

Suarez

FILED

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MAY 12 2011

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DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H- 37273 LA
12	RENEE YVETTE ANGLIN, doing business)	<u>A C C U S A T I O N</u>
13	as Hillside Mortgage & Real Estate)	
14	Services and RYA Associates,)	
15	Respondent.)	

16 The Complainant, Maria Suarez, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against RENEE YVETTE ANGLIN doing business as Hillside Mortgage &
19 Real Estate Services and RYA Associates, alleges as follows:

20 1.

21 The Complainant, Maria Suarez, acting in her official
22 capacity as a Deputy Real Estate Commissioner of the State of
23 California, makes this Accusation.

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1 2.

2 All references to the "Code" are to the California
3 Business and Professions Code and all references to "Regulations"
4 are to Title 10, Chapter 6, California Code of Regulations.

5 License

6 3.

7 At all times mentioned, ANGLIN (hereinafter referred to
8 as "Respondent" or "ANGLIN"), is presently licensed and/or have
9 license rights under the Real Estate Law (Part 1 of Division 4 of
10 the Business and Professions Code, hereinafter Code), as a real
11 estate broker. ANGLIN was originally licensed as a real estate
12 broker March 8, 2006.

13 Brokerage

14 4.

15 At all times mentioned, in Culver City, County of Los
16 Angeles, ANGLIN acted as a real estate broker and conducted
17 licensed activities within the meaning of:

18 A. Code Section 10131(d). ANGLIN dba RYA Associates
19 engaged in activities with the public wherein lenders and
20 borrowers were solicited for loans secured directly or
21 collaterally by liens on real property, wherein such loans were
22 arranged, negotiated, processed and consummated on behalf of
23 others for compensation or in expectation of compensation and for
24 fees often collected in advance as well as at the conclusion of
25 transactions; and

26 B. Code Section 10131.2. ANGLIN, dba Hillside Mortgage
27 & Real Estate Services, engaged in the business of a loan

1 modification and an advance fee brokerage. Respondent performed
2 loan modification services with respect to loans to economically
3 distressed homeowners which were secured by liens on real
4 property for compensation or in expectation of compensation and
5 for fees often collected in advance and as well at the close of
6 the transactions. Respondent contacted lenders on behalf of
7 economically distressed homeowners seeking modification of the
8 terms of their home loans, interest and/or principal reduction,
9 foreclosure abatement, loan refinance, extenuations, trial
10 mortgage and short sale services.

11 FIRST CAUSE OF ACCUSATION
12 (Audit Examination)

13 5.

14 On October 14, 2010, the Department completed an audit
15 examination of the books and records of ANGLIN pertaining to the
16 mortgage loan, advanced fee and loan modification service
17 activities described in Paragraph 4, which require a real estate
18 license. The audit examination covered a period of time
19 beginning on April 1, 2007 to February 28, 2010. The audit
20 examination revealed violations of the Code and the Regulations
21 as set forth in the following paragraphs, and more fully
22 discussed in Audit Report LA 090154 and the exhibits and work
23 papers attached to said audit report.

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Trust Account

6.

ANGLIN did not maintain a trust account during the audit period; however, at all times mentioned, in connection with the activities described in Paragraph 4, above, ANGLIN accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties, including borrowers and lenders seeking mortgage loans and from economically distressed homeowner-borrowers for advance fees and loan modifications handled by ANGLIN. Thereafter ANGLIN made deposits and or disbursements of such trust funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by ANGLIN in this trust account:

"Rod Asiaian dba Hillside H & R

Account No. XXX-XX5610-8"

Chase Bank

San Dimas, CA 91773

(B/A #1)

(B/A #1 - ANGLIN's (HMRES) general business operating account also used for deposit of advance fees collected from homeowners for loan modification services).

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1 Violations

2 7.

3 In the course of activities described in Paragraphs 4
4 and 6, above, and during the examination period described in
5 Paragraph 5, Respondent ANGLIN, acted in violation of the Code
6 and the Regulations in that Respondent:

7 (A) Permitted, allowed or caused the disbursement of
8 trust funds from the B/A #1 where the disbursement of said funds
9 B/A #1, where the disbursement of funds reduced the total of
10 aggregate funds in B/A #1, to an amount which, on September 30,
11 2009, was at a minimum \$29,139.32, less than the existing
12 aggregate trust fund liability to every homeowner-principal who
13 was an owner of said funds, without first obtaining the prior
14 written consent of the owners, in violation of Code Section 10145
15 and Regulation 2832.1.

