

FILED

August 28, 2013

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DEPARTMENT OF REAL ESTATE

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BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

9 In the Matter of the Accusation of)
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Respondents.

No. H-6012 SAC
ACCUSATION

28 The Complainant, Tricia Sommers, a Deputy Real Estate Commissioner of the
29 State of California, for cause of Accusation against PRIORITY 1ST REALTY INC., JEFFERY
30 SCOTT HARRIS, and RENE A. DELGADO (Respondents), is informed and alleges as follows:

PRELIMINARY ALLEGATIONS

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2 The Complainant, Tricia Sommers, a Deputy Real Estate Commissioner of the
3 State of California, makes this Accusation in her official capacity.

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4 Respondents are presently licensed and/or have license rights under the Real
5 Estate Law, Part 1 of Division 4 of the Business and Professions Code (Code).

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2 At all times mentioned, Respondent PRIORITY 1ST REALTY INC. (PRIORITY)
3 was and is licensed by the State of California Bureau of Real Estate (Bureau) as a real estate
4 broker corporation.

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6 At all times mentioned, PRIORITY was and is licensed by the Bureau as a
7 mortgage loan originator.

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9 At all times mentioned, Respondent JEFFERY SCOTT HARRIS (HARRIS) was
10 and is licensed by the Bureau individually as a real estate broker and as the designated broker
11 officer of PRIORITY. As said designated officer-broker, HARRIS was responsible pursuant to
12 Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate
13 licensees and employees of PRIORITY for which a license is required.

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15 At all times mentioned, HARRIS was and is licensed by the Bureau as a mortgage
16 loan originator.

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18 At all times mentioned, Respondent RENE A. DELGADO (DELGADO) was
19 licensed by the Bureau as a restricted real estate broker.

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21 At no time mentioned was DELGADO licensed by the Bureau of as a mortgage
22 loan originator.

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24 Whenever reference is made in an allegation in this Accusation to an act or
25 omission of PRIORITY, such allegation shall be deemed to mean that the officers, directors,
26 employees, agents and real estate licensees employed by or associated with PRIORITY
27 committed such acts or omissions while engaged in furtherance of the business or operation of

1 PRIORITY and while acting within the course and scope of their corporate authority and
2 employment.

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4 At all times mentioned Respondents engaged in the business of, acted in the
5 capacity of, advertised or assumed to act as a real estate broker in the State of California within
6 the meaning of Section 10131(d) of the Code, including the operation and conduct of a mortgage
7 loan brokerage business with the public wherein Respondents solicited lenders and borrowers for
8 loans secured directly or collaterally by liens on real property or a business opportunity, and
9 wherein such loans were arranged, negotiated, processed, and consummated by Respondents on
10 behalf of others for compensation or in expectation of a compensation.

11 FIRST CAUSE OF ACTION

12 11

13 Each and every allegation in Paragraphs 1 through 10, inclusive, is incorporated
14 by this reference as if fully set forth herein.

15 12

16 On or about April 11, 2012, DELGADO, on behalf of PRIORITY, engaged in the
17 business as a mortgage loan originator as that term is defined by Section 10166.01(b)(1)
18 (activities related to loan modifications) of the Code, which includes but is not limited to the
19 conduct of mortgage loan brokerage activities, and failed to obtain and maintain a real estate
20 license endorsement identifying that DELGADO is a licensed mortgage loan originator, in
21 violation of Section 10166.02(b) (failure to obtain license endorsement) of the Code, including
22 but not limited to the following:

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Date	Borrower	Property
24 April 2012	Jason H.	6945 Big Arrow Court, Orangevale

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On or about May 23, 2012, DELGADO, on behalf of PRIORITY, in the course of the real estate activities described in Paragraph 10, solicited and/or offered an undercover Special Investigator to negotiate a residential mortgage loan concerning a piece of real property located within the State of California.

14

The acts and/or omissions of DELGADO and PRIORITY as alleged in the First Cause of Action constitute grounds for the suspension or revocation of all licenses and license rights of DELGADO and PRIORITY, under Sections 10166.051 (grounds for discipline-violation of license endorsement and notice requirements) and 10177(d) (willful disregard or violation of Real Estate Law) of the Code and in conjunction with Section 10166.02(b) (failure to obtain license endorsement) of the Code.

SECOND CAUSE OF ACTION

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Each and every allegation in Paragraphs 1 through 14, inclusive, is incorporated by this reference as if fully set forth herein.

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In connection with the operation and conduct of the activities and transactions described in Paragraph 10, PRIORITY and HARRIS employed real estate salespersons and a broker-salesman, including but not limited to DELGADO, to engage in activities requiring a real estate salesperson license without first entering into the broker-salesperson relationship agreement with such salespersons in conformance with Section 2726 of the Regulations.

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The facts alleged in the Second Cause of Action are grounds for the suspension or revocation of PRIORITY and HARRIS' licenses and license rights under Section 10177(d) of the Code in conjunction with Section 2726 of the Regulations.

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1 THIRD CAUSE OF ACTION

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3 Each and every allegation in Paragraphs 1 through 17, inclusive, is incorporated
4 by this reference as if fully set forth herein.

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6 Respondent HARRIS failed to exercise reasonable supervision over the acts of
7 PRIORITY in such a manner as to allow the acts and events described in the First and Second
8 Cause of Action to occur.

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10 The acts and/or omissions of HARRIS described in Paragraph 19 constitute
11 failure on the part of HARRIS, as designated broker-officer for PRIORITY, to exercise
12 reasonable supervision and control over the licensed activities of PRIORITY as required by
13 Section 10159.2 of the Code.

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15 The facts described above as to the Third Cause of Accusation constitute cause for
16 the suspension or revocation of the licenses and license rights of HARRIS under Section
17 10177(g) and/or Section 10177(h) of the Code and Section 10159.2 of the Code in conjunction
18 with Section 10177(d) of the Code.

19 COST RECOVERY

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21 Section 10106 of the Code provides, in pertinent part, that in any order issued in
22 resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the
23 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
24 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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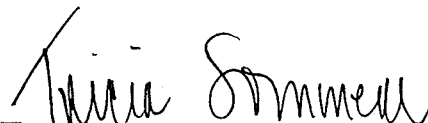
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1 PRIOR DISCIPLINARY ACTION

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3 Effective July 16, 2012, in Case No. H-5404 SAC before the Department of Real
4 Estate, the Real Estate Commissioner revoked the real estate broker license of Respondent, for
5 violation of Sections 10130, 10131(a), 10176(a), and 10176(i) of the Code and Section 2731 of
6 the Regulations, but granted the right to a restricted real estate broker license, on terms,
7 conditions, and restrictions set forth in the Order.

8 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
9 of this Accusation and that upon proof thereof, a decision be rendered imposing discipline on all
10 licenses and license rights, including all license endorsements and license endorsement rights, of
11 Respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions
12 Code), for the cost of the investigation and enforcement of this case as permitted by law, for the
13 cost of the Bureau's audit as permitted by law, and for such other and further relief as may be
14 proper under the provisions of law.

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16 TRICIA SOMMERS
17 Deputy Real Estate Commissioner

18 Dated at Sacramento, California,

19 this 16th day of August, 2013

21 DISCOVERY DEMAND

22 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the Bureau of Real
23 Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
24 *Administrative Procedure Act*. Failure to provide Discovery to the Bureau of Real Estate may
25 result in the exclusion of witnesses and documents at the hearing or other sanctions that the
26 Office of Administrative Hearings deems appropriate.