



1 at a formal hearing on the Accusation, which hearing was to be  
2 held in accordance with the provisions of the Administrative  
3 Procedure Act (APA), shall instead and in place thereof be  
4 submitted solely on the basis of the provisions of this  
5 Stipulation and Agreement.

6           2. Respondent has received, read and understands the  
7 Statement to Respondent, the Discovery Provisions of the APA and  
8 the Accusation filed by the Department of Real Estate in this  
9 proceeding.

10           3. On April 7, 2010, Respondent filed a Notice of  
11 Defense pursuant to Section 11506 of the Government Code for the  
12 purpose of requesting a hearing on the allegations in the  
13 Accusation. Respondent hereby freely and voluntarily withdraws  
14 said Notice of Defense. Respondent acknowledges that she  
15 understands that by withdrawing said Notice of Defense she will  
16 thereby waive her right to require the Commissioner to prove the  
17 allegations in the Accusation at a contested hearing held in  
18 accordance with the provisions of the APA and that she will  
19 waive other rights afforded to her in connection with the  
20 hearing such as the right to present evidence in defense of the  
21 allegations in the Accusation and the right to cross-examine  
22 witnesses.

23           4. This Stipulation is based on the factual  
24 allegations contained in the Accusation filed in this  
25 proceeding. In the interest of expedience and economy,  
26 Respondent chooses not to contest these factual allegations, but  
27 to remain silent and understands that, as a result thereof,

1 these factual statements, will serve as a prima facie basis for  
2 the disciplinary action stipulated to herein. The Real Estate  
3 Commissioner shall not be required to provide further evidence  
4 to prove the allegations.

5           5. This Stipulation and Respondent's decision not to  
6 contest the Accusation are made for the purpose of reaching an  
7 agreed disposition of this proceeding and are expressly limited  
8 to this proceeding and any other proceeding or case in which the  
9 Department of Real Estate ("Department"), or another licensing  
10 agency of this state, another state or if the federal government  
11 is involved and otherwise shall not be admissible in any other  
12 criminal or civil proceedings.

13           6. It is understood by the parties that the Real  
14 Estate Commissioner may adopt the Stipulation and Agreement as  
15 his Decision in this matter, thereby imposing the penalty and  
16 sanctions on Respondent's real estate license and license rights  
17 as set forth in the below "Order". In the event that the  
18 Commissioner in his discretion does not adopt the Stipulation  
19 and Agreement, it shall be void and of no effect, and Respondent  
20 shall retain the right to a hearing and proceeding on the  
21 Accusation under all the provisions of the APA and shall not be  
22 bound by any admission or waiver made herein.

23           7. The Order or any subsequent Order of the Real  
24 Estate Commissioner made pursuant to this Stipulation and  
25 Agreement shall not constitute an estoppel, merger or bar to any  
26 further administrative or civil proceedings by the Department of  
27 Real Estate with respect to any matters which were not

1 specifically alleged to be causes for accusation in this  
2 proceeding.

3 DETERMINATION OF ISSUES

4 By reason of the foregoing stipulations, admissions  
5 and waivers and solely for the purpose of settlement of the  
6 pending Accusation without a hearing, it is stipulated and  
7 agreed that the following determination of issues shall be made:

8 The conduct, acts and/or omissions of Respondent  
9 LYNETTE MONEE ADAMS, as set forth in the Accusation constitute  
10 grounds for suspension or revocation of all of the real estate  
11 licenses and license rights of Respondent LYNETTE MONEE ADAMS  
12 under the provisions of Sections 10137, 10148, 10177(d) and  
13 10177(h) of the Business and Professions Code.

14 ORDER

15 WHEREFORE, THE FOLLOWING ORDER is hereby made:

16 All licenses and licensing rights of Respondent  
17 LYNETTE MONEE ADAMS, under the Real Estate Law are revoked;  
18 provided, however, a restricted real estate salesperson license  
19 shall be issued to Respondent pursuant to Section 10156.5 of the  
20 Business and Professions Code if Respondent makes application  
21 therefor and pays to the Department of Real Estate the  
22 appropriate fee for the restricted license within 90 days from  
23 the effective date of this Decision.