16 The \$29,139.32 shortage was due to unearned advance
17 fees, ANGLIN's use of trust funds to pay for bank charges and
18 ANGLIN's operating expenses, and for unidentified deficits.

19 (B) On June 1, 2009, Simon Mendoza ("Mendoza")
20 contracted with Hillside Mortgage & Real Estate Services
21 ("HMRES"), ANGLIN's fictitious business name, to modify the home
22 loan for his residence located at 25376 Yolanda Ave., Moreno
23 Valley.

24 Herman Gino Padilla ("Padilla"), ANGLIN's unlicensed
25 branch office manager for San Dimas, and licensed salesperson
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1 Diana Lorenza Jimenez provided and loan modification services for
2 the Mendoza.

3 Homeowner-borrower Mendoza agreed to pay HMRES \$3,500
4 fees in advance in order to obtain modification of his exiting
5 loan with a view to securing more favorable terms and conditions.

6 ANGLIN did not submit the advance fee agreement for
7 loan modification services to be provided to the Department for
8 approval prior to collecting the advance fees from MENDOZA.

9 On June 2, 2009, Mendoza paid \$3,500 to HMRES with
10 Mendoza's Wescom Visa credit card. On June 4, 2009, HMRES
11 charged an additional \$3,500 onto Mendoza's credit card.

12 On June 4, 2009, Mendoza subsequently canceled the loan
13 modification agreement and was ultimately refunded his \$7,000
14 advance fee from HMRES.

<u>Date</u>	<u>Form of Payment</u>	<u>Amount</u>	<u>B/A # 1 Date Deposited</u>	<u>Amount</u>
6/2/2009	Mendoza's Visa	\$3,500.00	6/5/2009	\$3,500.00
6/4/2009	Mendoza's Visa	\$3,500.00	6/8/2009	\$3,500.00
<u>Total</u>		<u>\$7,000.00</u>		<u>\$7,000.00</u>

21 The conduct, acts and/or omissions of Respondent
22 ANGLIN is in violation of Code Sections 10085, 10145, 10146
23 and 10137 and Regulations 2970 and 2972.

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25 (C) Violated Code Section 10085 and Regulation
26 2970 by failing to submit to the Commissioner not less than
27 ten calendar days before publication or other use, all

1 materials to be used in advertising, promoting, soliciting
2 and negotiating an agreement calling for the payment of an
3 advance fee including the form of advance fee agreement
4 proposed for use.

5 (D) Violated Code Section 10146 and Regulation
6 2972 by failing to provide a complete description of loan
7 modification services to be rendered provided to each
8 would-be homeowner in 10 point type font and an allocation
9 and disbursement of the amount collected as the advance
10 fee.

11 (E) Failed to maintain a control record in the
12 form of a columnar record in chronological order of all
13 trust funds including advance fees received, deposited and
14 disbursed, in violation of Code Section 10145 and
15 Regulation 2831.

16 (F) Failed to maintain a separate record for each
17 beneficiary or transaction, thereby failing to account for
18 all advance fees collected, in violation of Code Section
19 10145 and Regulation 2831.1.

20 (G) Commingled trust funds and personal funds by
21 depositing advance fees received from loan modification
22 services into ANGLIN's general operating account and
23 issuing checks from said account, in violation of Code
24 Sections 10145 and 10176(e) and Regulation 2832, as set
25 forth below in the table below for the following homeowner
26
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1 loan modifications.

2 (H) Converted trust funds by depositing advance
3 fees solicited from homeowner-borrowers for loan
4 modification services into ANGLIN's general operating
5 account, B/A #1, in violation of Code Sections 10145 and
6 10176(i). ANGLIN reduced the amount in B/A #1's general
7 account to an amount less than the amount of the trust
8 funds deposited constituting conversion, in breach of the
9 Payment Phases of the Loan Modification Agreement, as set
10 forth herein:

11 Table A: Loan Modification Agreement Phases

12
13 HMRES' advance fee agreement, indicated that the
14 advance fees were apportioned and disbursed as follows:

15 Phase 1 - "Phase 1 services shall be completed upon the
16 Company's presentation to Borrower of the Company's recommended
17 course of action with respect to the possible modification of the
18 Original Loan"; and

19 Phase 2 - "Loan Proposals to Lender and Secure Lender
20 Response...Company agrees to pursue the matter of any offer for
21 loan modification made to Borrower in a timely fashion to a point
22 of resolution, where either (a) Borrower has entered into a loan
23 modification agreement with the Lender, or (b) Borrower has not
24 and will not be entering into a loan modification agreement with
25 the Lender"; and
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1 Phase 3 - "Shall consist of the processing of
 2 Borrower's loan application, from submission to Lender to funding
 3 and closing of the loan modification. Phase 3 services shall be
 4 completed upon the closing of the loan modification."

