

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation of: )  
SN SERVICING CORPORATION and )  
ALLISON ARKLEY HOLLAND, )  
Respondents. )

---

DRE No. H-6608 SAC  
OAH No. 2018080143

**FILED**

MAR 08 2019

DEPARTMENT OF REAL ESTATE

By X. Kroger

DECISION

The Proposed Decision dated February 07, 2019, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

Pursuant to Section 11517(c)(2) of the Government Code, the following corrections are made to the Proposed Decision:

1. Page 1, Intro, Paragraph 2, Line 3, is corrected to read as follows:  
Strike out/remove "Department of Consumer Affairs";
2. Page 1, Factual Findings 1, Line 1, is corrected to read as follows:  
"October 12, 2018";
3. Page 1, Factual Findings 2, Line 2, is corrected to read as follows:  
"April 8";
4. Page 2, Factual Findings 4, Line 1, is corrected to read as follows:  
"May 4, 2010";
5. Page 2, Factual Findings 5, Line 1, is corrected to read as follows:  
"October 22, 2013";
6. Page 3, Factual Findings 7, Bank Account No. 3, Line 2,  
is corrected to read as follows:  
"0037".

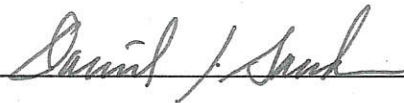
Pursuant to Government Code Section 11521, the Department of Real Estate may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department's power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first. The right to reinstatement of a revoked real estate license or to the reduction of a penalty is controlled by Section 11522 of the Government Code. A copy of Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

**MAR 29 2019**

This Decision shall become effective at 12 o'clock noon on \_\_\_\_\_.

IT IS SO ORDERED March 5, 2019.

DANIEL SANDRI  
ACTING REAL ESTATE COMMISSIONER

  
\_\_\_\_\_

BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

In the Matter of the Amended Accusation  
against:

SN SERVICING CORPORATION and  
ALLISON ARKLEY HOLLAND,

Respondents.

Case No. H-6608 SAC

OAH No. 2018080143

**PROPOSED DECISION**

This matter was heard before Tiffany L. King, Administrative Law Judge, Office of Administrative Hearings, State of California, on January 8, 2019, in Sacramento, California.

Megan Lee Olsen, Real Estate Counsel, represented Tricia D. Parkhurst (complainant) in her official capacity as a Supervising Special Investigator with the Department of Real Estate (Department), Department of Consumer Affairs, State of California.

Mark Lubin, Attorney at Law, represented respondents SN Servicing Corporation (SNSC) and Allison Holland, who was present. Controller Keith Harrison was present on behalf of SNSC.

Evidence was received, the record was closed, and the matter was submitted for decision on January 8, 2019.

**FACTUAL FINDINGS**

1. On October 10, 2018, complainant, acting in her official capacity, filed a First Amended Accusation (Accusation) against respondents Allison Arkley Holland (Respondent Holland) and SNSC. Respondents timely filed a notice of defense. The Accusation alleges that respondents failed to comply with the laws that govern the handling of trust funds, and committed other violations of the Real Estate Law (Bus. & Prof. Code, § 10000 et seq.).

2. The Department issued an individual broker license number 01975401 to respondent Holland on April 7, 2015. The broker license will expire on April 7, 2019, unless renewed or revoked. The Department issued corporate broker license number 01235918 to

SNSC on March 26, 1998. Said license will expire on March 25, 2022, unless renewed or revoked. At all relevant times, respondent Holland was the designated broker officer for SNSC. As the designated broker officer, respondent Holland was and is "responsible for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees as necessary to secure full compliance with the [Real Estate Law]." (Bus. & Prof. Code, § 10159.2, subd. (a).)

3. At all times relevant, 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 Business and Professions Code section 10131, subdivisions (d) and (e). More specifically, respondents conducted a mortgage loan brokerage business with the public, wherein they solicited lenders and borrowers for loans secured directly or collaterally by liens on real property or a business opportunity. Respondents arranged, negotiated, processed and consummated such loans on behalf of others, and sold or purchased promissory notes or interests therein, on behalf of another or others for compensation, or in expectation of compensation.