24 The restricted license issued to Respondent shall be  
25 subject to all of the provisions of Section 10156.7 of the  
26 Business and Professions Code and to the following limitations,  
27

1 conditions and restrictions imposed under authority of the  
2 Section 10156.6 of that Code:

3 1. The restricted license issued to Respondent may be  
4 suspended prior to hearing by Order of the Real Estate  
5 Commissioner in the event of Respondent's conviction or plea of  
6 nolo contendere to a crime which is substantially related to  
7 Respondent's fitness or capacity as a real estate licensee.

8 2. The restricted license issued to Respondent may be  
9 suspended prior to hearing by Order of the Real Estate  
10 Commissioner on evidence satisfactory to the Commissioner that  
11 Respondent has violated provisions of the California Real Estate  
12 Law, the Subdivided Lands Law, Regulations of the Real Estate  
13 Commissioner, or conditions attaching to the restricted license.

14 3. Respondent shall not be eligible to apply for the  
15 issuance of an unrestricted real estate license nor for the  
16 removal of any of the conditions, limitations or restrictions of  
17 a restricted license until five (5) years have elapsed from the  
18 date of issuance of any restricted real estate license.

19 4. Respondent shall submit with any application for  
20 license under an employing broker, or any application for  
21 transfer to a new employing broker, a statement signed by the  
22 prospective employing real estate broker on a form approved by  
23 the Department of Real Estate which shall certify:

24 (a) That the employing broker has read the Order of  
25 the Commissioner which granted the right to a restricted  
26 license, and  
27

1                   (b) That the employing broker will exercise close  
2 supervision over the performance by the restricted licensee of  
3 the activities for which a real estate license is required.

4                   5. Respondent shall, within nine (9) months from the  
5 effective date of this Decision, present evidence satisfactory  
6 to the Real Estate Commissioner that Respondent has, since the  
7 most recent issuance of an original or renewal real estate  
8 license, taken and successfully completed the continuing  
9 education requirements of Article 2.5 of Chapter 3 of the Real  
10 Estate Law for renewal of a real estate license. If Respondent  
11 fails to satisfy this condition, the Commissioner may order the  
12 suspension of the restricted license until the Respondent  
13 presents such evidence. The Commissioner shall afford  
14 Respondent the opportunity for a hearing pursuant to the  
15 Administrative Procedure Act to present such evidence.

16                   6. Respondent shall, within six months from the  
17 effective date of this Decision, take and pass the Professional  
18 Responsibility examination administered by the Department  
19 including the payment of the appropriate examination fee. If  
20 Respondent fails to satisfy this condition, the Commissioner may  
21 order the suspension of Respondent's license until Respondent  
22 passes the examination.

23                   7. Respondent shall submit proof satisfactory to the  
24 Commissioner of payment of restitution in the amount of \$25,000  
25 to Dennis P. Patterson. Respondent shall make monthly payments  
26 of \$416.67 by either personal check, cashier's check or money  
27 order directly to Dennis P. Patterson. Respondent shall report

1 in writing to the Department at the end of each calendar quarter  
2 ending March, June, September and December showing proof of  
3 ongoing payments including front and back copies of canceled  
4 checks if payment is made by personal check. The reports shall  
5 be verified as true and correct under penalty of perjury, should  
6 be post-marked no later than the 21st of each month following  
7 the appropriate quarter, and mailed to the Department of Real  
8 Estate, Attention: Crisis Response Team Manager, 320 West 4<sup>th</sup>  
9 Street, Room 350, Los Angeles, California 90013-1105. If  
10 Respondent fails to satisfy this condition, the Commissioner may  
11 order the suspension of Respondent's license until Respondent  
12 presents such evidence.

13  
14 DATED:

3/8/11



LISSETE GARCIA Counsel for the  
Department of Real Estate

15  
16 \* \* \*

17  
18 I have read the Stipulation and Agreement, have  
19 discussed it with my counsel, and its terms are understood by me  
20 and are agreeable and acceptable to me. I understand that I am  
21 waiving rights given to me by the California Administrative  
22 Procedure Act (including but not limited to Sections 11506,  
23 11508, 11509 and 11513 of the Government Code), and I willingly,  
24 intelligently and voluntarily waive those rights, including the  
25 right of requiring the Commissioner to prove the allegations in  
26 the Accusation at a hearing at which I would have the right to  
27

1 cross-examine witnesses against me and to present evidence in  
2 defense and mitigation of the charges.

