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**FILED**

JAN 22 2018

BUREAU OF REAL ESTATE

By B. Nicholas

7  
8 **BEFORE THE BUREAU OF REAL ESTATE**

9 **STATE OF CALIFORNIA**

10 \* \* \*

11 In the Matter of the Accusation of )  
12 ) No. H-6608 SAC  
13 SN SERVICING CORPORATION and )  
14 ALLISON ARKLEY HOLLAND, ) ACCUSATION  
Respondents. )

15 The Complainant, TRICIA D. PARKHURST, acting in her official capacity as a  
16 Supervising Special Investigator of the State of California, for cause of Accusation against  
17 Respondents SN SERVICING CORPORATION (SNSC) and ALLISON ARKLEY HOLLAND  
18 (HOLLAND), sometimes collectively referred to as "Respondents", is informed and alleges as  
19 follows:

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

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24 At all times mentioned, SNSC was and is licensed by the State of California  
25 Bureau of Real Estate (Bureau) as a real estate broker corporation.

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At all times mentioned herein, HOLLAND was and is licensed by the Bureau individually as a real estate broker, and as the designated broker officer of SNSC. As the designated broker officer, HOLLAND was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of SNSC for which a real estate license is required to ensure the compliance of the corporation with the Real Estate Law and Regulations.

Whenever reference is made to an allegation in this Accusation to an act or omission of SNSC, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with SNSC committed such acts or omissions while engaged in furtherance of the business or operation of SNSC and while acting within the course and scope of their corporate authority and employment.

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the State of California within the meaning of Section 10131(b) of the Code, including the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or negotiated the sale, purchase or exchanges of leases on real property, or on a business opportunity, or collected rents from real property, or improvements thereon, or from business opportunities.

FIRST CAUSE OF ACTION

Each and every allegation in Paragraphs 1 through 5, inclusive, is incorporated by this reference as if fully set forth herein.

On or about August 2, 2016, and continuing intermittently through October 4, 2016, an audit was conducted at SNSC's office located at 323 Fifth Street, Eureka, California, where the auditor examined records for the period of October 1, 2015, through March 31, 2016 (the audit period).

While acting as real estate brokers as described in Paragraph 5, above, and within the audit period, Respondents accepted or received funds in trust (trust funds) from or on behalf of property owners, lessees and others in connection with property management activities, and deposited or caused to be deposited those funds into bank accounts maintained by Respondents, at the following financial institutions, including but not limited to the following:

TRUST ACCOUNT #1	
Bank:	Wells Fargo Bank, N.A., P.O. 63020, San Francisco, CA 94163
Account No.:	XXXXXXX3573
Entitled:	SN SERVICING CORPORATION MASTER LOCKBOX ACCOUNT IN TRUST FOR OTHERS

TRUST ACCOUNT #2	
Bank:	Wells Fargo Bank, N.A., P.O. 63020, San Francisco, CA 94163
Account No.:	XXXXXXX5539
Entitled:	SN SERVICING CORPORATION FBO CA BRE COLLECTION TRUST ACCOUNT

TRUST ACCOUNT #3	
Bank:	Wells Fargo Bank, N.A., P.O. 63020, San Francisco, CA 94163

1	Account No.:	XXXXXX5547
2	Entitled:	SN SERVICING CORPORATION FBO CALIFORNIA ESCROW
3		TRUST ACCOUNT

4	BANK ACCOUNT #1	
5	Bank:	Bank of Texas, P.O. Box 29775, Dallas, TX 75229-0775
6	Account No.:	XXXXXX3520
7	Entitled:	SN SERVICING CORPORATION 3000-LKBOX
8		
9		

10	BANK ACCOUNT #2	
11	Bank:	Bank of Texas, P.O. Box 29775, Dallas, TX 75229-0775
12	Account No.:	XXXXXX3366
13	Entitled:	SN SERVICING CORP 0038-2005-1
14		
15		

16	BANK ACCOUNT #3	
17	Bank:	Bank of Texas, P.O. Box 29775, Dallas, TX 75229-0775
18	Account No.:	XXXXXX3355
19	Entitled:	SN SERVICING CORP 0037-2004-2
20		
21		

22	BANK ACCOUNT #4	
23	Bank:	Bank of Texas, P.O. Box 29775, Dallas, TX 75229-0775
24	Account No.:	XXXXXX3432
25	Entitled:	SN SERVICING CORP 0102-2006-3
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1 and thereafter from time-to-time made disbursement of said trust funds.