#### *Prior Administrative Actions*

4. On April 27, 2010, complainant issued an accusation against SNSC (Case No. H-5386 SAC). The accusation alleged that, between January 2008 through June 2009, SNSC violated the Real Estate Law, in that SNSC: (1) allowed non-licensed persons to withdraw funds from its trust accounts without an adequate surety bond in place (Cal. Code Regs., tit. 10, § 2834); (2) failed to keep trust funds separate from funds belonging to any other person and held in an interest-bearing account (Bus. & Prof. Code, § 10145, subd. (d); Cal. Code Regs., tit. 10, § 2832)); and, (3) allowed trust funds to be transferred from a trust account to a non-FDIC-insured interest bearing account (Bus. & Prof. Code, § 10145, subd. (d)).

SNSC and the Department entered into a "Stipulation and Agreement," effective April 29, 2011, wherein SNSC admitted the truth of each of the allegations in the accusation. SNSC's license and licensing rights were suspended for 60 days, 30 days of which were stayed for one year upon receipt of payment of a monetary penalty in the amount of \$3,000.

5. On October 16, 2013, complainant issued an accusation against respondent SNSC (Case No. H-6028 SAC). The accusation alleged that, between July 1, 2011 and October 31, 2012, SNSC violated the Real Estate Law, in that SNSC: (1) maintained a trust account with a shortage of more than \$1.5 million (Bus. & Prof. Code, § 10145, subd. (a)(1)); (2) allowed trust funds to be deposited into non-FDIC-insured interest bearing accounts, and further allowed the interest to inure to SNSC's benefit (Bus. & Prof. Code, § 10145, subd. (d)); and, (3) failed to maintain control and separate beneficiary records for its trust account (Cal. Code Regs., tit. 10, §§ 2831 and 2831.1).

SNSC and the Department entered into a "Stipulation and Agreement," effective August 29, 2014, wherein SNSC admitted the truth of each of the allegations in the accusation. SNSC's license and licensing rights were suspended for 120 days, 30 days of

which were stayed for two years upon receipt of payment of a monetary penalty in the amount of \$9,000.

*2016 Audit*

6. From August to October 2016, the Department conducted a follow-up audit of SNSC's trust fund handling to determine if it was in compliance with the Real Estate Law and related regulations, and if the prior violations had been corrected. The time period to be reviewed was January 1, 2015, to March 31, 2016 ("audit period").<sup>1</sup> Robert Leonard is a General Auditor III with the Department and was assigned to review, on a sample basis, SNSC's bank statements, signature cards, as well as various reports and lists of loans being serviced during the audit period. Respondents were cooperative throughout the process, and provided records which were complete and reliable for purposes of the audit. Mr. Leonard prepared an audit report, dated October 13, 2016, in which he summarized his findings.

7. During the audit period, respondents accepted or received trust funds from or on behalf of lenders, investors, borrowers, and others in connection with mortgage loan brokerage activities, and deposited those funds into bank accounts maintained by respondents and identified as follows:

Trust Account No. 1, held at Wells Fargo Bank, N.A., and entitled "SN Servicing Corporation Master Lockbox Account in Trust for Others";

Trust Account No. 2, held at Wells Fargo Bank, N.A., and entitled "SN Servicing Corporation FBO CA BRE Collection Trust Account";

Trust Account No. 3, held at Wells Fargo Bank, N.A., and entitled "SN Servicing Corporation FBO California Escrow Trust Account";

Bank Account No. 1, held at Bank of Texas, and entitled "SN Servicing Corporation 3000-LKBOX";

Bank Account No. 2, held at Bank of Texas, and entitled "SN Servicing Corp 0038-2005-1";

Bank Account No. 3, held at Bank of Texas, and entitled "SN Servicing Corp 0038-2004-2";

---

<sup>1</sup> At hearing, complainant moved to amend paragraph 7 of the Amended Accusation to reflect the correct audit period. Respondents did not object, and complainant's motion was granted.

Bank Account No. 4, held at Bank of Texas, and entitled "SN Servicing Corp 0102-2006-3".

8. Upon completing the audit, Mr. Leonard found the following violations of the Real Estate Law and related regulations:

- (a) Trust funds were deposited into Bank Account Nos. 1-4, none of which were designated as trust accounts, with the broker listed as trustee (Bus. & Prof. Code, § 10145; Cal. Code Regs., tit. 10, § 2832);
- (b) Respondents allowed non-licensed persons to be authorized signatories on each of its trust fund accounts, without having an adequate fidelity bond in place (Cal. Code Regs., tit. 10, § 2834);
- (c) Respondent Holland was not an authorized signer on Trust Account No. 1 during the audit period (Cal. Code Regs., tit. 10, § 2725); and,
- (d) As the designated broker officer, respondent Holland failed to exercise reasonable supervision and control over SNSC's trust fund handling activities (Bus. & Prof. Code, § 10159.2; Cal. Code Regs., tit. 10, § 2725).

