

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

**FILE**  
MAR 27 2013  
DEPARTMENT OF REAL ESTATE  
By Laura B. Carson

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In the Matter of the Accusation of ) DRE No. H-37617 LA  
LAURA CECILIA CARLSON, ) OAH No. 2012010824  
Respondent(s). )  
\_\_\_\_\_ )

DECISION

The Proposed Decision dated February 27, 2013, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

Pursuant to Section 11517(c) (2) of the Government Code, the following correction is made to the Proposed Decision:

Page 4, footnote, "subd. (b)" is corrected to read "subd (d)".

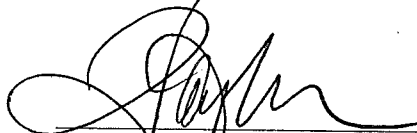
This Decision shall become effective at 12 o'clock noon on

APR 16 2013

IT IS SO ORDERED

3/22/2013

Real Estate Commissioner

  
WAYNE S. BELL

BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

In the Matter of the First Amended  
Accusation Against:

LAURA CECILIA CARLSON,

Respondent.

Case No. H-37617 LA

OAH No. 2012010824

**PROPOSED DECISION**

This matter came on regularly for hearing before Mark Harman, Administrative Law Judge of the Office of Administrative Hearings, on September 18, 2012, in Los Angeles.

Maria Suarez (Complainant) was represented by James Demus, Counsel, California Department of Real Estate (Department). Laura Cecilia Carlson (Respondent) represented herself.

Complainant seeks to impose discipline on Respondent's real estate salesperson license based on allegations that, while Respondent was employed at her unlicensed entity, Global Team Consulting, she solicited loan modification services agreements, charged and collected advance fees from customers before having an advance fee agreement approved by the Department, failed to perform services that were promised in connection with the loan modification services agreements, and failed to refund the customers' monies. Complainant further alleges that Respondent's actions constituted unlawful, unlicensed real estate broker activities.

Oral and documentary evidence was received. The record was left open until September 20, 2012, to allow Respondent to submit letters of recommendation, and until September 24, 2012, to allow Complainant to object to any new submissions. On September 21, 2012, Complainant submitted, on Respondent's behalf, her six letters of recommendation, as well as Complainant's memorandum objecting to the admission of these letters on grounds of hearsay and untimeliness. The letters and the objection were marked collectively for identification as exhibit D. Exhibit D was admitted as administrative hearsay. The record was closed and the matter was deemed submitted for decision on September 24, 2012.

## FACTUAL FINDINGS

1. Complainant made the First Amended Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California on June 12, 2012.

2. Respondent was first licensed as a real estate salesperson on September 3, 1992. On April 17, 2009, her license was activated in the employ of corporate broker AVS Financial Services, Inc. (AVS), located in Covina, California, and was discontinued from AVS as of June 19, 2010, upon the expiration of AVS's corporate broker license. Respondent's salesperson license expired on September 2, 2012; however, the Department retains jurisdiction to proceed with this disciplinary proceeding pursuant to Business and Professions Code<sup>1</sup> section 10103. The Department has not previously imposed discipline against Respondent's license.

3. Respondent, as president of Swedor Corporation, registered the fictitious business name of Global Team Consulting (GTC), located at 18331 Gridley Road, Suite G, Cerritos, California, in January 2010. GTC also operated from offices located at 3191 West Temple Avenue, Suite 140, Pomona, California. Respondent acted as the manager of GTC's Pomona offices. Beginning as early as March 2010, Respondent solicited and received advance fees from consumers for services, including helping borrowers to negotiate modifications of delinquent home loans with their lenders. Respondent promised that an entity she called Santa Barbara Management (SBM) could "fix" their loans and adjust their loan balances to current market values of the underlying properties. The precise nature of the agency relationship between Respondent and SBM in these transactions is not known.

4. Maria A. received a referral from a friend and then spoke to Respondent in May 2010. Maria A. told Respondent that she needed help with some loans on her properties. She had sought loan modifications, but the banks had been uncooperative. Respondent told Maria A. that, if Maria A. paid \$3,099 up front, Respondent would negotiate with the banks. Respondent said that a group of attorneys would handle Maria A.'s case. Respondent told Maria A. to discontinue making her monthly payments, and instead, make monthly payments (\$880) to SBM, which Respondent said was an amount paid to the lawyers. Respondent told Maria A. that GTC would receive \$900 from Maria A.'s bank. Maria A. delivered two cashier's checks to Respondent, totaling \$3,099, at the Cerritos office on May 14, 2010. These checks were made payable to SBM. Maria A. also made two monthly payments to SBM, for \$880 each, in July and August 2010.

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<sup>1</sup> All further statutory references are to the Business and Professions Code, unless otherwise specified.

5. Maria A. stopped making monthly payments to the banks on her loans. Respondent told her not to answer the banks' telephone calls and that "the lawyers" would take care of it. Maria A. later saw a document stating that one of her properties was about to go into foreclosure. Maria A. telephoned Respondent, but Respondent did not return her call. Maria A. went to the GTC office in Pomona, but she got no answers. Neither Respondent nor any principal with whom she was affiliated has ever helped Maria A. to modify her mortgage loans.

6. Filemon M. owned two houses, which were worth less than the value of the loans they secured. He was referred to Respondent in approximately February 2010. Respondent said that she would help him with the modifications of his mortgages. Respondent asked him for a check in the amount of \$880 payable to SBM, ostensibly to pay lawyers to work on his case. Respondent told him that he would have to pay this amount monthly to SBM. Filemon M. made 12 payments of \$880, expecting that he would receive assistance with securing modification of his loan. He made these payments in person at GTC's offices in Pomona.

