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FILED

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DEPARTMENT OF REAL ESTATE
BY: C. Z.

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) DRE No. H-37691 LA
12) OAH No. 2012010445
13 EXECUTIVE ONE REAL ESTATE AND)
14 MORTGAGE CORPORATION;) SECOND AMENDED
15 GERALD FRANKLIN GEORGE;) ACCUSATION
16 individually and as designated)
17 officer of Executive One Real)
18 Estate and Mortgage Corporation; and)
19 CHRISTOPHER PAUL GEORGE,)
20 individually and as former)
21 designated officer of)
22 Executive One Real Estate and)
23 Mortgage Corporation,)
24 Respondents.)
25)
26)
27)
28)

22 This Second Amended Accusation amends the First Amended Accusation filed on
23 June 19, 2012. The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State
24 of California, for cause of Accusation against EXECUTIVE ONE REAL ESTATE AND
25 MORTGAGE CORPORATION; GERALD FRANKLIN GEORGE, individually and as officer
26 of Executive One Real Estate and Mortgage Corporation; and CHRISTOPHER PAUL
27 GEORGE, individually and as former officer of Executive One Real Estate and Mortgage
28 Corporation, (collectively "Respondents") is informed and alleges as follows:

1. 1

2 The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State
3 of California, makes this Accusation in her official capacity.

2. 4

5 At all times herein mentioned, Respondents were licensed and/or have license
6 rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions
7 Code).

3. 8

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

4. 11

12 From May 20, 2004, through May 19, 2012, EXECUTIVE ONE REAL ESTATE
13 AND MORTGAGE CORPORATION ("EXECUTIVE ONE") was licensed as a corporate real
14 estate broker, License No. 01431726. EXECUTIVE ONE's license expired on
15 May 19, 2012. Respondent has renewal rights under Code Section 10201. The Department
16 retains jurisdiction pursuant Code Section 10103. From May 20, 2004, through January 30,
17 2005, EXECUTIVE ONE was licensed to act by and through Respondent CHRISTOPHER
18 PAUL GEORGE as its officer pursuant to Code Section 10159.2 to be responsible for ensuring
19 compliance with the Real Estate Law.

5. 20

21 From May 20, 2004, through May 19, 2012, Respondent EXECUTIVE ONE was
22 licensed to act by and through Respondent GERALD FRANKLIN GEORGE as its officer
23 pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate
24 Law.

6. 25

26 From November 6, 2004, through the present, Respondent GERALD FRANKLIN
27 GEORGE has been licensed as a real estate broker, License No. 01354433. During all times
28 relevant herein, Respondent GERALD FRANKLIN GEORGE was an officer, director, and

1 owned or controlled ten percent or more of EXECUTIVE ONE's stock.

2 7.

3 From April 22, 2003, through the present, Respondent CHRISTOPHER PAUL
4 GEORGE has been licensed as a real estate broker, License No. 01262125.

5 8.

6 From October 19, 2005, through May 21, 2012, Mable Rose Hernandez
7 ("Hernandez") was licensed as a restricted real estate salesperson, License No. 01462457. From
8 May 14, 2008, through May 17, 2009, Hernandez was licensed under the employ of Respondent
9 EXECUTIVE ONE. Hernandez voluntarily surrendered her license effective as of June 13,
10 2012.

11 FIRST CAUSE OF ACCUSATION

12 (Dissolved Corporation)

13 (Failure To Supervise – Respondent GERALD FRANKLIN GEORGE)

14 9.

15 Regulation 2743, subdivision (c) states: "[A] corporation licensed under Section
16 10211 of the Code shall not engage in the business of a real estate broker while not in good legal
17 standing with the Office of the Secretary of State."

18 10.

19 On November 6, 2008, Respondent EXECUTIVE ONE was dissolved as a
20 corporation with the California Secretary of State. No notice of the change in corporate status
21 was provided to the Department by either Respondent EXECUTIVE ONE or Respondent
22 GERALD FRANKLIN GEORGE.

23 11.

24 The dissolution of Respondent EXECUTIVE ONE's corporate status is in
25 violation of Regulation 2742, subdivision (c) and constitutes grounds to suspend or revoke
26 Respondent EXECUTIVE ONE's corporate real estate broker license pursuant to Code Sections
27 10177(d) and/or 10177(g).

28

1 12.

2 The conduct, acts and/or omissions of Respondent GERALD FRANKLIN
3 GEORGE as set forth in Paragraphs 9 through 11, above, in failing to adequately supervise the
4 activities of Respondent EXECUTIVE ONE to ensure compliance with the Real Estate Law, is
5 in violation of Section 10159.2 of the Code and constitutes grounds to discipline the license
6 and/or license rights of Respondent GERALD FRANKLIN GEORGE pursuant to Code
7 Sections 10177(h), 10177(d) and/or 10177(g).