The violations of Business and Professions Code section 10145, as well as California Code of Regulations, title 10, sections 2832 and 2834, were repeat findings from 2011.

9. At hearing, Mr. Leonard explained that the only persons who are authorized to make withdrawals of trust funds from a broker trust account are the broker, salespersons licensed under that broker, or non-licensed employees of the broker who are covered by an appropriate fidelity bond. During the audit, Mr. Leonard found that several non-licensed employees were listed on the signature cards for SNSC's trust accounts, but there was no fidelity bond in place for those accounts. Rather, SNSC furnished a mortgage bankers bond for these accounts, which had a \$3 million indemnity limit and a \$50,000 deductible. Furthermore, the mortgage bankers bond only covered the period from December 15, 2015 to December 14, 2016.

10. Effective January 1, 2016, California law permits licensees to have a bond with a deductible of up to five percent of the coverage amount to cover non-licensed signatories on trust accounts. To do so, the broker must have evidence of financial responsibility that is sufficient to protect members of the public against a loss subject to the deductible amount. Said financial responsibility must include: (1) a separate bond or insurance coverage adequate to cover the deductible amount; (2) a cash deposit adequate to

cover the deductible amount which is held in a separate account; or (3) any other evidence of financial responsibility approved by the commissioner.

11. During the audit, Mr. Leonard determined that the mortgage bankers bond SNSC had for its trust accounts was inadequate to cover non-licensed signatories, because the bond had a \$50,000 deductible, and SNSC did not provide any evidence of financial responsibility sufficient to cover the deductible amount.

*Respondents' Evidence*

KEITH HARRISON, SNSC CONTROLLER

12. Keith Harrison is the Controller for SNSC and is responsible for managing the accounting department as well as the financial and treasury operations for SNSC. SNSC is licensed in all 50 states to conduct loan-servicing activities for residential and commercial properties. Currently, it services an estimated 34,000 loans, with a total value of roughly \$2 billion in principal balance throughout the country. SNSC is an approved master loan servicer for various government agencies, including the Federal Housing Authority (FHA) and the United States Department of Agriculture (USDA).

13. In California, SNSC services approximately 1,000 loans, 95 percent of which are for residential properties. SNSC uses its residential mortgage lender license to service residential loans, while it uses its broker license to service commercial loans. During the audit period, SNSC serviced approximately 25 loans secured by commercial real estate. These were the loans reviewed by Mr. Leonard during the follow-up audit.

14. Mr. Harrison explained that residential loan borrowers are directed to send payments to the out-of-state central master lockbox bank account maintained by SNSC. When a residential borrower requests a payoff amount, an SNSC representative will provide the title company with wire instructions to the out-of-state central master lockbox account. Conversely, payoff amounts for commercial loans are to be deposited in the appropriate designated trust accounts.

15. The audit discovered three payoff amounts on California commercial loans which were improperly deposited to the out-of-state central master lockbox bank account. Mr. Harrison explained that, in each of these instances, the SNSC representative mistakenly provided the wire instructions for the payoff of a residential loan, rather than for a commercial loan. This resulted in trust funds being deposited into bank accounts which were not properly designated as trust accounts. In each instance, the payoff funds were automatically remitted to the appropriate investor immediately after receipt, or no later than the following day.

16. Following the audit, SNSC took affirmative steps to prevent a repeat violation. Specifically, it updated its computer system to auto-populate the correct trust account information when a payoff amount is requested for a California commercial loan. This step

eliminated any human error, and ensured the payments were deposited to the appropriate account. Additionally, SNSC re-trained its staff on the importance of providing accurate payoff instructions, and specifying that commercial loan payoffs must be deposited in the appropriate trust account.

#### RESPONDENT HOLLAND

17. Respondent Holland is a vice president for SNSC. She was named the designated broker officer for SNSC in 2014. In that role, she manages the corporation's licensing department, as well as the compliance and routine audits of more than 100 licenses held by SNSC. Respondent Holland holds an individual broker license in California, but not in other states. She is also a licensed attorney in California.

