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FILED

JUN 26 2020

DEPARTMENT OF REAL ESTATE
By W Kropp

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:) NO. H-6935 SAC
12)
13 NEW BEGINNINGS FINANCIAL & REAL) ACCUSATION
14 ESTATE, and JAMIE DALE BLOMBERG,)
15 Respondents.)

16 The Complainant, CHIKA SUNQUIST, acting in her official capacity as a
17 Supervising Special Investigator of the State of California, for cause of Accusation against
18 NEW BEGINNINGS FINANCIAL & REAL ESTATE ("NEW BEGINNINGS") and JAMIE
19 DALE BLOMBERG ("BLOMBERG") (collectively referred to herein as "Respondents"), is
20 informed and alleges as follows:

21 1.

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

24 2.

25 At all times mentioned herein, NEW BEGINNINGS was and is licensed by the
26 State of California, Department of Real Estate ("Department"), as a real estate broker
27 corporation. At all times herein mentioned, NEW BEGINNINGS was and is licensed by the

1 Department as a company mortgage loan originator with Nationwide Mortgage Licensing
2 System and Registry ("NMLS") identification number 237418.

3 3.

4 At all times mentioned herein, BLOMBERG was and is licensed by the
5 Department as a real estate broker. At all relevant times, BLOMBERG was the designated
6 broker officer of NEW BEGINNINGS. As the designated officer-broker, BLOMBERG was
7 responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the
8 officers, agents, real estate licensees, and employees of NEW BEGINNINGS. At all times
9 herein mentioned, Respondent was and is licensed by the Department as an individual mortgage
10 loan originator with NMLS identification number 347517.

11 4.

12 At all times mentioned herein, Respondents engaged in the business of, acted in
13 the capacity of, advertised, or assumed to act as real estate licensees, in the State of California, on
14 behalf of others, for compensation or in expectation of compensation, within the meaning of:

15 Section 10131(d) of the Code, including the operation and conduct of real estate
16 business with the public wherein Respondents solicited borrowers or lenders for or negotiated
17 loans or collected payment or performed services for borrowers or lenders or note owners in
18 connection with loans secured directly or collaterally by liens on real property or on a business
19 opportunity;

20 Section 10131(e) of the Code, including the operation and conduct of real estate
21 business with the public wherein Respondents sold or offered to sell, bought or offered to buy, or
22 exchanged or offered to exchange a real property sales contract, or a promissory note secured
23 directly or collaterally by a lien on real property or on a business opportunity, and performed
24 services for the holders thereof; and/or

25 Section 10131.1 of the Code, including the operation and conduct of a real estate
26 business with the public wherein Respondents engaged as a principal in the business of making
27 loans or buying from, selling to, or exchanging with the public, real property sales contracts or

1 promissory notes secured directly or collaterally by liens on real property, or who made
2 agreements with the public for the collection of payments or for the performance of services in
3 connection with real property sales contracts or promissory notes secured directly or collaterally
4 by liens on real property.

5 5.

6 In the course of the activities described above in Paragraph 4, Respondents were
7 involved in originating, funding, negotiating and/or closing the following mortgage loan
8 transactions:

	Borrower	Property Address	Date Closed	Lender
10 a.	Jose S. & Reyna S.	209 Woodrow St. Taft, CA 93268	4/16/19	Breanna M. P. & Larry F. P. Trust
11 b.	Linda G.	121 Kern St., Taft, CA 93268	12/20/18	Larry F. P. Trust
12 c.	Linda G.	328 Woodrow St., Taft, CA 93268	3/1/19	New Beginnings Financial & RE

13
14 **COUNT ONE**
15 **TABLE FUNDING**

16 (As to Respondents NEW BEGINNINGS and BLOMBERG)

17 6.

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

20 7.

21 Pursuant to Section 10234(a) of the Code, a licensee who negotiates a loan
22 secured by a trust deed on real property shall record the trust deed, naming the lender as the
23 beneficiary, with the county recorder prior to the disbursement of any funds. Pursuant to Section
24 2841.5 of Title 10, California Code of Regulations ("the Regulations"), a licensee who negotiates
25 a loan secured by a deed of trust for multiple lenders shall name as the beneficiaries the multiple
26 lenders on the trust deed.