8
9 SECOND CAUSE OF ACCUSATION

10 (Advance Fee Violations/Misrepresentations/Dishonest Dealing)

11 13.

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

15 14.

16 21st Century Legal Services, Inc., also known as 21st Century Legal Services, and
17 Ruby Encina have never been licensed by the Department in any capacity. 21 Century Legal
18 Services operated out of multiple locations including 9507 Business Center Drive, Building 7,
19 Suite B, Rancho Cucamonga 91730, 9607 Business Center Drive, Building 13, Suite D, Rancho
20 Cucamonga 91730 and 9340 Baseline Road, Suite 104, Rancho Cucamonga, California 91701.

21 15.

22 21st Century Real Estate Investment Corporation was formerly licensed by the
23 Department as a corporate real estate broker, License No. 01835672. 21st Century Real Estate
24 Investment Corporation's license was revoked by the Department on June 28, 2011, in
25 Department Case No. H-36504 LA. 21st Century Real Estate Investment Corporation's main
26 office address from November 9, 2007, through January 16, 2009, was 9607 Business Center
27 Drive, Building 13, Suite D, Rancho Cucamonga, California 91730.

28

1 16.

2 Mindy Sue Holt was formerly licensed as a real estate broker and as the
3 designated officer for 21st Century Real Estate Investment Corporation. Mindy Sue Holt's real
4 estate broker license was revoked on June 30, 2011, in Department Case No. H-36504 LA.

5 17.

6 Andrea Raquel Ramirez ("Ramirez") was formerly licensed as a real estate
7 salesperson. From April 21, 2008, through January 15, 2009, Ramirez' employing broker was
8 listed as 21st Century Real Estate Investment Corporation. Ramirez' real estate salesperson
9 license was revoked on October 21, 2009, in Department Case No. H-35895 LA.

10 18.

11 For an unknown period of time beginning no later than November 26, 2008, and
12 continuing to the present, Respondents, while using the fictitious business names 21st Century
13 Legal Services, Inc., 21st Century Legal Services, 21st Century Real Estate & Investment Corp.,
14 or other fictitious business names not known at this time, engaged in the business of, acted in the
15 capacity of, advertised or assumed to act as real estate brokers in the State of California within
16 the meaning of Code Sections 10131, subdivision (d) and 10131.2. Their activities included
17 soliciting borrowers or lenders for and/or negotiating loans, collecting payments and/or
18 performing services for borrowers or lenders in connection with loans secured by liens on real
19 property. Their activities also included claiming, demanding, charging, receiving, collecting or
20 contracting for the collection of an advance fee within the meaning of Code Sections 10026 and
21 10085.

22 19.

23 Respondents engaged in the activities described in Paragraph 18, above, along
24 with Hernandez, Ramirez, Ruby Encina, and Mindy Sue Holt. Respondents engaged in said
25 activities from several locations including: 1) 9507 Business Center Drive, Building 7, Suite B,
26 Rancho Cucamonga, California 91730; 2) 9607 Business Center Drive, Bldg. 13, Ste. D, Rancho
27 Cucamonga, California 91730; 3) 9607 Business Center Drive, Building 13, Suite E, Rancho
28 Cucamonga, California 91730; and 4) 9340 Baseline Road, Suite 105, Rancho Cucamonga,

1 California 91701.

2 20.

3 Jacqueline G.

4 In or around November, 2008, Hernandez solicited loan modification and
5 negotiation services in connection with loans secured by liens on real property to Jacqueline G.
6 Hernandez provided Jacqueline G. with a residential loan modification agreement between 21st
7 Century Real Estate & Investment Corp. and Jacqueline G. Hernandez made misrepresentations
8 to Jacqueline G. including that a licensed attorney would handle the loan modification and
9 negotiation with Jacqueline G.'s lender in order to induce Jacqueline G. to enter into the
10 agreement with 21st Century Real Estate & Investment Corp. On November 26, 2008,
11 Jacqueline G. paid \$1,000 in advance fees to Hernandez for loan negotiation and modification
12 services. On December 30, 2008, Jacqueline G. paid \$1,000 in advance fees to Hernandez for
13 loan negotiation and modification services. On January 31, 2009, Jacqueline G. paid \$1,000 in
14 advance fees to Hernandez for loan negotiation and modification services. Jacqueline G. did not
15 obtain a loan modification through Respondents.

16 21.