7. Filemon M. never spoke to any lawyers, nor could he get any lawyers to call him back. Some of his later payments were made to a different company, e.g., in November 2010, to SF Ten Global Team, per Respondent's instructions. Filemon M. stopped making any payments to his lender. His residence, located in Covina, went into foreclosure. Maria Perez of GTC told Filemon M. to begin paying "rent" in the amount of \$1,000 per month to Tenant Access so he would not be evicted from the home, which he did at least twice. Filemon M. lost his home in foreclosure. Despite his losses, he never received any refunds from any parties that he paid.

8. In April 2010, Renato F. was referred by friends to Respondent. Respondent told him that she could negotiate modifications of Renato F.'s loans, which were secured by three different properties. The circumstances regarding each property were slightly different, but the essence of these transactions between Respondent and Renato F. involved multiple payments totaling as much as \$8,000 as advance fees for loan modifications, which were paid in person in GTC's Pomona offices, ostensibly to pay lawyers to handle his case. Renato F. never met any lawyers. In fall 2010, he made monthly payments to SF Ten Global Team, per Respondent's instructions. Renato F. stopped making mortgage payments to his bank, per Respondent's directions. These banks later wrote to Renato F. notifying him that he had to make arrangements to make his monthly payments and to pay arrears. Renato F. directly worked out modifications with the banks without assistance. He never received any refunds from Respondent or her affiliates.

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### *Factual Conclusions*

9. Respondent solicited customers for loan modification services, and required customers to pay “advance fees.” Respondent’s activities and transactions referenced herein required a real estate broker license under section 10130 of the Real Estate Law (section 10000 et seq.), because she solicited borrowers for services that included negotiations with lenders for modifications of existing home loans.<sup>2</sup>

10. Respondent received advance fees in connection with the loan modification transactions, but failed to submit to the Department for its review and approval any advance fee agreements or other materials used in connection with charging customers advance fees, as required by section 10085 and California Code of Regulations, title 10, section 2970.

11. Respondent failed to provide promised services to consumers with whom she had advance fee agreements. Respondent failed to refund any of these customers’ funds.

### *Respondent’s Testimony and Credibility*

12. Respondent testified that she never promised anybody that she could perform loan modifications. She said she had never been trained in loan modifications and she had no experience with loan modifications. She said she was approached, or solicited, by SMB to run the office to perform “intake” work. She said that her services had nothing to do with working under her real estate license. She followed the SBM agreement, which, she claimed, did not mention loan modification or credit repair or foreclosure consulting services. She said SBM was supposed to purchase the clients’ delinquent loans and restructure the loan terms. Her job was to relay information, monies, and complaints to SBM, and to be an intermediary between SBM and the customers.

13. Respondent’s testimony was not credible based on the overwhelming evidence that contradicts her statements. In particular, Respondent knew that a real estate broker’s license was required in order to represent parties who wished to buy, sell, or negotiate modifications of real estate loans.

14. Respondent submitted six letters of recommendation following the hearing. The letter writers, in general, said that Respondent was honest and reliable, was knowledgeable about real estate practices regarding real estate loans, was caring and helpful to her colleagues and clients, and was good-hearted. It seemed that only one of the letter writers had any knowledge of the facts and circumstances of Respondent’s conduct with respect to GTC and loan modification services.

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<sup>2</sup> (See § 10131, subd. (b).)

## LEGAL CONCLUSIONS

1. Cause exists to discipline the real estate salesperson license of Respondent pursuant to section 10177, subdivisions (d) and (g), for negligent acts and incompetence, evidenced by her participation in, either directly or indirectly, unlawful loan modification transactions and advance fee transactions, as described in factual finding numbers 3 through 12, in violation of the Real Estate Law.

2. Cause exists to discipline the real estate salesperson license of Respondent pursuant to sections 10130, 10137, and 10177, subdivisions (d) and (g), for conducting real estate activities, e.g., the offer and sale of loan modification services, that may only be performed under the supervision of a licensed real estate broker with whom she is associated, without such association or supervision, as set forth in factual finding numbers 2 through 12.

3. The purpose of a disciplinary matter is to protect the public and not to punish the licensee. (*Handeland v. Department of Real Estate* (1976) 58 Cal.App.3d 513, 518; *Camacho v. Youde* (1979) 95 Cal.App.3d 161; *Small v. Smith* (1971) 16 Cal.App.3d 450, 457.) Respondent was, at the very least, negligent. Her actions caused considerable harm. In *Handeland*, the Court stated: "Disciplinary procedures provided for in the Business and Professions Code, such as section 10177, subdivision (d), are to protect the public not only from conniving real estate salesmen but also from the uninformed, negligent, or unknowledgeable salesman." Respondent failed to exercise due caution or care with respect to real estate activities described herein. If she was unaware that she was doing unlawful loan modification transactions, she still bears responsibility for not knowing. These violations are serious.

4. Further, Respondent has offered no substantial evidence of rehabilitation. She continues to deny that she has done anything wrong and portrays herself as a victim. The public safety, welfare, and interest will not be adequately protected, at the present time, unless Respondent's license is revoked.

## ORDER

All licenses and licensing rights of Respondent, Laura Cecilia Carlson, under the Real Estate Law are revoked.

DATED: February 27, 2013



MARK HARMAN

Administrative Law Judge

Office of Administrative Hearings