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8.

Pursuant to Section 10234(d) of the Code, a trust deed may be recorded in the name of the real estate broker negotiating the loan if the real property securing the loan as described in the trust deed is not a dwelling or unimproved real property, as defined in Section 10240.2 of the Code.

9.

Regarding the transactions noted above in Paragraphs 5(a) and 5(b) involving real property secured by a dwelling unit, Respondents failed to list the true lenders on the trust deeds in violation of Sections 10234(a) and 10234(d) of the Code, and Section 2841.5 of the Regulations.

10.

The acts and/or omissions of Respondents, as alleged above in Paragraphs 6 through 9, constitute grounds for the suspension or revocation of all licenses, license rights, endorsements, and endorsements rights of Respondents under Sections 10166.051, 10177(d), 10177(g), 10234(a) and/or 10234(d) of the Code, and Section 2841.5 of the Regulations.

COUNT TWO
UNDISCLOSED COMPENSATION

(As to Respondents NEW BEGINNINGS and BLOMBERG)

11.

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

12.

In each of the transactions noted above in Paragraphs 5(a) through 5(c), Respondents charged the borrower \$50 to process a credit report. Despite charging each borrower \$50.00 for a credit report, the actual cost to Respondent to process the credit report for each borrower was much less. In the transaction noted above in Paragraph 5(a), the actual cost of the credit report was \$14.15. In the transaction noted above in Paragraph 5(b), the actual cost

1 of the credit report was \$9.70. In the transaction noted above in Paragraph 5(c), Respondents did
2 not process borrower's credit but instead used a previously accessed credit report for borrower
3 and still charged borrower the \$50.00 processing fee.

4 13.

5 At no time relevant to this Accusation did Respondents reimburse any of the
6 borrowers described above in Paragraph 5 for the excess amount collected by Respondents in
7 processing the borrower's credit reports.

8 14.

9 At no time relevant to this Accusation did Respondent disclose to the borrowers
10 described above in Paragraph 5 the excess amount collected by Respondents in processing the
11 borrower's credit reports.

12 15.

13 Respondents' representations and/or actions, as alleged above in Paragraphs 11
14 through 14, were substantially fraudulent, misleading, dishonest and deceitful, and were known
15 by Respondents to be substantially fraudulent, misleading, dishonest and deceitful during the
16 transactions noted above in Paragraphs 5(a) through 5(c).

17 16.

18 The acts and/or omissions of Respondents, as alleged above in Paragraphs 11
19 through 15, constitute grounds for the suspension or revocation of all licenses, license rights,
20 endorsements, and endorsements rights of Respondents under Sections 10166.051, 10176(g),
21 10176(i), 10177(d), 10177(g) and/or 10177(j) of the Code, and Section 2843 of the Regulations.

22 **COUNT THREE**

23 **MISREPRESENTATION/DISHONEST DEALING**

24 (As to Respondents NEW BEGINNINGS and BLOMBERG)

25 17.

26 Each and every allegation contained above in Paragraphs 1 through 16, inclusive,
27 is incorporated by this reference as if fully set forth herein.

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18.

Pursuant to the Housing Financial Discrimination Act of 1977, a real estate broker providing the services described above in Paragraph 4 shall deliver to the borrower a Fair Lending Notice disclosure identifying the appropriate regulating agency overseeing the broker and the current contact information for that agency so that the borrower can ask questions or file a complaint with that agency.

19.

The transaction noted above in Paragraph 5(b), Respondents provided the borrower with a Fair Lending Notice containing contact information for the Department that what was inaccurate and/or outdated.

20.

The transactions noted above in Paragraphs 5(a) and 5(c), Respondents provided the borrowers with Fair Lending Notices containing contact information for the Department of Business Oversight and/or contact information for the Department that what was inaccurate and/or considerably outdated.

21.