3 Respondent can signify acceptance and approval of the  
4 terms and conditions of this Stipulation and Agreement by faxing  
5 a copy of the signature page, as actually signed by Respondent,  
6 to the Department at fax number (213) 576-6917. Respondent  
7 agrees, acknowledges and understands that by electronically  
8 sending to the Department a fax copy of her actual signature as  
9 it appears on the Stipulation and Agreement, that receipt of the  
10 faxed copy by the Department shall be as binding on Respondent  
11 as if the Department had received the original signed  
12 Stipulation and Agreement.

13  
14 DATED: 3-4-2011 *Lynette M. Adams*  
15 LYNETTE MONEE ADAMS, Respondent

16 I have reviewed the Stipulation and Agreement as to  
17 form and content and have advised my client accordingly.

18  
19 DATED: 3-14-11 *Frank Buda*  
20 FRANK M. BUDA, Attorney for Respondent

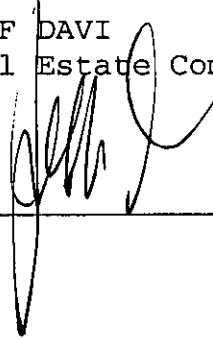
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The foregoing Stipulation and Agreement is hereby  
adopted as my Decision in this matter and shall become effective  
at 12 o'clock noon on April 18, 2011.

IT IS SO ORDERED 3/23, 2011.

JEFF DAVI  
Real Estate Commissioner  
  
\_\_\_\_\_



2.

On April 5, 2010, Respondent LYNETTE MONEE ADAMS returned a Notice of Defense on behalf of herself and Respondent SOUTHCOAST MORTGAGE, INC. On April 22, 2010, the Department received a different Notice of Defense on behalf of Respondent LYNETTE MONEE ADAMS only. On May 25, 2010, Frank M. Buda, counsel for Respondent LYNETTE MONEE ADAMS, confirmed that neither he, nor his client, LYNETTE MONEE ADAMS, were representing Respondent SOUTHCOAST MORTGAGE, INC. On May 26, 2010, Respondent SOUTHCOAST MORTGAGE, INC.'s default was entered herein. On May 26, 2010, Respondent DIONETTE MONE FERGUSON's default was entered herein.

3.

At all times herein mentioned, Respondent SOUTHCOAST MORTGAGE COMPANY, INC. ("SOUTHCOAST") was licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) ("Code") as a corporate real estate broker. Respondent SOUTHCOAST was first licensed as a corporate real estate broker on January 7, 2005. Respondent SOUTHCOAST's license expired on January 6, 2009. Respondent has renewal rights under Section 10201 of the Code. The Department retains jurisdiction pursuant Code Section 10103.

4.

At all times herein mentioned, Respondent DIONETTE MONE FERGUSON ("FERGUSON") was licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate broker. Respondent was first licensed as a real estate broker on July 16, 2007. Respondent FERGUSON is doing business as Essential Real Estate Providers and Essential Real Estate Services.

5.

At all times herein mentioned, Respondent LYNETTE MONEE ADAMS ("ADAMS") was licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate broker. Respondent was first licensed as a real estate broker on September 28, 2002. Respondent ADAMS is doing business as SouthCoast Mortgage Company, Essential Escrow

Company and Exclusive Homes and Estates Realty.

6.

Beginning on January 7, 2005, and continuing through January 6, 2009, Respondent SOUTHCOAST was authorized to act by and through Respondent ADAMS as its broker and officer designated pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law. Beginning on September 17, 2007, and continuing through January 6, 2009, Respondent SOUTHCOAST was also authorized to act by and through Respondent FERGUSON as its broker and officer designated pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

7.

At all times herein mentioned, Respondent SOUTHCOAST, for or in expectation of compensation, engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker for others in the State of California within the meaning of Section 10131(a) and (d) of the Code. Respondent solicited, obtained listings of or negotiated the purchase, sale or exchange of real property and solicited and represented borrowers in negotiating and obtaining mortgage loans.

FIRST CAUSE OF ACCUSATION

(Compensation to Unlicensed Person)

8.

At no time mentioned was Nichelle Mathis licensed by the Department as a real estate broker or as a real estate salesperson.

9.

In or around April, 2007, Nichelle Mathis, for or in expectation of compensation, and while she was employed or acting as an agent of Respondents, solicited, represented, and acted in the capacity of a loan officer for borrower, Dennis P. Patterson. Mr. Patterson was interested in refinancing the mortgage of his residential property located at 2637 W. Caldwell Street, Compton, California 90220 ("Caldwell property"). Mr. Patterson sought assistance with refinancing his mortgage from Nichelle Mathis who represented herself as a loan officer for Respondent SOUTHCOAST. Instead of refinancing the Caldwell

property, Nichelle Mathis and Respondents persuaded Mr. Patterson to sell the Caldwell property to Renita Allen.  
10.

