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2 Department of Real Estate  
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**FILED**

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DEPARTMENT OF REAL ESTATE  
BY: 

7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H- 37670 LA )

12 THE MONTCLAIR INVESTMENT GROUP INC. )  
13 T M I GROUP INC. and )

A C C U S A T I O N )

14 JOHN VALLADOLID, individually and )  
15 as designated officer of The Montclair )  
16 Investment Group, Inc. and doing )  
17 business as Real Estate Investment & )  
18 Finance and Valladolid Realty, )

19 Respondents. )  
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28 The Complainant, Maria Suarez, a Deputy Real Estate  
29 Commissioner of the State of California, for cause of Accusation  
30 against THE MONTCLAIR INVESTMENT GROUP INC. T M I GROUP INC. and  
31 JOHN VALLADOLID, individually and as designated officer of the  
32 Montclair Investment Group Inc. T M I GROUP INC., and doing  
33 business as Real Estate Investment & Finance and Valladolid  
34 Realty, alleges as follows:  
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2 The Complainant, Maria Suarez, a Deputy Real Estate  
3 Commissioner of the State of California, makes this Accusation in  
4 her official capacity.

2. 5

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

9 LICENSE HISTORY

3. 10

11 A. At all times mentioned, THE MONTCLAIR INVESTMENT  
12 GROUP INC. T M I GROUP INC. (hereinafter "TMIGI" or "Respondent  
13 TMIGI") and JOHN VALLADOLID (hereinafter "VALLADOLID" or  
14 "Respondent VALLADOLID" were licensed or had license rights  
15 issued by the Department of Real Estate (hereinafter  
16 "Department").

17 B. TMIGI is presently licensed and/or has license  
18 rights under the Real Estate Law (Part 1 of Division 4 of the  
19 Business and Professions Code) as a corporate real estate broker.  
20 Respondent TMIGI was originally licensed as a corporate real  
21 estate broker by the Department on or about July 23, 2004. TMIGI  
22 operates under the dbas Real Estate Investment & Finance (since  
23 on or about August 30, 2004) and Valladolid Realty (since on or  
24 about August 30, 2004). Respondent TMIGI was authorized to act  
25 by and through Respondent VALLADOLID as its designated broker  
26 pursuant to Business and Professions Code Sections 10211 and  
27 10159.2 to supervise the activities requiring a real estate

1 license conducted on behalf of TMIGI and to be responsible for  
2 ensuring compliance with the Real Estate Law.

3 C. Respondent VALLADOLID is presently licensed and/or  
4 has license rights under the Real Estate Law (Part 1 of Division  
5 4 of the Code) as a real estate broker. Respondent VALLADOLID  
6 was originally licensed as a real estate salesperson by the  
7 Department on or about January 9, 1996 and as a real estate  
8 broker on or about January 9, 2003. VALLADOLID operates under  
9 the dbas Real Estate Investment & Finance (since August 12, 2003)  
10 and Valladolid Realty (since August 12, 2003). VALLADOLID is the  
11 designated officer for TMIGI until July 22, 2012, pursuant to  
12 Code Section 10159.2, responsible for ensuring compliance with  
13 the Real Estate Law.

14 D. Roberto Manuel Noboa is presently licensed and/or  
15 has license rights under the Real Estate Law (Part 1 of Division  
16 4 of the Code) as a real estate salesperson. Noboa was  
17 originally licensed as a real estate salesperson by the  
18 Department on or about April 16, 1990. Noboa's real estate  
19 salesperson license was revoked on November 18, 1997 in Case No.  
20 H-26521 LA.

21 BROKERAGE

22 4.

23 At all times mentioned, in the City of Montclair,  
24 County of San Bernardino, Respondents TMIGI and VALLADOLID acted  
25 as real estate brokers and conducted licensed activities within  
26 the meaning of:  
27

A. Code Section 10131(a): VALLADOLID operates a real estate brokerage engaging in activities with the public wherein it sells or offers to sell, buys or offers to buy, solicits prospective sellers or purchasers of, solicits or obtains listings of, or negotiates the purchase, sale or exchange of real property or a business opportunity.

B. Code Section 10131(d): VALLADOLID operated a mortgage and loan brokerage engaging in activities with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

C. Code Section 10131(d) and 10131.2. VALLADOLID advertised, solicited and offered to provide loan modification services to economically distressed homeowners seeking adjustments to the terms and conditions of their home loans including, but not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or interest, extenuations, foreclosure prevention and short sales.

5.

All further references to "Respondents" herein include the parties identified in Paragraphs 3 ((a)-(c)) and 4, above, and also include the officers, directors, employees, agents and real estate licenses employed by or associated with said parties and who at all times herein mentioned were engaged in the

1 furtherance of the business or operations of said parties and who  
2 were acting within the course and scope of their authority and  
3 employment.

4 6.

5 Respondent VALLADOLID ordered, caused, authorized or  
6 participated in the conduct, acts and/or omissions of Respondent  
7 TMIGI as is alleged in this Accusation.