As set out above in Paragraphs 17 through 20, Respondents' representations and/or actions were substantially fraudulent, misleading, dishonest and deceitful, and were known by Respondents to be substantially fraudulent, misleading, dishonest and deceitful during the transactions described above in Paragraphs 5(a) through 5(c).

22.

The acts and/or omissions of Respondents, as alleged above in Paragraphs 17 through 21, are grounds for the revocation or suspension of all licenses, license rights, endorsements, and endorsements rights of Respondents under Sections 10166.051, 10176(a), 10176(i), 10177(d), 10177(g) and/or 10177(j) of the Code.

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COUNT FOUR
FAILURE TO OBTAIN MORTGAGE LOAN DISCLOSURE STATEMENTS
(As to Respondents NEW BEGINNINGS and BLOMBERG)

23.

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

24.

Pursuant to Section 10240 of the Code, a real estate broker acting within Section 10131(d) of the Code shall deliver to the borrower a written mortgage loan disclosure statement (“MLDS”), and obtain the borrower’s signature on the MLDS within a specified time period. Additionally, a real estate broker is required to maintain a copy of the MLDS for three years.

25.

In the transactions noted above in Paragraphs 5(a) and 5(b), Respondents failed to deliver an approved MLDS to the borrower, failed to obtain the borrower’s signature on the MLDS, and/or failed to maintain an MLDS regarding the subject transactions.

26.

The acts and/or omissions of Respondents, as alleged above in Paragraphs 23 through 25, constitute grounds for the suspension or revocation of all licenses, license rights, endorsements, and endorsements rights of Respondents under Sections 10166.051, 10177(d), 10177(g) and/or 10240 of the Code.

COUNT FIVE
FAILURE TO PROVIDE LENDER/PURCHASER DISCLOSURE STATEMENTS
(As to Respondents NEW BEGINNINGS and BLOMBERG)

27.

Each and every allegation set forth above in Paragraphs 1 through 26, inclusive, is incorporated by this reference as if fully set forth herein.

28.

Pursuant to Section 10232.4 of the Code, a real estate broker who solicits and negotiates with a person to make a loan secured by real property shall deliver to the person

1 solicited the applicable completed statement described in Section 10232.5 before the receipt by
2 or on behalf of the broker of any funds for that person. Additionally, the broker shall give an
3 exact copy of the aforementioned statement to the prospective lender or purchaser, and the
4 broker shall retain a copy of the executed statement for a period of three years.

5 29.

6 In the transactions noted above in paragraphs 5(a) and 5(b), Respondents failed to
7 provide the prospective purchaser with the complete statement that included all of the
8 information and/or retain a copy of the executed statements.

9 30.

10 The acts and/or omissions of Respondents, as alleged above in Paragraphs 27
11 through 29, constitute grounds for the suspension or revocation of all licenses, license rights,
12 endorsements, and endorsements rights of Respondents under Sections 10166.051, 10177(d),
13 10177(g), 10232.4 and/or 10232.5 of the Code.

14 **COUNT SIX**
15 **FAILURE TO OBTAIN INVESTOR SUITABILITY QUESTIONNAIRE**
16 (As to Respondents NEW BEGINNINGS and BLOMBERG)

17 31.

18 Each and every allegation set forth above in Paragraphs 1 through 30, inclusive, is
19 incorporated by this reference as if fully set forth herein.

20 32.

21 Pursuant to Section 10232.45 of the Code, a real estate broker who negotiates a
22 transaction that involves the sale of a note secured directly by an interest in one or more parcels
23 of real property, or the sale of an undivided interest in a note secured directly by one or more
24 parcels of property, shall obtain an investor suitability questionnaire or equivalent evaluation of
25 the purchaser, and maintain record of such for at least four years.

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33.

In the transactions noted above in paragraphs 5(a) and 5(b), Respondents failed obtain an investor suitability questionnaire or equivalent evaluation of the purchaser, and/or maintain record of such for at least four years, as required by Section 10232.45 of the Code.

34.

The acts and/or omissions of Respondents, as alleged above in Paragraphs 31 through 33, constitute grounds for the suspension or revocation of all licenses, license rights, endorsements, and endorsements rights of Respondents under Sections 10166.051, 10177(d), 10177(g) and/or 10232.45 of the Code.