5 B/A-1's bank statements revealed that from April 2009
 6 to September 2009, that HMRES' operating expenses and bank
 7 charges were disbursed from the B/A-1 general account during the
 8 period from April 2009 to September 2009, as tabled below:

9 Table: Conversion of Unearned Loan Modification Fees

Period	Description	Total	
		Amount	W/P
Apr. 2009 to Sep. 2009	NSF Charge	\$ 165.00	B-3, B-3.2
Apr. 2009 to Sep. 2009	Bankcard Fees	\$ 4,748.92	B-3, B-3.2
	Other Bank		
Apr. 2009 to Sep. 2009	Charges	\$ 48.40	B-3, B-3.2
Apr. 2009 to Sep. 2009	Telephone/Internet	\$ 6,774.62	B-3, B-3.1
Apr. 2009 to Sep. 2009	Fedex/USPS	\$ 915.37	B-3, B-3.1
	Info. Searching/		
Apr. 2009 to Sep. 2009	Experian	\$ 673.40	B-3, B-3.1
Apr. 2009 to Sep. 2009	Office Max/Staples	\$ 1,402.58	B-3, B-3.1
Apr. 2009 to Sep. 2009	ATM Withdrawal	\$ 7,769.64	B-3, B-3.1
Apr. 2009 to Sep. 2009	Utility	\$ 10.50	B-3, B-3.1
Total		\$ 22,508.43	

1 The advance fees collected and deposited into B/A-1 for
2 loan modification services totaling \$91,200 were disbursed to
3 ANGLIS/HMRES before the complete rendering of services was
4 accomplished, in violation of Code Section 10176(i) for
5 conversion.

6 (I) (1) Failed to retain a true and correct copy of a
7 Department of Real Estate approved Mortgage Loan Disclosure
8 Statement signed by the broker for borrowers Mehrad/Regina
9 Mazkoori, in violation of Code Section 10240 and Regulation 2840.

10 (I) (2) Failed to disclose yield spread premiums from
11 lenders on the approved Mortgage Loan Disclosure Statement for
12 the borrowers Mehrad/Regina Mazkoori, in violation of Code
13 Section 10240, 10241 and Regulation 2840.1;

14 (I) (3) Failed to disclose that loan fees charged were
15 in fact paid to ANGLIN, instead of being reported as "Paid to
16 Others", on the Mortgage Loan Disclosure Statement for the
17 aforesaid borrowers, in violation of Code Section 10240 and
18 Regulation 2840.

19 (J) Failed to display the Department's license number
20 on the Mortgage Loan Disclosure Statement provided to borrowers,
21 nor the name of the loan officer negotiating the loan for
22 borrowers Leonel Guidino Jr., Frank Coronado, Marie Quintana,
23 Claudia Tyler, Mosies Gonzalez, Rigoberto Morales and Alan Patel,
24 in violation of Code Section 10236.4.

25 (K) Used the fictitious name of "Hillside Mortgage", to
26 conduct licensed activities including a mortgage loan brokerage,
27 without first obtaining from the Department a license bearing

1 said fictitious business name, in violation of Code Section
2 10159.5 and Regulation 2731.

3 (L)(1) Employed and compensated Herman Padilla, Steven
4 Duran and Luis Venegas, as loan agents who ANGLIN knew were not
5 licensed by the Department as a real estate broker or as a real
6 estate salesperson employed by a real estate broker, for
7 performing acts for which a real estate license is required,
8 including soliciting mortgage loans; in violation of Code Section
9 10137.

10 (L)(2) Employed and compensated Gino Herman Padilla and
11 Tanya Crespin, as loss mitigation agents who ANGLIN knew were not
12 licensed by the Department as a real estate broker or as a real
13 estate salesperson employed by a real estate broker, for
14 performing acts for which a real estate license is required,
15 including soliciting mortgage loans; and in violation of Code
16 Section 10137.