On or about April 11, 2007, Respondent FERGUSON signed the Residential Purchase Agreement and Joint Escrow Instructions for the Caldwell property on behalf of Exclusive Homes and Estates Realty as both the listing and selling broker for the transaction. Respondent FERGUSON was not the designated broker-officer for Exclusive Homes and Estates Realty and was also not yet licensed as a real estate broker at the time.<sup>1</sup> Escrow was done through Essential Escrow Company. Escrow closed on or about May 9, 2007. Both Exclusive Homes and Estates Realty and Essential Escrow Company are dbas of Respondent ADAMS.

11.

On or about February 27, 2008, Respondent FERGUSON faxed a transmittal sheet to Dennis Patterson which listed a breakdown of the monies from the sale of the Caldwell property. The list included a commission fee paid to Nichelle Mathis for 1.5 per cent of the sales price of the Caldwell property which totaled \$6,450.00.

SECOND CAUSE OF ACCUSATION

(Making Any Substantial Misrepresentation)

12.

On or about April 23, 2008, Dennis P. Patterson submitted to the Department a Licensee Complaint against Respondents SOUTHCOAST and FERGUSON, and also against unlicensed individual, Nichelle Mathis.

13.

In his complaint, Mr. Patterson claimed that various misrepresentations had been made by Respondents and Mathis during the course of the sale of the Caldwell property. The misrepresentations included that the HUD-1 Settlement Statement listed a private lien to "J.T. Enterprises" for the amount of \$94,612.00. No lien was recorded on the Caldwell property by "J.T. Enterprises". This "private lien" was meant to mislead the U.S. Department of Housing and Urban Development (HUD) as to

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<sup>1</sup> From November 29, 1999, through July 15, 2007, Respondent FERGUSON was licensed as a real estate salesperson.

the actual disbursement of the settlement funds from the sale of the Caldwell property. The \$94,612.00 lien sum equaled the sum on the fax transmittal which Respondent FERGUSON faxed to Mr. Patterson on February 27, 2008. The fax transmittal listed the following payments:

- a. down payment in the amount of \$43,000,
- b. Renita Allen for the amount of \$25,530.89,
- c. Dennis Patterson for the amount of \$15,064.57,
- d. Nichelle Mathis for the amount of \$6,450.00, and
- e. miscellaneous fees for taxes and insurance for the amount of \$4,566.54.

The total sum of the above payments is \$94,612.

14.

In addition, the loan application for the purchase of the Caldwell property by buyer Renita Allen, contained misrepresentations regarding her intention to occupy the Caldwell property as her primary residence. Respondents negotiated an agreement between Mr. Patterson and Renita Allen, whereby Mr. Patterson sold the Caldwell property to Renita Allen; however, Mr. Patterson would remain living in the Caldwell property and continue paying the mortgage which would be in Renita Allen's name from funds placed in a general bank by Essential Escrow Company. This agreement between Mr. Patterson and Renita Allen was not disclosed to HUD or the lender.

THIRD CAUSE OF ACCUSATION  
(Failure to Maintain Business Records)  
(Code Section 10148)

15.

There is hereby incorporated in this third, separate and distinct Cause of Accusation, all of the allegations contained in Paragraphs 1 through 14, with the same force and effect as if herein fully set forth.

16.

Code Section 10148 requires a real estate broker to retain for three years copies of all listings, deposit receipts, canceled checks, trust records, and other documents executed by him or her or obtained by him or her in connection with any transaction for which a real estate broker license is required.

The retention period shall run from the date of the closing of the transaction.

17.

On July 20, 2009, the Department served a Subpoena Duces Tecum to Respondent SOUTHCOAST through Respondent FERGUSON for all records pertaining to the transaction regarding the Caldwell property which closed escrow on or about May 9, 2007. Respondents SOUTHCOAST and FERGUSON failed to retain a copy of all of the documents requested by the Department's Subpoena for the records.

DETERMINATION OF ISSUES

1.