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3 In the course of the activities described in Paragraph 5, in connection with the  
4 collection and disbursement of trust funds, it was determined that:

- 5 (a) Respondents failed to properly designate Bank Accounts #1, #2, #3, and #4 in  
6 the name of a holder of a license as trustee as required by Section 10145 of the  
7 Code and Section 2832 of the of the California Code of Regulations  
8 (Regulations);
- 9 (b) Respondents allowed persons who were not licensed and did not have an  
10 adequate fidelity bond to be a signatory on trust fund accounts, in violation of  
11 Section 2834 of the Regulations; and
- 12 (c) HOLLAND was not an authorized signer on Trust Account #1 during the  
13 audit period in violation of Section 2725 of the Regulations.

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15 The acts and/or omissions described above constitute violations of Sections 2725  
16 (Broker Supervision), 2832 (Bank Account Not Properly Designated as Trust Account), and  
17 2834 (Trust Fund Signatories) of the Regulations, and of Section 10145 (Trust Fund Handling)  
18 of the Code, and are grounds for discipline under Sections 10177(d) (Willful Disregard of Real  
19 Estate Laws) and/or 10177(g) (Negligence/Incompetence Licensee) of the Code.

20 SECOND CAUSE OF ACTION

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

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25 Respondent HOLLAND failed to exercise reasonable supervision and control  
26 over the property management activities of SNSC. In particular, HOLLAND permitted, ratified  
27 and/or caused the conduct described above to occur, and failed to take reasonable steps,

1 including but not limited to, the handling of trust funds, supervision of employees, and the  
2 implementation of policies, rules and systems to ensure the compliance of the business with the  
3 Real Estate Law and the Regulations.

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5 The above acts and/or omissions of HOLLAND violate Section 2725 (Broker  
6 Supervision) of the Regulations and Section 10159.2 (Responsibility/Designated Officer) of the  
7 Code, and constitute grounds for disciplinary action under the provisions of Sections 10177(d),  
8 10177(g) and/or 10177(h) (Broker Supervision) of the Code.

9 PRIOR ADMINISTRATIVE ACTION

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11 Effective April 29, 2011, in Case No. H-5386 SAC, before the Bureau of Real  
12 Estate of the State of California, the Real Estate Commissioner suspended the license and  
13 licensing rights of SNSC for a period of 60-days and that suspension was stayed pursuant to  
14 terms and conditions imposed pursuant to 10156.6 and 10156.7 of the Code for the following  
15 violations: Sections 2832 (Trust Funds in Interest Bearing Account) and 2834 of the Regulations,  
16 and Sections 10130 (Unlicensed Activity), 10145 (d) (Trust Funds in Interest Bearing Account)  
17 and 10177 (d) of the Code.

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19 Effective August 29, 2014, in Case No. H-6028 SAC, before the Bureau of Real  
20 Estate of the State of California, the Real Estate Commissioner suspended the license and  
21 licensing rights of SNSC for a period of 120-days and that suspension was stayed pursuant to  
22 terms and conditions imposed pursuant to 10156.6 and 10156.7 of the Code for the following  
23 violations: Sections 2831 (Control Records) and 2831.1 (Separate Beneficiary Records) of the  
24 Regulations, and Sections 10145 (a) (1) (Trust Fund Handling), 10145 (d) and 10177 (g) of the  
25 Code.

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1 COST RECOVERY

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3 Audit Costs


4 The acts and/or omissions of Respondents, as alleged above, entitle the Bureau to  
5 reimbursement of the costs of its audit pursuant to Section 10148(b) (Audit Costs for Trust Fund  
6 Handling Violations) of the Code.

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8 Costs of Investigation and Enforcement

9 Section 10106 of the Code provides, in pertinent part, that in any order issued in  
10 resolution of a disciplinary proceeding before the Bureau, the commissioner may request the  
11 administrative law judge to direct a licensee found to have committed a violation of this part to  
12 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

13 WHEREFORE, Complainant prays that a hearing be conducted on the  
14 allegations of this Accusation and that upon proof thereof a decision be rendered imposing  
15 disciplinary action against all licenses and license rights of Respondents under the Real Estate  
16 Law, for the cost of the investigation and enforcement as permitted by law, for the cost of the  
17 audit as permitted by law, and for such other and further relief as may be proper under other  
18 provisions of law.

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21 TRICIA D. PARKHURST  
22 Supervising Special Investigator

22 Dated at Sacramento, California,  
23 this 16<sup>th</sup> day of January, 2018.