COUNT SEVEN
MULTI-LENDER LOAN VIOLATIONS
(As to Respondents NEW BEGINNINGS and BLOMBERG)

35.

Each and every allegation set forth above in Paragraphs 1 through 34, inclusive, is incorporated by this reference as if fully set forth herein.

36.

Pursuant to Section 10238(f)(1) of the Code, the purchaser of a note or interest sold by or through a real estate broker must meet specified net worth qualifications and sign an investor qualification statement that the real estate broker must retain for four years. Pursuant to Section 10238(h)(3) of the Code, a copy of the appraisal or broker's evaluation for each parcel of real property securing the notes or interest must be delivered to each purchaser. Pursuant to Section 10236.7 of the Code, a real estate broker, who engaged in a real estate transaction, shall clearly indicate in the real estate broker's transaction file the license authority under which the transaction is being conducted. Pursuant to Section 10238(k) of the Code, notes or interests sold shall by or through a real estate broker shall include a written agreement that obligates a real estate broker, or an exempt person, to act as an agent for the servicer, and a copy of the servicer agreement shall be delivered to each purchaser.

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37.

In the transaction noted above in paragraph 5(a), Respondents failed to obtain and maintain for three years, pursuant to Section 10148 of the Code, a copy of: an investor qualification statement as required by Section 10238(f)(1) of the Code; an appraisal report or broker's evaluation as required by Section 10238(h)(3); documents indicating under what licensing authority the transaction was conducted as required by Section 10236.7; and a copy of a servicing agreement as required by Section 10238(k).

38.

The acts and/or omissions of Respondents, as alleged above in Paragraphs 35 through 37, constitute grounds for the suspension or revocation of all licenses, license rights, endorsements, and endorsements rights of Respondents under Sections 10148, 10166.051, 10177(d), 10177(g), 10238(f)(1), 10238(h)(3), 10236.7, and/or 10238(k) of the Code.

COUNT EIGHT
FAILURE TO FILE MULTI-LENDER NOTIFICATION
(As to Respondents NEW BEGINNINGS and BLOMBERG)

39.

Each and every allegation in Paragraphs 1 through 38, inclusive, above, is incorporated by this reference as if fully set forth herein.

40.

Pursuant to Section 10238(a) of the Code, any transaction that involves the sale of or offer to sell a series of notes secured directly by interests in one or more parcels of real property, or the sale of undivided interests in a note secured directly by one or more parcels of real property equivalent to a series transaction, shall notify the Commissioner of the Department within 30 days after the first transaction.

41.

In the transaction noted above in paragraph 5(a) involving a series transaction, Respondents failed to notify the Department within 30 days of the transaction involving the sale

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1 of a series of notes secured by a parcel of real property, as required by Section 10238(a) of the
2 Code.

3 42.

4 The acts and/or omissions of Respondents, as alleged above in Paragraphs 39
5 through 41, constitute grounds for the suspension or revocation of all licenses, license rights,
6 endorsements, and endorsements rights of Respondents under Sections 10166.051, 10177(d),
7 10177(g) and/or 10238(a) of the Code.

8 **COUNT NINE**
9 **EXCEEDING LOAN TO VALUE LIMITS**
(As to Respondents NEW BEGINNINGS and BLOMBERG)

10 43.

11 Each and every allegation in Paragraphs 1 through 42, inclusive, above, is
12 incorporated by this reference as if fully set forth herein.

13 44.

14 Pursuant to Section 10232.3(a)(3) of the Code, in a transaction involving the sale
15 of, or offer to sell, a note secured directly by an interest in real property, a real estate broker shall
16 deliver to the purchaser a copy of an appraisal or the broker's evaluation of the property.

17 45.

18 In the transactions noted above in paragraphs 5(a) through 5(c), Respondents
19 failed to deliver to the purchaser a copy of an appraisal or the broker's evaluation of the property,
20 as required by Section 10232.3(a)(3) of the Code.

21 46.

