

Flog

1 Megan Lee Olsen, Counsel, SBN 272554
2 Department of Real Estate
3 P. O. Box 137007
4 Sacramento, CA 95813-7007
5 Telephone: (916) 263-8672
6 (916) 263-3767 (Fax)
7 (916) 263-7305 (Direct)

FILED

OCT 12 2018

DEPARTMENT OF REAL ESTATE
By H. Knapp

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

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

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:

20 1

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).

23 2

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

26 ///

27 ///

At all times mentioned herein, HOLLAND was and is licensed by the Department 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 Sections 10131 (d) and (e) of the Code, including the operation and conduct of a mortgage loan brokerage business with the public wherein Respondents solicited lenders and borrowers for loans secured directly or collaterally by liens on real property or a business opportunity, and wherein such loans were arranged, negotiated, process and consummated by Respondents on behalf of others and wherein promissory notes or interests therein were sold or purchased on behalf of another or others for compensation or in expectation of a compensation.

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 lenders, investors, borrowers and others in connection with mortgage loan brokerage activities, 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

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

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

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

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

BANK ACCOUNT #4	
Bank:	Bank of Texas, P.O. Box 29775, Dallas, TX 75229-0775
Account No.:	XXXXXX3432
Entitled:	SN SERVICING CORP 0102-2006-3

1 and thereafter from time-to-time made disbursement of said trust funds.

2 9

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.

14 10

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

21 11

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

24 12

25 Respondent HOLLAND failed to exercise reasonable supervision and control
26 over the licensed activities of SNSC. In particular, HOLLAND permitted, ratified and/or caused
27 the conduct described above to occur, and failed to take reasonable steps, including but not

1 limited to, the handling of trust funds, supervision of employees, and the implementation of
2 policies, rules and systems to ensure the compliance of the business with the Real Estate Law
3 and the Regulations.

4 13

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

10 14

11 Effective April 29, 2011, in Case No. H-5386 SAC, before the Department of
12 Real 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.

18 15

19 Effective August 29, 2014, in Case No. H-6028 SAC, before the Department of
20 Real 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.

26 ///

27 ///

1 COST RECOVERY

2 16

3 Audit Costs

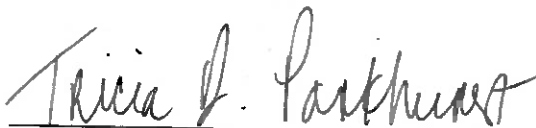
4 The acts and/or omissions of Respondents, as alleged above, entitle the
5 Department to reimbursement of the costs of its audit pursuant to Section 10148(b) (Audit Costs
6 for Trust Fund Handling Violations) of the Code.

7 17

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 Department, 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.

19 

20 TRICIA D. PARKHURST
21 Supervising Special Investigator

22 Dated at Sacramento, California,
23 this 10th day of October, 2018.