18. Upon being named the designated broker officer in 2014, respondent Holland reviewed the Department's policies with SNSC employees who interact with California commercial loan accounts. She also worked with an outside consultant, Pamela Strickland, to update SNSC's internal control policies and to create a compliance manual with respect to California real estate loans and accounts. Finally, respondent Holland reviewed SNSC's list of California commercial loans and verified the payoff deposit account was correct.

19. Regarding non-licensee signatories on SNSC's trust accounts, respondent Holland provided to Mr. Leonard a copy of SNSC's mortgage bankers bond for 2016. He did not request to see any bonds that were in place for prior periods. In any event, SNSC no longer uses non-licensed persons as authorized signatories on its trust accounts. Finally, respondent Holland asserted her failure to list herself as a signer on Trust Account No. 1 was unintentional and was an "honest mistake." She has since been added as an authorized signer to the account.

#### *Discussion*

20. Respondents did not dispute the trust fund violations alleged in the Accusation. Rather, they contend the violations were of a technical nature, were not intentional, and were the result of human error and honest mistakes. Further, no clients were actually harmed by the largely technical violations, and all of the trust funds which were improperly deposited to non-trust bank accounts were automatically remitted to the appropriate investor by the following day. Additionally, respondents took immediate steps to prevent recurrence of these violations by creating a compliance manual, updating relevant internal policies, and making changes to their systems to ensure that trust fund collections on California commercial loans cannot be deposited into the wrong account again. Also, respondent Holland was added an authorized signer to Trust Account No. 1, and SNSC no longer uses non-licensed persons as signatories on its trust accounts. Notwithstanding the above, had it been requested, SNSC would have provided evidence of its financial responsibility for the \$50,000 deductible on the mortgage bankers bond. Accordingly, respondents asserted an appropriate penalty is a stayed suspension with a monetary penalty with respect to SNSC, and a citation and fine with respect to respondent Holland.



21. The Department noted this is the third time an audit found that SNSC's trust fund handling was in violation of the Real Estate Law and related regulations. As such, the Department believes that the prior suspensions were ineffective, and recommended SNSC be issued a restricted broker's license to allow for closer supervision and accountability. The Department further recommended a 60-day suspension for respondent Holland.

22. The purpose of disciplinary actions is to protect the public, not to punish the violator. (*Clerici v. Department of Motor Vehicles* (1990) 224 Cal.App.3d 1016, 1029.) Trust account violations are serious and compel Department scrutiny. However, the trust fund violations involved here were largely technical violations and were not as egregious as the violations discovered in the 2011 and 2014 audits. There was no evidence of fraud or malfeasance on respondents' part; rather, the violations resulted from simple negligence and inattention. Regarding respondent Holland, she has no prior discipline and she was not the designated broker officer for SNSC during the 2011 and 2014 audits. Still, a suspension for both respondents is warranted to deter future violations and impress upon respondents the importance of trust fund violations—regardless of how slight.

#### *Costs Recovery*

23. Pursuant to Business and Professions Code sections 10106 and 10148, subdivision (b), the Commissioner is authorized to seek reimbursement of the audit, investigation, and enforcement costs at hearing. The Department incurred \$810.55 in investigation costs and \$1,179.25 in attorney charges. Additionally, the Department incurred audit charges totaling \$8,927. As set forth in Legal Conclusions 13 and 14, below, these costs totaling \$10,916.80 are reasonable.

### LEGAL CONCLUSIONS

#### *Burden and Standard of Proof*

1. Complainant bears the burden of proving, by clear and convincing evidence, that the charges in the accusation are true. (Evid. Code, § 115; *Ettinger v. Board of Medical Quality Assurance* (1982) 135 Cal.App.3d 853, 856.) Clear and convincing evidence requires a finding of high probability, or evidence so clear as to leave no substantial doubt; it requires sufficiently strong evidence to command the unhesitating assent of every reasonable mind. (*Katie V. v. Superior Court* (2005) 130 Cal.App.4th 586, 594.)