22 The acts and/or omissions of Respondents, as alleged above in Paragraphs 43
23 through 45, constitute grounds for the suspension or revocation of all licenses, license rights,
24 endorsements, and endorsements rights of Respondents under Sections 10166.051, 10177(d),
25 10177(g) and/or 10232.3(a)(3) of the Code.

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COUNT TEN
FAILURE TO SUBMIT BUSINESS ACTIVITY REPORT
(As to Respondents NEW BEGINNINGS and BLOMBERG)

47.

Each and every allegation in Paragraphs 1 through 46, inclusive, above, is incorporated by this reference as if fully set forth herein.

48.

Pursuant to Section 10166.07 of the Code, a real estate broker who makes, arranges, or services one or more loans in a calendar year that are secured by real property containing one to four residential units, shall file a business activities report within 90 days after the end of the broker's fiscal year.

49.

In the transaction noted above in paragraphs 5(b) that was secured by real property containing one-to-four residential units, Respondents failed to submit an annual mortgage loan business activity report for the reporting year 2018, as required by Section 10166.07 of the Code.

50.

The acts and/or omissions of Respondents, as alleged above in Paragraphs 47 through 49, constitute grounds for the suspension or revocation of all licenses, license rights, endorsements, and endorsements rights of Respondents under Sections 10166.051, 10166.07, 10177(d), and/or 10177(g) of the Code.

COUNT ELEVEN
FAILURE TO MAINTAIN RECORDS
(As to Respondents NEW BEGINNINGS and BLOMBERG)

51.

Each and every allegation in Paragraphs 1 through 50, inclusive, above, is incorporated by this reference as if fully set forth herein.

52.

Pursuant to Section 10148 of the Code, a real estate broker is required to retain for three years copies of all documents executed obtained by the broker in connection with any

1 transaction for which a real estate license is required, and, upon notice by the Department, make
2 said records available for review. Pursuant to Section 10166.11 of the Code, a real estate broker
3 who acts pursuant to Sections 10131.1, 10131(d), or 10131(e) of the Code, and who makes,
4 arranges, or services loans secured by real property containing one to four residential units, shall
5 keep documents and records that will properly enable the Commissioner to determine whether
6 the residential mortgage brokerage, servicing, and lending functions performed by the broker
7 comply with the Code and all applicable rules and orders made by the Commissioner.

8 53.

9 In the transaction noted above in paragraphs 5(a) through 5(c), secured by real
10 property containing one-to-four residential units, Respondents failed to keep the required
11 documents and records as required by Sections 10148 and 10166.11 of the Code.

12 54.

13 The acts and/or omissions of Respondents, as alleged above in Paragraphs 51
14 through 53, constitute grounds for the suspension or revocation of all licenses, license rights,
15 endorsements, and endorsements rights of Respondents under Sections 10148, 10166.051,
16 10166.11, 10177(d), and/or 10177(g) of the Code.

17 **COUNT TWELVE**
18 **FAILURE TO SUPERVISE**
(As to Respondent BLOMBERG Only)

19 55.

20 Each and every allegation in Paragraphs 1 through 54 inclusive, above, is
21 incorporated by this reference as if fully set forth herein.

22 56.

23 BLOMBERG, as the designated officer of NEW BEGINNINGS, was required to
24 exercise reasonable supervision and control over the activities of NEW BEGINNINGS, its
25 employees, and the real estate activities being conducted by NEW BEGINNINGS.

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57.

BLOMBERG failed to exercise reasonable supervision over the acts and/or omissions of NEW BEGINNINGS and its employees, in such a manner as to allow the acts and/or omissions as described above in the First through Eleventh Causes of Action to occur, which constitutes cause for the suspension or revocation of all licenses, license rights, endorsements, and endorsements rights of Respondents under Sections 10166.051, 10177(d), 10177(g), 10177(h) and 10159.2 of the Code, in conjunction with Section 2725 of the Regulations.

COST RECOVERY

58.

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, the Commissioner may 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.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered revoking all licenses and license, endorsements and endorsement rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law.


CHIKA SUNQUIST
Supervising Special Investigator

Dated at Sacramento, California,
this 11th day of June, 2020.

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DISCOVERY DEMAND

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