Cause for disciplinary action against Respondents SOUTHCOAST MORTGAGE COMPANY, INC. and DIONETTE MONE FERGUSON exists pursuant to Business and Professions Code Sections 10137, 10148, 10177(d), 10176(a) and 10177(g).

2.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

The licenses and license rights of Respondents SOUTHCOAST MORTGAGE COMPANY, INC. and DIONETTE MONE FERGUSON under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon July 13, 2010.

DATED: \_\_\_\_\_

6-17 2010  
JEFF DAVI  
Real Estate Commissioner

1 Department of Real Estate  
2 320 West Fourth Street, Suite 350  
3 Los Angeles, California 90013-1105

FILED  
MAY 26 2010  
DEPARTMENT OF REAL ESTATE

By [Signature]

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5  
6  
7 BEFORE THE DEPARTMENT OF REAL ESTATE  
8 STATE OF CALIFORNIA

9 \* \* \* \*

10 In the Matter of the Accusation of )  
11 ) NO. H-36503 LA  
12 SOUTHCOAST MORTGAGE COMPANY, INC.; )  
13 DIONETTE MONE FERGUSON; and ) DEFAULT ORDER  
14 LYNETTE MONEE ADAMS, individually )  
15 and doing business as SouthCoast )  
16 Mortgage Company, Essential )  
Escrow Company, and Exclusive )  
Homes and Estates Realty, )  
Respondents. )

17 Respondents, SOUTHCOAST MORTGAGE COMPANY, INC. and  
18 DIONETTE MONE FERGUSON, having failed to file a Notice of Defense  
19 within the time required by Section 11506 of the Government Code,  
20 are now in default. It is, therefore, ordered that a default be  
21 entered on the record in this matter.

22 IT IS SO ORDERED May 26, 2010.

23 JEFF DAVI  
24 Real Estate Commissioner

25 [Signature: Dolores Weeks]  
26 By: DOLORES WEEKS  
27 Regional Manager



1 LISSETE GARCIA, Counsel (SBN 211552)  
2 Department of Real Estate  
3 320 West 4th Street, Suite 350  
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6982  
6 (Direct)' (213) 576-6914

**FILED**  
MAR - 9 2010  
DEPARTMENT OF REAL ESTATE

By CS

7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) NO. H-36503 LA  
12 )  
13 SOUTHCOAST MORTGAGE COMPANY, INC.; ) A C C U S A T I O N  
14 DIONETTE MONE FERGUSON; and )  
15 LYNETTE MONEE ADAMS, individually )  
16 and doing business as SouthCoast )  
17 Mortgage Company, Essential )  
18 Escrow Company, and Exclusive )  
19 Homes and Estates Realty, )  
20 Respondents. )

21 The Complainant, Robin Trujillo, a Deputy Real Estate  
22 Commissioner of the State of California, for cause of Accusation  
23 against SOUTHCOAST MORTGAGE COMPANY, INC.; DIONETTE MONE  
24 FERGUSON; and LYNETTE MONEE ADAMS, individually and doing  
25 business as SouthCoast Mortgage Company, Essential Escrow  
26 Company, and Exclusive Homes and Estates Realty ("Respondents"),  
27 is informed and alleges as follows:

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///

1 1.

2 The Complainant, Robin Trujillo, a Deputy Real Estate  
3 Commissioner of the State of California, makes this Accusation  
4 in her official capacity.

5 2.

6 At all times herein mentioned, Respondent SOUTHCOAST  
7 MORTGAGE COMPANY, INC. ("SMCI") was licensed and/or has license  
8 rights under the Real Estate Law (Part 1 of Division 4 of the  
9 California Business and Professions Code) ("Code") as a  
10 corporate real estate broker. Respondent SMCI was first  
11 licensed as a corporate real estate broker on January 7, 2005.  
12 Respondent SMCI's license expired on January 6, 2009.  
13 Respondent has renewal rights under Section 10201 of the Code.  
14 The Department of Real Estate ("Department") retains  
15 jurisdiction pursuant Code Section 10103.

16 3.

17 At all times herein mentioned, Respondent DIONETTE  
18 MONE FERGUSON ("FERGUSON") was licensed and/or has license  
19 rights under the Real Estate Law (Part 1 of Division 4 of the  
20 Code) as a real estate broker. Respondent was first licensed as  
21 a real estate broker on July 16, 2007. Respondent FERGUSON is  
22 doing business as Essential Real Estate Providers and Essential  
23 Real Estate Services.

24 4.