#### *Applicable Law*

2. Business and Professions Code section 10177 authorizes the Commissioner to suspend or revoke the license of a real estate licensee or corporation if an officer, director, or person owning or controlling ten percent or more of the corporation's stock has "willfully disregarded or violated the Real Estate Law," or "demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license." (Bus. & Prof. Code, §

10177, subds. (d) and (g).) The term "willfully," as used in subdivision (d), means "done deliberately: not accidental or without purpose." (*Apollo Estates, Inc. v. Department of Real Estate* (1985) 174 Cal.App.3d 625, 639. See also *Manning v. Fox* (1984) 151 Cal.App.3d 531, 542 ["Section 10177, subdivision (d), is designed 'to protect the public not only from conniving real estate salesmen but also from the uninformed, negligent, or unknowledgeable salesman.'"].)

3. Business and Professions Code section 10145 requires a broker to hold real estate transaction funds belonging to others in trust. That section provides, in relevant part:

(a)(1) A real estate broker who accepts funds belonging to others in connection with a transaction subject to this part shall deposit all those funds that are not immediately placed into a neutral escrow depository or into the hands of the broker's principal, into a trust fund account maintained by the broker in a bank or recognized depository in this state. All funds deposited by the broker in a trust fund account shall be maintained there until disbursed by the broker in accordance with instructions from the person entitled to the funds.

4. Pursuant to California Code of Regulations, title 10, section 2832, trust funds must be deposited in a trust account in the name of the broker. That section states, in pertinent part:

(a) Compliance with Section 10145 of the Code requires that the broker place funds accepted on behalf of another into the hands of the owner of the funds, into a neutral escrow depository or into a trust fund account in the name of the broker, or in a fictitious name if the broker is the holder of a license bearing such fictitious name, as trustee at a bank or other financial institution not later than three business days following receipt of the funds by the broker or by the broker's salesperson.

5. Business and Professions Code section 10159.2, subdivision (a), provides:

The officer designated by a corporate broker licensee pursuant to Section 10211 shall be responsible for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees as necessary to secure full compliance with the provisions 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.

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

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

- (a) Transactions requiring a real estate license.
- (b) Documents which may have a material effect upon the rights or obligations of a party to the transaction.
- (c) Filing, storage and maintenance of such documents.
- (d) The handling of trust funds.
- (e) Advertising of any service for which a license is required.
- (f) Familiarizing salespersons with the requirements of federal and state laws relating to the prohibition of discrimination.
- (g) Regular and consistent reports of licensed activities of salespersons.

The form and extent of such policies, rules, procedures and systems shall take into consideration the number of salespersons employed and the number and location of branch offices.

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

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

///

8. California Code of Regulations, title 10, section 2834, provides:

(a) Withdrawals may be made from a trust fund account of an individual broker only upon the signature of the broker or one or more of the following persons if specifically authorized in writing by the broker:

(1) a salesperson licensed to the broker.

(2) a person licensed as a broker who has entered into a written agreement pursuant to section 2726 with the broker.

(3) an unlicensed employee of the broker with fidelity bond coverage at least equal to the maximum amount of the trust funds to which the employee has access at any time.

(b) Withdrawals may be made from the trust fund account of a corporate broker only upon the signature of:

(1) an officer through whom the corporation is licensed pursuant to section 10158 or 10211 of the Code; or

(2) one of the persons enumerated in paragraph (1), (2) or (3) of subdivision (a) above, provided that specific authorization in writing is given by the officer through whom the corporation is licensed and that the officer is an authorized signatory of the trust fund account.

(c) An arrangement under which a person enumerated in paragraph (1), (2) or (3) of subdivision (a) above is authorized to make withdrawals from a trust fund account of a broker shall not relieve an individual broker, or the broker-officer of a corporate broker licensee, from responsibility or liability as provided by law in handling trust funds in the broker's custody.

#### *Cause for Discipline*

9. As set forth in Factual Findings 6 through 8, cause exists to discipline respondents' licenses pursuant to Business and Professions Code section 10145 and California Code of Regulations, title 10, section 2832, in conjunction with Business and Professions Code section 10177, subdivisions (d) and (g). During the audit period, respondents failed to designate Bank Accounts Nos. 1-4 as trust accounts.

10. As set forth in Factual Findings 6 through 11, cause exists to discipline respondents' licenses pursuant to California Code of Regulations, title 10, section 2834, in

conjunction with Business and Professions Code section 10177, subdivisions (d) and (g). During the audit period, respondents permitted non-licensed persons to be signatories on trust accounts without an adequate fidelity bond in place.

