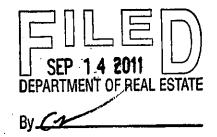
S.W.

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Department of Real Estate
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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of)

MAJESTIC INVESTMENTS, INC.,)
LUTHER SANCHEZ, individually and)
as designated officer of)
Majestic Investments, Inc., and)
GLORIA ADELIA TIMMONS,)

Respondents.)

NO. H-37526 LA

ACCUSATION

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against MAJESTIC INVESTMENTS, INC., LUTHER SANCHEZ, individually and as designated officer of Majestic Investments, Inc. and GLORIA ADELIA TIMMONS (collectively "Respondents") is informed and alleges as follows:

1.

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

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3.

From March 26, 2007, through March 25, 2011,

Respondent MAJESTIC INVESTMENTS, INC. has been licensed by the

Department of Real Estate ("Department") as a real estate

corporation, Department License No. 0177,3701, acting by and

through Respondent LUTHER SANCHEZ as its designated broker-

ensuring compliance with the Real Estate Law. Respondent

Respondent has renewal rights under Code Section 10201.

officer pursuant to Code Section 10159.2 to be responsible for

MAJESTIC INVESTMENTS, INC.'s license expired on March 25, 2011.

rights under the Real Estate Law (Part 1 of Division 4 of the

California Business and Professions Code, "Code").

Respondents are presently licensed and/or have license

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Department retains jurisdiction pursuant Code Section 10103.

From August 21, 1997, through the present, Respondent LUTHER SANCHEZ ("SANCHEZ") has been licensed as a real estate broker, Department License No. 01226461.

5.

From March 30, 2001, through the present, Respondent GLORIA ADELIA TIMMONS ("TIMMONS") has been licensed as a real estate salesperson, Department License No. 01306414. From May 4, 2007, through May 18, 2009, TIMMONS was acting under the employ of Respondent MAJESTIC INVESTMENTS, INC.

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FIRST CAUSE OF ACCUSATION (Suspended Corporate Status) (MAJESTIC INVESTMENTS, INC.)

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Respondent MAJESTIC INVESTMENTS, INC. is a California corporation formed on or about November 8, 2002. Respondent SANCHEZ is the Chief Executive Officer, Chief Financial Officer and President of MAJESTIC INVESTMENTS, INC.

7.

On November 20, 2009, the California Secretary of State suspended the corporate powers, rights and privileges of Respondent MAJESTIC INVESTMENTS, INC. MAJESTIC INVESTMENTS, INC.'s corporate status remains suspended.

8.

The suspension of Respondent MAJESTIC INVESTMENTS, INC.'s corporate status is in violation of Section 2742, subdivision (c) of the California Code of Regulations, Title 10, Chapter 6 ("Regulations") and constitutes grounds to suspend or revoke Respondent MAJESTIC INVESTMENTS, INC.'s corporate real estate broker license pursuant to Code Sections 10177(d) and/or 10177(g).

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SECOND CAUSE OF ACCUSATION
(Substantial Misrepresentations/Fraud or Dishonest Dealing)
(MAJESTIC INVESTMENTS, INC. and TIMMONS)

9.

There is hereby incorporated in this Second, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 8, above, with the same force and effect as

if herein fully set forth.

4.

 10.

On or about August 21, 2008, and October 10, 2008, TIMMONS prepared a residential loan application for borrower Felicitas Preciado ("Preciado") in connection with the purchase of real property located at 8322 Bernay Drive, Stockton, California 95210 ("subject property"). The loan application represented that borrower Preciado was purchasing the subject property with an equity investment equivalent to ten (10) percent of the \$110,000 sale price. The loan application also included a verification of deposit which reflected that borrower Preciado had a liquid asset account with Bank of the West with a balance of \$17,094.21. The HUD-1 Settlement Statement indicated that the borrower made a down payment of \$17,697.03 toward the purchase of the subject property.

11.

On or about October 2, 2008, MAJESTIC INVESTMENT, INC. submitted Preciado's loan application to Bay Valley Mortgage. Preciado's loan was approved and closed on October 21, 2008. Preciado's loan was transferred to Residential Funding Company, LLC dba GMAC ("GMAC"). GMAC later discovered that Preciado's loan application contained false information about borrower Preciado's assets and the amount of down payment that Preciado actually provided. GMAC discovered that Preciado's actual balance of the Bank of the West account on the date of the original verification was \$7,094.21. The down payment amount on

the HUD-1 Settlement Statement was false. Borrower Preciado lacked the assets needed to close the subject transaction.

12.

The conduct, acts and/or omissions of Respondents
TIMMONS and MAJESTIC INVESTMENTS, INC. as set forth in
Paragraphs 10 and 11, above, of making substantial
misrepresentations and engaging in fraud or dishonest dealing in
connection with a loan application, constitutes cause for the
suspension or revocation of the licenses and license rights of
Respondents TIMMONS and MAJESTIC INVESTMENTS, INC. pursuant to
Code Sections 10176(a), 10176(i) and/or 10177(g).

THIRD CAUSE OF ACCUSATION (Failure to Supervise) (SANCHEZ)

13.

There is hereby incorporated in this Third, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 12, above, with the same force and effect as if herein fully set forth.

14.

The conduct, acts and/or omissions of Respondent SANCHEZ, in allowing Respondents MAJESTIC INVESTMENTS, INC. and TIMMONS to violate the Real Estate Law, as set forth above, constitutes a failure by Respondent SANCHEZ, as the officer designated by the corporate broker licensee, to exercise the supervision and control of the activities conducted on behalf of MAJESTIC INVESTMENTS, INC. by its offices and employees as

required by Code Section 10159.2 and Regulation 2725, and is cause to suspend or revoke the real estate licenses and license rights of Respondent SANCHEZ pursuant to Sections 10177(h), 10177(d) and/or 10177(g) of the Code.

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/or license rights of Respondents MAJESTIC INVESTMENTS, INC., LUTHER SANCHEZ, individually and as designated officer of Majestic Investments, Inc., and GLORIA ADELIA TIMMONS, under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated	at	Los	Angeles,	California	
this .		8	day of	Caplanta	2011.

ROBIN TRUJILLO

Deputy Real Estate Commissioner

cc: Majestic Investments, Inc.
Luther Sanchez
Gloria Adelia Timmons

Homeowners Equity Corporation

Robin Trujillo

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