective date of this Decision. The
13 restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of
14 the Code and to the following limitations, conditions and restrictions imposed under authority of
15 Section 10156.6 of that Code:

16 1. The restricted license issued to SFD may be suspended prior to hearing by Order
17 of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has
18 violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the
19 Real Estate Commissioner or conditions attaching to the restricted license.

20 2. SFD shall not be eligible to apply for the issuance of an unrestricted real estate
21 license nor for removal of any of the conditions, limitations or restrictions of a restricted license until
22 two (2) years have elapsed from the effective date of this Decision.

23 II

24 All licenses and licensing rights of Respondent MAASKE under the Real Estate Law
25 are revoked; provided, however, a restricted real estate broker license shall be issued to Respondent
26 pursuant to Section 10156.5 of the Code if Respondent makes application therefor and pays to the
27 Bureau the appropriate fee for the restricted license within 90 days from the effective date of this

1 Decision. The restricted license issued to Respondent shall be subject to all of the provisions of Section
2 10156.7 of the Code and to the following limitations, conditions and restrictions imposed under
3 authority of Section 10156.6 of that Code:

4 1. The restricted license issued to MAASKE may be suspended prior to hearing by
5 Order of the Commissioner in the event of Respondent's conviction or plea of nolo contendere to a
6 crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

7 2. The restricted license issued to MAASKE may be suspended prior to hearing by
8 Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent
9 has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of
10 the Real Estate Commissioner or conditions attaching to the restricted license.

11 3. MAASKE shall not be eligible to apply for the issuance of an unrestricted real
12 estate license nor for removal of any of the conditions, limitations or restrictions of a restricted license
13 until two (2) years have elapsed from the effective date of this Decision.

14 4. MAASKE shall, within nine (9) months from the effective date of this Order,
15 present evidence satisfactory to the Commissioner that Respondent has, since the most recent issuance
16 of an original or renewal real estate license, taken and successfully completed the continuing education
17 requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If
18 Respondent fails to satisfy this condition, Respondent's real estate license shall automatically be
19 suspended until Respondent presents evidence satisfactory to the Commissioner of having taken and
20 successfully completed the continuing education requirements. Proof of completion of the continuing
21 education courses must be delivered to the Bureau of Real Estate, Flag Section at P.O. Box 137013,
22 Sacramento, CA 95813-7013.

23 5. MAASKE shall, within six (6) months from the effective date of this Order,
24 take and pass the Professional Responsibility Examination administered by the Bureau, including the
25 payment of the appropriate examination fee. If MAASKE fails to satisfy this condition, MAASKE's
26 real estate license shall automatically be suspended until MAASKE passes the examination.

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III

All licenses and licensing rights of Respondent SOUZA under the Real Estate Law are
revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondent
pursuant to Section 10156.5 of the Code if Respondent makes application therefor and pays to the
Bureau the appropriate fee for the restricted license within 90 days from the effective date of this
Decision. The restricted license issued to Respondent shall be subject to all of the provisions of Section
10156.7 of the Code and to the following limitations, conditions and restrictions imposed under
authority of Section 10156.6 of that Code:

1. The restricted license issued to SOUZA may be suspended prior to hearing by
Order of the Commissioner in the event of Respondent's conviction or plea of nolo contendere to a
crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

2. The restricted license issued to SOUZA may be suspended prior to hearing by
Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent
has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of
the Real Estate Commissioner or conditions attaching to the restricted license.

3. SOUZA shall not be eligible to apply for the issuance of an unrestricted real
estate license nor for removal of any of the conditions, limitations or restrictions of a restricted license
until two (2) years have elapsed from the effective date of this Decision.

4. SOUZA shall submit with any application for license under an employing
broker, or any application for transfer to a new employing broker, a statement signed by the prospective
employing real estate broker on a form approved by the Bureau which shall certify:

(a) That the employing broker has read the Decision of the Commissioner which
granted the right to a restricted license; and

(b) That the employing broker will exercise close supervision over the performance
by the restricted licensee relating to activities for which a real estate license is
required.

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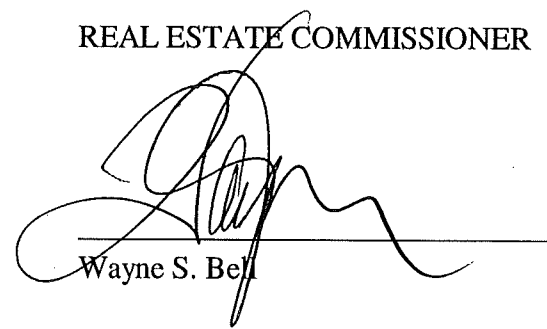
5. SOUZA shall, within nine (9) months from the effective date of this Order,
present evidence satisfactory to the Commissioner that Respondent has, since the most recent issuance
of an original or renewal real estate license, taken and successfully completed the continuing education
requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If
Respondent fails to satisfy this condition, Respondent's real estate license shall automatically be
suspended until Respondent presents evidence satisfactory to the Commissioner of having taken and
successfully completed the continuing education requirements. Proof of completion of the continuing
education courses must be delivered to the Bureau of Real Estate, Flag Section at P.O. Box 137013,
Sacramento, CA 95813-7013.

6. SOUZA shall, within six (6) months from the effective date of this Order, take
and pass the Professional Responsibility Examination administered by the Bureau including the
payment of the appropriate examination fee. If SOUZA fails to satisfy this condition, SOUZA's real
estate license shall automatically be suspended until SOUZA passes the examination.

This Decision shall become effective at 12 o'clock noon on OCT 02 2014.

IT IS SO ORDERED 9/4/2014

REAL ESTATE COMMISSIONER



Wayne S. Bell