17 (M) Failed to notify the Department of the employment
18 of salesperson Diana Lorena Jimenez and the termination of
19 salesperson Norma Pegenia Gaoiran, in violation of Code Section
20 10161.8 and Regulation 2752.

21 (N) Failed to retain the salesperson license
22 certificates for Susan Elizabeth Harris and Evadne E. Wright, in
23 violation of Code Section 10160 and Regulation 2753.

24 (O) Conducted mortgage loan and loan modification
25 activities at ANGLIN's Los Angeles, San Dimas and Glendale
26 offices prior to obtaining branch office licenses from the
27 Department, in violation of Code Section 10163.

1 (P) After notice and subpoena on February 29, 2010,
2 failed to retain all records of ASHLI's activity during the audit
3 period requiring a real estate broker license, in violation of
4 Code Section 10148.

5 (Q) ANGLIN had no system in place for regularly
6 monitoring ANGLIN 's compliance with the Real Estate Law
7 especially in regard to establishing, systems, policies and
8 procedures to review trust fund handling, in violation of Code
9 Section 10177(h) and Regulation 2725. ANGLIN failed to
10 appropriate policies, rules or procedures in place to review,
11 oversee, inspect and manage and especially to prevent the deposit
12 of trust funds into ANGLIN 's general operating accounts which
13 were not designated as trust accounts, or to maintain any trust
14 fund handling records, in the form of advance fees, which were
15 improperly deposited into a general bank account; and

16 Disciplinary Statutes

17 8.

18 The conduct of Respondent ANGLIN described in Paragraph
19 7, above, violated the Code and the Regulations below:

20 The conduct of Respondent ANGLIN described in Paragraph 7,
21 violated the Code and the Regulations below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7(A)	Code Section 10145 and Regulation 2832.1
7(B)	Code Sections 10085, 10145, 10146 and 10137

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and Regulations 2970 and 2972.

7(C) Code Section 10085 and Regulation
2970

7(D) Code Section 10146 and Regulation
2972

7(E) Code Section 10145 and Regulation
2831

7(F) Code Section 10145 and Regulation
2831.1

7(G) Code Sections 10145 and 10176(e)
and Regulation 2832

7(H) Code Sections 10145 and 10176(i)

7(I) Code Sections 10240 and 10241 and
Regulations 2840 and 2840.1

7(J) Code Section 10236.4(b)

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- 7(K) Code Section 10159.5 and Regulation 2731
- 7(L) Code Section 10137
- 7(M) Code Section 10161.8 and Regulation 2752
- 7(N) Code Section 10160 and Regulation 2753
- 7(O) Code Section 10163
- 7(P) Code Section 10148
- 7(Q) Code Section 10177(h) and Regulation 2725

The foregoing violations constitutes cause for discipline of the real estate license and license rights of ANGLIN, as aforesaid, under the provisions of Code Sections 10137, 10176(e), 10176(i), 10177(d) and 10177(h) for violation of the Real Estate Law and/or 10177(g) for negligence.

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2 SECOND CAUSE OF ACCUSATION
3 (Loan Modification Services)

4 9.

5 At all times mentioned herein, Respondent ANGLIN
6 engaged in the business of a loan modification and advance fee
7 brokerage, within the definition of Code Sections 10131(d) and
8 10131.2.

9 General Allegations

10 10.

11 During 2008 and continuing thereafter to date,
12 Respondent ANGLIN, dba Hillside Mortgage & Real Estate
13 Services and/or Hillside Financial Consultants LLC and/or
14 "Hillside" solicited economically distressed homeowners facing
15 foreclosure and eviction from their homes, offered loan
16 modification services, charged and collected advance fees.

17 Specific Allegations

18 11.

19 Respondent ANGLIN, operating via unlicensed loss
20 mitigation agents and loan modification agents offered loss
21 mitigation and loan modification services to homeowner-borrowers
22 seeking downward adjustments or payment extenuations to their
23 home mortgages. Respondent collected advanced fees from said
24 homeowner-borrowers without possessing a pre-approved advance fee
25 agreement from the Department, including collecting advance fees
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1 after October 11, 2011, the prohibitory cutoff date for
2 collecting advance fees for loan modification Thereafter,
3 Respondent failed to obtain the loan modification or to provide
4 the services contracted for and paid for in advance, or to refund
5 the advance fees paid by the borrowers tabled below:

6
7 Table: Loan Modification Services

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Homeowner	Date	Status	Advance Fee
9 Ignacio Cortez	August-November 2009	No Service	\$4,000
10 Judith Cortez	August-November 2009	No Service	\$4,000
11 Total			\$8,000

12

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14 Loan Modification Violations and Disciplinary Statutes

15 12.