17 On or about September 7, 2011, Hernandez provided a written statement to the
18 Department wherein Hernandez claimed that she conducted the loan modification and
19 negotiation services for Jacqueline G. while Hernandez was working under the direction of
20 Respondents CHRISTOPHER PAUL GEORGE and EXECUTIVE ONE.

21 22.

22 The residential loan modification agreement which charged a \$3,000 advance fee
23 to Jacqueline G. was not submitted to the Department prior to use as was required under Code
24 Section 10085 and Regulation Section 2970.

25 23.

26 The advance fees collected by Respondents were not deposited in a trust account
27 as required under Code Section 10146. Respondents did not provide an accounting to principals,
28 in violation of Code Section 10146 and Regulation Section 2972.

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24.

The conduct, acts and/or omissions of Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, as set forth above, in collecting advance fees from prospective borrowers pursuant to a written fee agreement, which agreement was not submitted to the Department for review prior to use, is in violation of Code Section 10085 and Regulation Section 2970, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, pursuant to Code Sections 10177(d) or 10177(g).

25.

The conduct, acts and/or omissions of Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE, and CHRISTOPHER PAUL GEORGE, as set forth above, in collecting advance fees from prospective borrowers and failing to deposit the advance fees into a trust account and provide an accounting to principals, is in violation of Code Section 10146 and Regulation Section 2972, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE, and CHRISTOPHER PAUL GEORGE, pursuant to Code Sections 10177(d) or 10177(g).

THIRD CAUSE OF ACCUSATION

(Use of Unlicensed Fictitious Business Name)

26.

There is hereby incorporated in this Third, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 25 above, with the same force and effect as if herein fully set forth.

27.

Jean and Iris D.

On December 2, 2008, Jean and Iris D. received various mail solicitations from 21st Century Legal Services, Inc. also known as 21st Century Legal Services, with an address of 9607 Business Center Drive, Building 13#D, Rancho Cucamonga, California 91730. The

1 mailers offered loan modification and negotiation services and charged advance fees ranging
2 from \$2,181 to \$2,871.13. Andrea Ramirez is listed as the mortgage specialist for 21st Century
3 Legal Services.

4 28.

5 Laxlie and Jonie F.

6 On January 15 and 22, 2009, Laxlie and Jonie F. received mail solicitations from
7 21st Century Legal Services with an address of 9607 Business Center Drive, Building 13#D,
8 Rancho Cucamonga, California 91730. The mailers offered loan modification and negotiation
9 services and charged advance fees of \$3,612.

10 29.

11 Gary and Marcy L.

12 On January 26, 2009, Gary and Marcy L. received a mail solicitation from 21st
13 Century Legal Services with an address of 9607 Business Center Drive, Building 13#D, Rancho
14 Cucamonga, California 91730. The mailer offered loan modification and negotiation services
15 and charged an advance fee of \$3,500.

16 30.

17 9340 Baseline Road, Suite 105

18 On March 17, 2009, Respondent CHRISTOPHER PAUL GEORGE changed his
19 main office and mailing addresses listed with the Department to 9340 Baseline Road, Suite 105,
20 Rancho Cucamonga, California 91730. On April 17, 2009, Respondent CHRISTOPHER PAUL
21 GEORGE changed his main office and mailing addresses with the Department to 9340 Baseline
22 Road, Suite 104, Rancho Cucamonga, California 91730. The City of Rancho Cucamonga,
23 California uses both zip codes 91701 and 91730.

24 31.

25 Kerri B.

26 On March 21, 2009, Kerri J. received a mail solicitation from 21st Century Legal
27 Services, Inc. also known as 21st Century Legal Services, with an address of 9340 Baseline
28 Road, Suite 105, Rancho Cucamonga, California 91701. The mailer offered loan modification

1 and negotiation services and charged an advance fee of \$2,644.

2 32.

3 Kevin J.

4 On April 27, 2009, Kevin J. received multiple mailed solicitations from 21st
5 Century Legal Services with an address of 9340 Baseline Road, Suite 105, Rancho Cucamonga,
6 California 91701. The mailers offered loan modification and negotiation services and charged
7 advance fees ranging from \$1,523.82 to \$1,658.86.

8 33.

9 The activities described in Paragraphs 20 and 27 through 32, above, of soliciting
10 borrowers and offering to perform services for borrowers in connection with a loan secured
11 directly or collaterally by a lien on real property require a real estate license under Code Section
12 10131, subdivision (d). Use of a fictitious business name for activities requiring the issuance of
13 a real estate license requires the filing of an application for the use of such name with the
14 Department in accordance with the provisions of Code Section 10159.5 and Regulation 2731.

15 34.