8  
9 FIRST CAUSE OF ACTION

10 (AUDIT OF VALLADOLID)

11 7.

12 On November 24, 2010, the Department completed an audit  
13 examination of the books and records of VALLADOLID pertaining to  
14 the mortgage loan brokerage and loan modification activities  
15 described in Paragraph 4, above, which require a real estate  
16 license. The audit examination covered a period of time  
17 beginning on May 1, 2008 to September 30, 2010. The audit  
18 examination revealed violations of the Code and the Regulations  
19 as set forth in the following paragraphs, and more fully  
20 discussed in Audit Report LA 100051 (resale activity) and LA  
21 100102 (mortgage loan activity), and the exhibits and work papers  
22 attached to said audit report.

23 8.

24 At all times mentioned, in connection with the  
25 activities described in Paragraph 4, above, VALLADOLID accepted  
26 or received funds including funds in trust (hereinafter "trust  
27 funds") from or on behalf of actual or prospective parties,

1 economically distressed homeowner-borrowers for credit and  
2 appraisal report fees, advance fees and loan modifications and  
3 mortgage loans handled by VALLADOLID, for the borrowers set forth  
4 below. Thereafter VALLADOLID made deposits and/or disbursements  
5 of such trust funds. From time to time herein mentioned during  
6 the audit period, said credit and appraisal fees were deposited  
7 and/or maintained by VALLADOLID in its business account, as  
8 VALLADOLID did not utilize a separate trust account during the  
9 audit period.

10 VALLADOLID's general business account was used for  
11 deposit of all fees collected pertaining to its real estate  
12 activities, including advance fees collected from borrowers for  
13 loan modification transactions, during the audit period.

14 Borrower	Date Recv'd	Amt Recv'd	Date Dep'd	Date Pd.	Amt Paid.
15 Fernando Sanchez	06/10/08	\$35.00	06/16/08	06/06/08	\$16.33
16 Lazaro Bencomo	04/30/08	\$35.00	05/05/08	04/08/08	\$28.66
17 Josie & Leslie Lepe	09/15/08	\$35.00	09/16/08	09/05/08	\$16.66

18  
19 Violations

20 9.

21 In the course of activities described in Paragraphs 4  
22 and 8, above, and during the examination period described in  
23 Paragraph 7, Respondent VALLADOLID engaged in residential resale  
24 activity and closed approximately twenty-one (21) transactions  
25 while collecting \$36,000 in earnest money deposits during the  
26 audit period. Respondent VALLADOLID acted in violation of the  
27 Code and the Regulations in that Respondent VALLADOLID:

1 (a) Permitted, allowed or caused the mixing and  
2 commingling of credit report and appraisal fees collected from  
3 homeowner-borrowers at the close of escrow with Respondent  
4 VALLALODID's general bank account and commingled with  
5 VALLADOLID's funds until he paid the credit report fee to the  
6 credit report company and the appraisal fee to the appraiser, in  
7 violation of Code Sections 10145 and 10176(e) and Regulation  
8 2835;

9 (b) Collected credit report fees charged to the  
10 borrowers at the close of escrow that were greater than the  
11 invoice amount, and Respondent VALLADOLID failed to disclose the  
12 overcharged credit report fees to the borrowers, in violation of  
13 Code Section 10176(g) (Respondent VALLADOLID refunded the  
14 overcharged credit report fees to the borrowers on November 4,  
15 2010.);

16 (c) Failed to maintain a columnar record for the  
17 advance fees received from borrowers in connection with the loan  
18 modification transactions and the credit report and appraisal  
19 fees that Respondent VALLADOLID received from escrow companies in  
20 connection with the loan negotiation transactions, in violation  
21 of Code Section 10145 and Regulation 2832;

22 (d) Failed to maintain a separate record for the  
23 beneficiary of advance fees collected in connection with the loan  
24 modification transactions and for each beneficiary of the credit  
25 report and appraisal fees that Respondent VALLADOLID received  
26 from the escrow companies in connection with the loan negotiation  
27 transactions, in violation of Code Section 10145 and Regulation

1 2831.1;

2 (e) Collected advance fees from borrowers in connection  
3 with the loan modification transactions without getting an  
4 Advance Fee Agreement reviewed by the Commissioner, in violation  
5 of Code Section 10085 and Regulation 2970;

6 (f) Collected advance fees from borrowers in connection  
7 with the loan modification transactions and failed to deposit  
8 those advance fees into a trust account, in violation of Code  
9 Section 10146;

10 (g) Collected advance fees from borrowers in connection  
11 with the loan modification transactions without maintaining and  
12 providing an accounting content to borrowers showing the services  
13 to be rendered, which trust account the funds were to be  
14 deposited, and details of how the funds were disbursed, in  
15 violation of Regulation 2972;