16 The conduct of Respondent ANGLIN violated the Code and
17 the Regulations as set forth below with respect to the tabled
18 homeowner-borrowers:

19 13.

20 13(a) Code Section 10176(a) for substantial
21 misrepresentation.

22 13(b) Code Section 10176(b) for making false promises
23 of a character likely to influence, persuade or induce the
24 aforesaid homeowner-borrowers.

25 13(c) Code Section 10176(i) for fraud, dishonest
26 dealing for aforesaid homeowner-borrowers.

27 13(d) Code Section 10176(i) for conversion of \$8,000 of

1 the aforesaid homeowner-borrowers collected advance fees.

2 13(e) Code Section 10137 for employing and/or
3 compensating unlicensed loss mitigation agents, including but not
4 limited to, Jose Arturo Rocha, and licensed real estate
5 salesperson(s)s that were non broker affiliated including, but
6 not limited to Gino Herman Padilla.

7 13(f) Code Section 10177(d) for violation of Code
8 Sections 10086 and Regulation 2970.

9 13(g) Code Section 10177(g) for negligence.

10 Negligence

11 14.

12 The overall conduct of Respondent ANGLIN constitutes
13 negligence. This conduct and violation are cause for the
14 suspension or revocation of the real estate license and license
15 rights of Respondent pursuant to Code Section 10177(g).

16 Breach of Fiduciary Duty

17 15.

18 The overall conduct of Respondent ANGLIN constitutes a
19 breach of fiduciary duty. This conduct and violation is cause
20 for the suspension or revocation of the real estate license and
21 license rights of Respondent pursuant to the provisions of Code
22 Sections 10176(i) and/or 10177(g).

23 THIRD CAUSE OF ACCUSATION
24 (Failure to Supervise)

25 16.

26 The overall conduct of Respondent ANGLIN constitutes a
27 failure on Respondent's part to exercise the reasonable

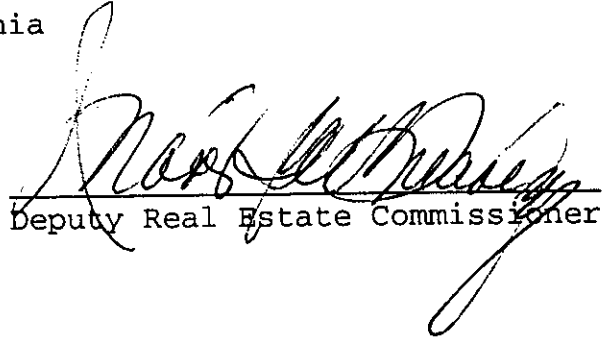
1 supervision and control over the licensed activities Respondent's
2 brokerage and to keep in compliance with the Real Estate Law,
3 with specific regard to loan modifications services and advance
4 fee handling, trust fund handling and employment of unlicensed
5 loan mitigation agents, requiring a real estate license and is
6 cause for the suspension or revocation of the real estate license
7 and license rights of Respondent ANGLIN pursuant to the
8 provisions of Code Sections 10177(d), 10177(g) and 10177(h).

9
10 WHEREFORE, Complainant prays that a hearing be
11 conducted on the allegations of this Accusation and that upon
12 proof thereof, a decision be rendered imposing disciplinary
13 action against the license and license rights of Respondent RENEE
14 YVETTE ANGLIN, under the Real Estate Law (Part 1 of Division 4 of
15 the Business and Professions Code) and for such other and further
16 relief as may be proper under other applicable provisions of law
17 including but not limited to restitution and costs of audit.

18 Dated at Los Angeles, California

19 this

13 April 2011.


Deputy Real Estate Commissioner

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24 cc: Renee Yvette Anglin D.O.
25 Maria Suarez
26 Sacto.
27 Enforcement - Anthony Vo
Enforcement - Edgar Sarmiento
Audits - Andy Chen