11. As set forth in Factual Findings 2, 6, and 8, cause exists to discipline respondent Holland's license pursuant to Business and Professions Code sections 10159.2 and 10177, subdivision (h), and California Code of Regulations, title 10, section 2725, in conjunction with Business and Professions Code section 10177, subdivision (d), (g) and (h). During the audit period, respondent Holland was not an authorized signer on Trust Account No. 1. As such, she could not exercise reasonable supervision over SNSC's activities with respect to that account during the audit period.

12. As set forth in Factual Findings 20 through 22, a suspension for both respondents is an appropriate penalty to protect the public interest.

#### *Cost Recovery*

13. The Commissioner has discretion to recover audit costs after a disciplinary hearing if the broker has been found to have violated Business and Professions Code section 10145 or any related regulation. (Bus. & Prof. Code, § 10148, subd. (b).) As set forth in Factual Finding 23, the Department incurred audit charges totaling \$8,927, which it is entitled to recover from respondents. The Commissioner may also request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case. (Bus. & Prof. Code, § 10106, subd. (a).) The Department incurred \$1,989.80 in investigation and enforcement costs in connection with the prosecution of this case.

14. In *Zuckerman v. State Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, the California Supreme Court set forth guidelines for determining whether the costs should be assessed in the particular circumstances of each case. Respondents did not establish a basis to reduce or eliminate the costs in this matter. In the absence of evidence to the contrary, costs of the Department's audit, investigation, and prosecution are reasonable.

#### ORDER

1. All licenses and licensing rights of respondent Allison Arkley Holland (License No. 01975401) under the Real Estate Law are suspended for a period of 30 days from the effective date of this Decision; provided, however, that if respondent Holland petitions, said suspension shall be stayed upon condition that:

A. Respondent pays a monetary penalty, pursuant to Business and Professions Code section 10175.2, at the rate of \$100 for each day of the suspension for a total monetary penalty of \$3,000.

B. Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be delivered to the Department prior to the effective date of the Decision in this matter.

C. No further cause for disciplinary action against the real estate license of respondent occurs within one year from the effective date of the Decision in this matter.

D. If respondent fails to pay the monetary penalty in accordance with the terms and conditions of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension in which event the respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

E. If respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of respondent occurs within one year from the effective date of the Decision, the stay hereby granted shall become permanent.

2. All license and licensing rights of respondent SN Servicing Corporation (License No. 01235918) under the Real Estate Law are suspended for a period of 120 days from the effective date of this Decision; provided, however, that if respondent petitions, the remaining 30 days of said suspension shall be stayed upon condition that:

A. Respondent pays a monetary penalty pursuant to Business and Professions Code section 10175.2 at the rate of \$110 for 90 days of the suspension for a total monetary penalty of \$9,900.

B. Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be delivered to the Department prior to the effective date of the Decision in this matter.

C. No further cause for disciplinary action against the real estate license of respondent occurs within one year from the effective date of the Decision in this matter.

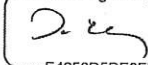
D. If respondent fails to pay the monetary penalty in accordance with the terms and conditions of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension in which event the respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

E. If respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of respondent occurs within one year from the effective date of the Decision, the stay hereby granted shall become permanent.

3. All licenses and licensing rights of respondents SNSC and Holland are indefinitely suspended unless or until they jointly and severally pay the sum of \$1,989.80 for the Commissioner's reasonable cost of the investigation and enforcement which led to this disciplinary action. These costs shall be paid in full or in accordance with a payment schedule as agreed to between respondents and the Commissioner.

4. Pursuant to Business and Professions Code section 10148, respondents shall pay for the Commissioner's reasonable cost for: (a) the audit which led to this disciplinary action in an amount not to exceed \$8,927; and (b) a subsequent audit to determine if respondent has corrected the trust fund violations found in Legal Conclusions 9 through 11, and each of them. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Respondents shall pay such costs within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may suspend the license issued to respondents pending a hearing held in accordance with Government Code section 11500, et seq., if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between respondents and the Commissioner. The vacation and the set aside of the stay shall remain in effect until payment is made in full, or until respondents enter into an agreement satisfactory to the Commissioner to provide for payment. Should no order vacating the stay be issued, the stay imposed herein shall become permanent.

DATED: February 7, 2019

DocuSigned by:  
  
E4650D5DE8FE46C...

---

TIFFANY L. KING  
Administrative Law Judge  
Office of Administrative Hearings