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FILED
SEP 14 2011
DEPARTMENT OF REAL ESTATE
By CS

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-37526 LA
)
MAJESTIC INVESTMENTS, INC.,) A C C U S A T I O N
LUTHER SANCHEZ, individually and)
as designated officer of)
Majestic Investments, Inc., and)
GLORIA ADELIA TIMMONS,)
)
Respondents.)

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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2.

1
2 Respondents are presently licensed and/or have license
3 rights under the Real Estate Law (Part 1 of Division 4 of the
4 California Business and Professions Code, "Code").
5

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7 3.

8 From March 26, 2007, through March 25, 2011,
9 Respondent MAJESTIC INVESTMENTS, INC. has been licensed by the
10 Department of Real Estate ("Department") as a real estate
11 corporation, Department License No. 01773701, acting by and
12 through Respondent LUTHER SANCHEZ as its designated broker-
13 officer pursuant to Code Section 10159.2 to be responsible for
14 ensuring compliance with the Real Estate Law. Respondent
15 MAJESTIC INVESTMENTS, INC.'s license expired on March 25, 2011.
16 Respondent has renewal rights under Code Section 10201. The
17 Department retains jurisdiction pursuant Code Section 10103.

18
19 4.

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

23
24 5.

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

1 if herein fully set forth.

2
3 10.

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

18 11.

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

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

3 12.

4 The conduct, acts and/or omissions of Respondents
5 TIMMONS and MAJESTIC INVESTMENTS, INC. as set forth in
6 Paragraphs 10 and 11, above, of making substantial
7 misrepresentations and engaging in fraud or dishonest dealing in
8 connection with a loan application, constitutes cause for the
9 suspension or revocation of the licenses and license rights of
10 Respondents TIMMONS and MAJESTIC INVESTMENTS, INC. pursuant to
11 Code Sections 10176(a), 10176(i) and/or 10177(g).
12

13 THIRD CAUSE OF ACCUSATION
14 (Failure to Supervise)
15 (SANCHEZ)

16 13.

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

21 14.

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

1 required by Code Section 10159.2 and Regulation 2725, and is
2 cause to suspend or revoke the real estate licenses and license
3 rights of Respondent SANCHEZ pursuant to Sections 10177(h),
4 10177(d) and/or 10177(g) of the Code.

5 WHEREFORE, Complainant prays that a hearing be
6 conducted on the allegations of this Accusation and that upon
7 proof thereof, a decision be rendered imposing disciplinary
8 action against all licenses and/or license rights of Respondents
9 MAJESTIC INVESTMENTS, INC., LUTHER SANCHEZ, individually and as
10 designated officer of Majestic Investments, Inc., and GLORIA
11 ADELIA TIMMONS, under the Real Estate Law (Part 1 of Division 4
12 of the California Business and Professions Code) and for such
13 other and further relief as may be proper under other applicable
14 provisions of law.
15

16 Dated at Los Angeles, California

17 this 8 day of September, 2011.

18
19 
20 ROBIN TRUJILLO
21 Deputy Real Estate Commissioner
22
23
24

25 cc: Majestic Investments, Inc.
26 Luther Sanchez
27 Gloria Adelia Timmons
28 Homeowners Equity Corporation
Robin Trujillo
Sacto