25 At all times herein mentioned, Respondent LYNETTE  
26 MONEE ADAMS ("ADAMS") was licensed and/or has license rights  
27 under the Real Estate Law (Part 1 of Division 4 of the Code) as  
28 a real estate broker. Respondent was first licensed as a real

1 estate broker on September 28, 2002. Respondent ADAMS is doing  
2 business as SouthCoast Mortgage Company, Essential Escrow  
3 Company and Exclusive Homes and Estates Realty.

4 5.

5 Beginning on January 7, 2005, and continuing through  
6 January 6, 2009, Respondent SMCI was authorized to act by and  
7 through Respondent ADAMS as its broker and officer designated  
8 pursuant to Code Section 10159.2 to be responsible for ensuring  
9 compliance with the Real Estate Law. Beginning on September 17,  
10 2007, and continuing through January 6, 2009, Respondent SMCI  
11 was also authorized to act by and through Respondent FERGUSON as  
12 its broker and officer designated pursuant to Code Section  
13 10159.2 to be responsible for ensuring compliance with the Real  
14 Estate Law.

15 6.

16 At all times herein mentioned, Respondents for or in  
17 expectation of compensation, engaged in the business of, acted  
18 in the capacity of, advertised or assumed to act as real estate  
19 brokers for others in the State of California within the meaning  
20 of Section 10131(a) and (d) of the Code. Respondents solicited,  
21 obtained listings of or negotiated the purchase, sale or  
22 exchange of real property and solicited and represented  
23 borrowers in negotiating and obtaining mortgage loans.

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FIRST CAUSE OF ACCUSATION  
(Compensation to Unlicensed Person)

7.

At no time mentioned was Nichelle Mathis licensed by the Department as a real estate broker or as a real estate salesperson.

8.

In or around April, 2007, Nichelle Mathis, for or in expectation of compensation, and while she was employed or acting as an agent of Respondents, solicited, represented, and acted in the capacity of a loan officer for borrower, Dennis P. Patterson. Mr. Patterson was interested in refinancing the mortgage of his residential property located at 2637 W. Caldwell Street, Compton, California 90220 ("Caldwell property"). Mr. Patterson sought assistance with refinancing his mortgage from Nichelle Mathis who represented herself as a loan officer for Respondent SMCI. Instead of refinancing the Caldwell property, Nichelle Mathis and Respondents persuaded Mr. Patterson to sell the Caldwell property to Renita Allen.

9.

On or about April 11, 2007, Respondent FERGUSON signed the Residential Purchase Agreement and Joint Escrow Instructions for the Caldwell property on behalf of Exclusive Homes and Estates Realty as both the listing and selling broker for the transaction. Respondent FERGUSON was not the designated broker-officer for Exclusive Homes and Estates Realty and was also not yet licensed as a real estate broker at the time.<sup>1</sup> Escrow was

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<sup>1</sup> From November 29, 1999, through July 15, 2007, Respondent FERGUSON was licensed as a real estate salesperson.

1 done through Essential Escrow Company. Escrow closed on or  
2 about May 9, 2007. Both Exclusive Homes and Estates Realty and  
3 Essential Escrow Company are dbas of Respondent ADAMS.

4 10.

5 On or about February 27, 2008, Respondent FERGUSON  
6 faxed a transmittal sheet to Dennis Patterson which listed a  
7 breakdown of the monies from the sale of the Caldwell property.  
8 The list included a commission fee paid to Nichelle Mathis for  
9 1.5 per cent of the sales price of the Caldwell property which  
10 totaled \$6,450.00.

11 11.

12 The acts, conduct and omissions of Respondents SMCI,  
13 FERGUSON, and ADAMS, in employing or compensating Nichelle  
14 Mathis to conduct activities requiring a real estate license  
15 when she was not licensed by the Department is cause to revoke  
16 or suspend the licenses and/or license rights of Respondents  
17 pursuant to Section 10137, 10177(d) and/or 10177(g) of the Code.

18 SECOND CAUSE OF ACCUSATION

19 (Making Any Substantial Misrepresentation)

20 12.

21 There is hereby incorporated in this second, separate  
22 and distinct Cause of Accusation, all of the allegations  
23 contained in Paragraphs 1 through 11, with the same force and  
24 effect as if herein fully set forth.

25 13.