16 Respondents acted without Department authorization in using the fictitious
17 business names 21st Century Legal Services, Inc., 21 Century Legal Services, and 21st Century
18 Real Estate & Investment Corp. to engage in activities requiring the issuance of a real estate
19 license.

20 35.

21 The conduct, acts and/or omissions of Respondents EXECUTIVE ONE,
22 GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, as set forth in
23 Paragraphs 18 through 30, above, violate Code Section 10159.5 and Regulation 2731, and is
24 cause for the suspension or revocation of the licenses and license rights of Respondents
25 EXECUTIVE ONE, GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE,
26 pursuant to Code Sections 10177, subdivision (d) and/or 10177, subdivision (g).

1 FOURTH CAUSE OF ACCUSATION

2 (Failure to Supervise)

3 36.

4 There is hereby incorporated in this Fourth, separate Cause of Accusation, all of
5 the allegations contained in Paragraphs 1 through 35, above, with the same force and effect as if
6 herein fully set forth.

7 37.

8 Respondent GERALD FRANKLIN GEORGE's failure to supervise the activities
9 of Respondent EXECUTIVE ONE and its employees to ensure compliance with the Real Estate
10 Law, is in violation of Code Section 10159.2 and Regulation 2725, which constitutes grounds to
11 suspend or revoke Respondent GERALD FRANKLIN GEORGE's license and license rights
12 pursuant to Code Sections 10177, subdivision (h), 10177, subdivision (d) and/or 10177,
13 subdivision (g).

14 FIFTH CAUSE OF ACCUSATION

15 (Failure to Report Indictment - CHRISTOPHER PAUL GEORGE)

16 38.

17 There is hereby incorporated in this Fifth, separate Cause of Accusation, all of the
18 allegations contained in Paragraphs 1 through 37, above, with the same force and effect as if
19 herein fully set forth.

20 39.

21 Code Section 10186.2, subdivision (a)(1)(A), requires real estate licensees to
22 report to the Department any bringing of an indictment or information charging a felony against
23 the licensee. Said report must be made in writing within 30 days from the bringing of the
24 indictment under Code Section 10186.2(a)(2).

25 40.

26 On September 5, 2012, an indictment was filed before the United States District
27 Court for the Central District of California, in Case No. ED CR12-00065, against Respondent
28 CHRISTOPHER PAUL GEORGE. Said indictment charged Respondent CHRISTOPHER

1 PAUL GEORGE, among others involved with 21st Century Legal Services, Inc. and 21st Century
2 Real Estate & Investment Corp., with felony violations of 18 U.S.C. § 1341 (mail fraud), 18
3 U.S.C. § 1343 (wire fraud), and 18 U.S.C. § 1349 (conspiracy to commit mail and wire fraud).

4 41.

5 Respondent CHRISTOPHER PAUL GEORGE's failure to report said indictment
6 to the Department in writing within 30 days of the bringing of the indictment, is in violation of
7 Code Sections 10186.2(a)(1)(A) and 10186.2(a)(2), which constitutes grounds to suspend or
8 revoke Respondent CHRISTOPHER PAUL GEORGE's license and license rights pursuant to
9 Code Sections 10177, subdivision (d) and/or 10177, subdivision (g).

10 IN AGGRAVATION

11 42.

12 Several other states including Arkansas, Florida, Maryland, Michigan, New
13 Hampshire, Ohio, and Washington have issued Orders to Cease and Desist, Permanent
14 Injunctions, and subpoenas against 21st Century Legal Services based on unlawful, unlicensed
15 loan modification activities.

16 43.

17 Code Section 10106 provides, in pertinent part, that in any order issued in
18 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
19 may request the administrative law judge to direct a licensee found to have committed a violation
20 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement
21 of the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and/or license rights of Respondents EXECUTIVE ONE REAL
4 ESTATE AND MORTGAGE CORPORATION, GERALD FRANKLIN GEORGE, individually
5 and as designated officer of Executive One Real Estate and Mortgage Corporation, and
6 CHRISTOPHER PAUL GEORGE, individually and as former designated officer of Executive
7 One Real Estate and Mortgage Corporation, under the Real Estate Law (Part 1 of Division 4 of
8 the Business and Professions Code), for the cost of investigation and enforcement as permitted
9 by law, and for such other and further relief as may be proper under other provisions of law.

10 Dated at Los Angeles, California

11 this 6th day of December, 2012

12 
13 MARIA SUAREZ
14 Deputy Real Estate Commissioner

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22
23 cc: Executive One Real Estate and Mortgage Corporation
24 Gerald Franklin George
25 Christopher Paul George
26 Maria Suarez
27 Sacto.
28 OAH
John F. Mansour, Esq.