

1 Richard K. Uno, Counsel III (SBN 98275)

2 Bureau of Real Estate

3 P. O. Box 137007

4 Sacramento, CA 95813-7007

5 Telephone: (916) 263-8670

**FILED**

JUN 13 2017

BUREAU OF REAL ESTATE

By B. Nicholas

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of )

S & S EAGLE CORPORATION )

DENNIS J. SERRAO and, )

TRAVIS ADAMS STODDARD )

Respondents. )

NO. H-12085 SF

ACCUSATION

The Complainant, ROBIN S. TANNER, a supervising special investigator of the State of California for cause of Accusation against S & S EAGLE CORPORATION (S & S), DENNIS J. SERRAO (SERRAO) and TRAVIS ADAMS STODDARD (STODDARD) collectively, Respondents, is informed and alleges as follows:

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The Complainant makes this Accusation in her official capacity.

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At all times herein mentioned, S & S was and is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (the Code) by the Bureau of Real Estate (the Bureau) as a corporate real estate broker doing business as Elite Agent Realty and EA Financial.

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At all times herein mentioned, SERRAO was and is presently licensed and/or has license rights as a real estate broker.

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At all times mentioned herein, STODDARD was and is presently licensed and/or has license rights as a real estate salesperson. STODDARD was employed by SERRAO from January 7, 2012, until March 21, 2013. From July 29, 2013, through September 26, 2013 and from October 4, 2013, until the present, STODDARD then was employed by S & S.

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From and since July 28, 2013, SERRAO was licensed by the Bureau as the designated officer of S & S. As the designated officer, SERRAO was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of S & S for which a real estate license is required.

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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 (d) of the Code, including the operation and conduct of a loan brokerage business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondent solicited lenders and borrowers for loans secured directly or collaterally by liens on real property.

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

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1 FIRST CAUSE OF ACTION

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3 Complainant refers to Paragraphs 1 through 7, above, and incorporates the same,  
4 herein by reference.

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6 On or about April 14, 2014, S & S, Respondents entered an agreement titled "S &  
7 S EAGLE CORPORATION CLIENT AGREEMENT/BUYER'S PREMIUM" (S & S  
8 Agreement) with Justin and Jennifer C., Sellers, to act as short sale negotiators regarding that  
9 certain real property commonly known as 461 Sunlight Drive, Diamond Springs, California  
10 (Property).

11 10

12 The S & S Agreement provided that S & S will be compensated by the *buyer* in  
13 the buyer's premium equal to 5% of the property's sales price. It additionally provided that the  
14 clients (sellers) agrees that the buyer shall pay S & S the buyer's premium.

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16 On or about April 15, 2014, Respondents, through SERRAO, entered into a listing  
17 agreement with sellers, which provided for a 6% commission.

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19 Between March 23, 2015 and March 26, 2015, real estate salesperson, Sheryl  
20 Lindroos (Lindroos), submitted a residential purchase agreement on behalf of Buyers.

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22 On or about March 26, 2015, Respondents delivered an Addendum No. One to  
23 Lindroos which provided in part:

24 "(4) SELLER SHALL CREDIT BUYER 3% OF PURCHASE PRICE. BUYER  
25 AGREES THAT THE SELLER CREDIT OF 6,180 WILL BE APPLIED TO  
26 SATISFY A SELLER OBLIGATION TO S & S EAGLE CORP."

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Between March 24, 2015, and the closing date of June 12, 2015, Respondents and Buyers, agent and lenders, exchanged numerous emails regarding the short sale negotiation fee that Respondents were charging.

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Through several emails, Respondents characterized the fee as a "negotiations fee" and alternatively, a "buyer's premium".

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Respondents represented that the S & S Agreement authorized payment of their fee out of escrow, despite that fact the Buyers were not a party to the contract and did not sign the agreement.

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Respondents further represented that the Federal Housing Authority (FHA) had approved the payment of their fee out of escrow.

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Respondents also represented that the Federal Housing and Urban Development Department (HUD) had approved the payment of their fee out of escrow.

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Respondents represented that Fannie Mae (FNME) also allows payment of short sale negotiation fees out of escrow.

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Ultimately, since the lender refused to accommodate Respondents' unlawful payment method, Buyers paid Respondents with a check, outside of escrow.

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The representations that Respondents made above, were untrue and Respondents knew them to be untrue at the time they made them and were made for the purpose of getting paid the short sale negotiation fee of 3%, in addition to the standard 6% commission.

The facts alleged above violate Sections 10176(a) (material misrepresentation) 10176(b) (false promises to influence, persuade, or induce), 10176(c) (continued flagrant course of misrepresentation), 10176(i) (other conduct/fraud or dishonest dealing), and 10177(j) (other conduct that constitutes fraud or dishonest dealing) of the Code and are grounds for the suspension or revocation of Respondents' real estate licenses pursuant to Sections 10176(a), 10176(b), 10176(i), and 10176(j) of the Code.

SECOND CAUSE OF ACTION

Complainant refers to Paragraphs 1 through 20, above, and incorporates the same, herein, by reference.

At all times herein above mentioned, SERRAO was responsible as the designated officer for S & S, for the supervision and control of the activities conducted on behalf of S & S's business by its employees. SERRAO failed to exercise reasonable supervision and control over the real estate activities of S & S. In particular, SERRAO permitted, ratified and/or caused the conduct described above to occur and failed to take reasonable steps, including, but not limited to handling of trust funds, supervision of employees, and the implementation of policies, rules, and systems to ensure the compliance of the business with the Real Estate Law and the Regulations.

The above acts and/or omissions of SERRAO violate Section 10159.2 (responsibility/directing officer) of the Code and Section 2725 (broker supervision) of the Regulations and constitute grounds for disciplinary action under the provisions of Section 10177(d) (willful disregard/violation of Real Estate Law) and 10177(h) (broker supervision) of the Code.

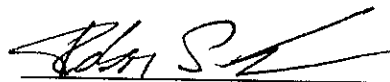
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COSTS

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, 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 imposing disciplinary action against all licenses and license rights of Respondents under the Code, and for such other and further relief as may be proper under other provisions of law.



ROBIN S. TANNER

Supervising Special Investigator

Dated at Oakland, California,

this 6<sup>th</sup> day of June, 2017.

DISCOVERY DEMAND

The Bureau of Real Estate hereby request discovery pursuant to Section 11507.6 of the California Government Code. Failure to provide discovery to the Bureau may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as the Administrative Law Judge deems appropriate.