16 (h) Held the earnest money deposits Respondent  
17 VALLADOLID received in the sales transactions beyond three (3)  
18 business days following acceptance of offers without written  
19 authorization from the principals, in violation of Code Section  
20 10145 and Regulation 2832;

21 (i) Failed to maintain a copy of a Department of Real  
22 Estate approved Mortgage Loan Disclosure Statement ("MLDS") as  
23 signed by the borrowers and broker to show that said statements  
24 were provided to the borrowers within three (b) business days  
25 after the borrowers signed their loan applications in some of the  
26 loan transactions, in violation of code Section 10240 and  
27 Regulation 2840;



(j) Failed to disclose Respondent VALLADOLID's real estate broker license number on the MLDS that were provided to borrowers in some of the loan transactions, in violation of Code Section 10236.4; and

(k) Failed to notify the Department of the employment of real estate salesperson Giselle Brunetti and failed to timely notify the Department of the employment of salesperson Laszo Valladolid, in violation of Code Section 10161.8 and Regulation 2752.

Disciplinary Statutes

10.

The conduct, acts and/or omissions of Respondent VALLADOLID described in Paragraph 9, above, violated the Code and the Regulations as set forth below:

PARAGRAPH

PROVISIONS VIOLATED

9(a)

Code Section 10145 and 10176(e) and Regulation 2835

9(b)

Code Section 10176(g)

9(c)

Code Section 10145 and Regulation 2832

1	9(d)	Code Section 10145 and Regulation
2		2831.1
3		
4	9(e)	Code Section 10085 and Regulation
5		2970
6		
7	9(f)	Code Section 10146 and
8		
9	9(g)	Regulation 2972
10		
11	9(h)	Code Section 10145 and Regulation
12		2832
13		
14	9(i)	Code Section 10240 and Regulation
15		Regulation 2840
16		
17	9(j)	Code Section 10236.4
18		
19	9(k)	Code Section 10161.8 and Regulation
20		2752

21  
22       The foregoing violations constitute cause for  
23 discipline of the real estate license and license rights of  
24 VALLADOLID, as aforesaid, under the provisions of Code Sections  
25 10176(e) for commingling; 10177(d) for violation of the Real  
26 Estate Law; 10177(h) for failure to supervise by VALLADOLID;  
27 and/or 10177(g) for negligence.

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1 2004, listing "J. Valladolid" as the President, Treasurer, and  
2 Director, "S. Valladolid" as the Secretary, and "T.M.I. Group  
3 Inc." as the Resident Agent. On or about May 10, 2007, TMIGI  
4 filed a Certificate of Change to change the Resident Agent to  
5 "Eastbiz.com." TMIGI's corporate entity status was revoked  
6 effective May 1, 2009 by the State of Nevada for failure to: (1)  
7 file the Annual List of officers and directors and designation of  
8 Registered Agent for the filing period April 2008 to April 2009  
9 and (2) pay the filing fee and penalty pursuant to the provisions  
10 of the Nevada Revised Statutes.

11 17.

12 The conduct, acts and/or omissions resulting in the  
13 foregoing action taken with respect to Respondent TMIGI, and the  
14 suspension of Respondent TMIGI, as alleged herein above in  
15 Paragraph 16, are cause under Code Sections 10177(f) and/or  
16 10177(g) for the suspension or revocation of the license and  
17 license rights of Respondent under the Real Estate Law.  
18

19 Negligence

20 18.

21 The overall conduct, acts and/or omissions of  
22 Respondents TMIGI and VALLADOLID constitute negligence. This  
23 conduct and the resulting violation(s) are cause for the  
24 suspension or revocation of the real estate license and license  
25 rights of said Respondents pursuant to the provisions of Code  
26 Section 10177(g).  
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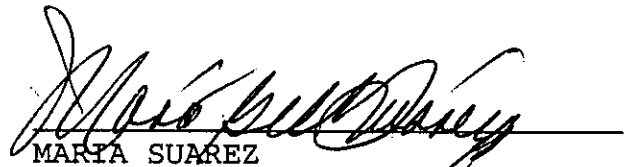
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1 WHEREFORE, Complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against the license and license rights of Respondents THE  
5 MONTCLAIR INVESTMENT GROUP INC. T M I GROUP INC. and JOHN  
6 VALLADOLID under the Real Estate Law (Part 1 of vision 4 of the  
7 Business and Professions Code) and for such other and further  
8 relief as may be proper under other applicable provisions of law  
9 including, but not limited to restitution of advanced fees paid  
10 for unearned loan modifications, and for costs of audit.

11 Dated at Los Angeles, California

12 this 7th day of November, 2011.

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16 MARIA SUAREZ  
17 Deputy Real Estate Commissioner  
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23 CC: THE MONTCLAIR INVESTMENT GROUP INC. T M I GROUP INC.  
24 c/o John Valladolid, D.O.  
25 JOHN VALLADOLID  
26 Maria Suarez  
27 Sacto  
Enforcement - Lupe Felix  
Audits - Lisa Kwong