26 On or about April 23, 2008, Dennis P. Patterson  
27 submitted to the Department a Licensee Complaint against  
28

1 Respondents SMCI, ALLEN, and FERGUSON, and also against  
2 unlicensed individual, Nichelle Mathis.

3 14.

4 In his complaint, Mr. Patterson claimed that various  
5 misrepresentations had been made by Respondents and Mathis  
6 during the course of the sale of the Caldwell property. The  
7 misrepresentations included that the HUD-1 Settlement Statement  
8 listed a private lien to "J.T. Enterprises" for the amount of  
9 \$94,612.00. No lien was recorded on the Caldwell property by  
10 "J.T. Enterprises". This "private lien" was meant to mislead  
11 the U.S. Department of Housing and Urban Development (HUD) as to  
12 the actual disbursement of the settlement funds from the sale of  
13 the Caldwell property. The \$94,612.00 lien sum equaled the sum  
14 on the fax transmittal which Respondent FERGUSON faxed to Mr.  
15 Patterson on February 27, 2008. The fax transmittal listed the  
16 following payments:  
17

- 18 a. down payment in the amount of \$43,000,
- 19 b. Renita Allen for the amount of \$25,530.89,
- 20 c. Dennis Patterson for the amount of \$15,064.57,
- 21 d. Nichelle Mathis for the amount of \$6,450.00, and
- 22 e. miscellaneous fees for taxes and insurance for the  
23 amount of \$4,566.54.

24 The total sum of the above payments is \$94,612.

25 15.

26 In addition, the loan application for the purchase of  
27 the Caldwell property by buyer Renita Allen, contained  
28 misrepresentations regarding her intention to occupy the

1 Caldwell property as her primary residence. Respondents  
2 negotiated an agreement between Mr. Patterson and Renita Allen,  
3 whereby Mr. Patterson sold the Caldwell property to Renita  
4 Allen; however, Mr. Patterson would remain living in the  
5 Caldwell property and continue paying the mortgage which would  
6 be in Renita Allen's name from funds placed in a general bank by  
7 Essential Escrow Company. This agreement between Mr. Patterson  
8 and Renita Allen was not disclosed to HUD or the lender.

9  
10 16.

11 The conduct, acts and/or omissions by Respondents  
12 SMCI, FERGUSON, and ADAMS, of making false and/or misleading  
13 misrepresentations, as set forth in Paragraphs 13 through 15  
14 above, constitute grounds to discipline the licenses and/or  
15 license rights of Respondents pursuant to Sections 10176(a)  
16 and/or 10177(g) of the Code.

17 17.

18 The conduct, acts and/or omissions as set forth in  
19 Paragraphs 8 through 15 above, in failing to adequately  
20 supervise the activities of Respondent SCMI, is in violation of  
21 Section 10159.2 of the Code and is grounds to discipline the  
22 licenses and/or license rights of Respondents ADAMS and FERGUSON  
23 pursuant to Sections 10177(d), 10177(g) and/or 10177(h) of the  
24 Code.

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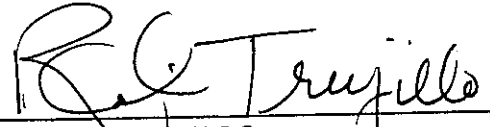




1 grounds to discipline the licenses and/or license rights of  
2 Respondents pursuant to Sections 10177(d) and/or 10177(g) of the  
3 Code.

4 WHEREFORE, Complainant prays that a hearing be  
5 conducted on the allegations of this Accusation and that upon  
6 proof thereof, a decision be rendered imposing disciplinary  
7 action against all licenses and/or license rights of  
8 Respondents, SOUTHCOAST MORTGAGE COMPANY, INC.; DIONETTE MONE  
9 FERGUSON; and LYNETTE MONEE ADAMS, individually and doing  
10 business as SouthCoast Mortgage Company, Essential Escrow  
11 Company, and Exclusive Homes and Estates Realty, under the Real  
12 Estate Law (Part 1 of Division 4 of the Business and Professions  
13 Code) and for such other and further relief as may be proper  
14 under other applicable provisions of law.

15 Dated at Los Angeles, California  
16 this 2 day of March, 2010.

17  
18   
19 ROBIN TRUJILLO  
20 Deputy Real Estate Commissioner  
21  
22  
23

24 cc: SouthCoast Mortgage Company, Inc.  
25 Dionette Mone Ferguson  
26 Lynette Monee Adams  
27 Robin Trujillo  
28 Sacto.