

1 CHERYL D. KEILY, SBN# 94008
2 Department of Real Estate
3 320 West Fourth Street, Ste. 350
4 Los Angeles, California 90013

5 Telephone: (213) 576-6982
6 (Direct) (213) 576-6905

FILED

APR 19 2012

DEPARTMENT OF REAL ESTATE

BY: 

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation

No. H-38070 LA

AUTHORITY LENDING)	
CORPORATION; and DERRICK)	<u>ACCUSATION</u>
ANTHONY JONES, individually,)	
and as designated officer for)	
Authority Lending)	
Corporation,)	
)	
Respondents.)	
_____)	

19 The Complainant, Maria Suarez, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against AUTHORITY LENDING CORPORATION ("AUTHORITY") and DERRICK
22 ANTHONY JONES ("JONES"), individually, and as designated officer
23 for AUTHORITY, is informed and alleges as follows:
24

25 1.

26 The Complainant, Maria Suarez, a Deputy Real Estate
27 Commissioner of the State of California, makes this Accusation in

her official capacity.

2.

Respondent AUTHORITY is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a real estate corporation.

3.

Respondent JONES is presently licensed and/or has license rights under the Real Estate Law as a real estate broker. At all times relevant herein JONES was the designated broker-officer of Respondent AUTHORITY.

4.

JONES, as the officer designated by AUTHORITY pursuant to Section 10211 of the Code, was responsible for the supervision and control of the activities conducted on behalf of AUTHORITY by its officers and employees as necessary to secure full compliance with the Real Estate Law as set forth in Section 10159.2 of the Code.

5.

At no time have Steven G. Rivera ("Rivera"), Kurt S. Broom ("Broom"), or Carl Allen IV ("Allen") been licensed by the Department in any capacity.

6.

In or around January, 2009, Respondents proposed to engage in the business of advance fee brokerage within the definition of Code Section 10131.2 by claiming, demanding,

1 charging, receiving, collecting or contracting for the collection
2 of an advance fee, within the meaning of Code Section 10026, in
3 connection with any employment undertaken to obtain or to modify
4 a loan or loans.

5 7.

6 On or about April 3, 2009, pursuant to the provisions
7 of Code Section 10085 and Section 2970, Title 10, Chapter 6, Code
8 of Regulations ("Regulations"), the Department issued a "No
9 Objection" letter to AUTHORITY authorizing the use of the
10 materials AUTHORITY proposed to use in obtaining the advance fee
11 agreements described in Paragraph 6, above.

12 8.

13 At all times mentioned herein Respondents engaged in
14 the business of soliciting borrowers and lenders and negotiating
15 the terms of loans secured by real property between borrowers and
16 third party lenders for or in expectation of compensation, within
17 the meaning of Code Section 10131(d).

18 9.

19 At all times mentioned herein Respondents engaged in
20 the business of advance fee brokerage within the definition of
21 Code Section 10131.2 by claiming, demanding, charging, receiving,
22 collecting or contracting for the collection of an advance fee,
23 within the meaning of Code Section 10026, in connection with any
24 employment undertaken to obtain a loan or loans.
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FIRST CAUSE OF ACCUSATION

(Advance Fee Violations pursuant to Section 10085 of the Code)

10.

Respondents engaged in advance fee activities including, but not limited to, the following activities with respect to loans which were secured by liens on real property:

a. On or about September 9, 2009, Sandra Jeanette R. was solicited by Allen, who was acting as an unlicensed representative of AUTHORITY, to obtain a loan modification of the loan on her real property. On or about September 9, 2009, Sandra Jeanette R. paid an advance fee of \$2,876 to Respondent AUTHORITY. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondent AUTHORITY with respect to the real property at 32145 Cedar Crest Court, Temecula, California 92592. At no time did Respondent AUTHORITY obtain a loan modification of the real estate loan.

11.

Respondents collected the advance fee described in Paragraph 10, above, pursuant to the provisions of an agreement which constitutes an advance fee agreement within the meaning of Code Sections 10026 and 10085.

12.

Respondents failed to submit the entirety of the agreement referred to in Paragraph 10, above, to the Commissioner

1 ten days before using it in violation of Code Section 10085 and
2 Section 2970 of the Regulations.

3 13.

4 The conduct, acts and/or omissions of Respondents, as
5 set forth above, are cause for the suspension or revocation of
6 the licenses and license rights of Respondents pursuant to Code
7 Sections 10085, 10177(d) and/or 10177(g).

8 SECOND CAUSE OF ACCUSATION
9 (Violation of Code Section 10085.6)

10 14.

11 Complainant hereby incorporates by reference the
12 allegations set forth in Paragraphs 1 through 13, above.

13 15.

14 On October 11, 2009, Code Section 10085.6 went into
15 effect. By its terms Section 10085.6 prohibits any real estate
16 licensee who negotiates, attempts to negotiate, arranges,
17 attempts to arrange, or otherwise offers to perform a loan
18 modification with respect to residential property to "claim,
19 demand, charge, collect, or receive any compensation until after
20 the licensee has fully performed each and every service the
21 licensee contracted to perform or represented that he, she, or it
22 would perform."

23 16.

24 Respondents engaged in advance fee activities
25 including, but not limited to, the following activities with
26 respect to loans which were secured by liens on real property in
27

violation of Code Section 10085.6:

(a) On or about November 17, 2010, James Newton F. was solicited by Broom, who was acting as an unlicensed representative of AUTHORITY, to obtain a loan modification of the loan on his real property. On or about November 17, 2010, James Newton F. paid an advance fee of \$925 to Respondent AUTHORITY. The advance fee was collected pursuant to the provisions of an agreement providing for payment in the amount of \$1,950 and pertaining to loan solicitation, negotiation, and modification services to be provided by Respondent AUTHORITY with respect to the real property at 32145 Cedar Crest Court, Temecula, California 92592. At no time did Respondent AUTHORITY obtain the loan modification or refund any portion of the payment made.

(b) On or about December 3, 2010, Luis G. was solicited by Rivera, who was acting as an unlicensed representative of AUTHORITY, to obtain a loan modification of the loan on his real property. On or about December 3, 2010, Luis G. paid an advance fee of \$1,850 to Respondent AUTHORITY. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondent AUTHORITY with respect to the real property at 16255 Blossom Time Court, Riverside, California 92503. At no time did Respondent AUTHORITY obtain the loan modification or refund any portion of the payment made.

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1 (c) On or about December 4, 2010, Jolyn and Jeffrey H.
2 were solicited by mail to obtain a loan modification of the loan
3 on their real property. On or about December 4, 2010, Jolyn and
4 Jeffrey H. paid an advance fee of \$1,850 to Respondent AUTHORITY.
5 The advance fee was collected pursuant to the provisions of an
6 agreement pertaining to loan solicitation, negotiation, and
7 modification services to be provided by Respondent AUTHORITY with
8 respect to the real property at 12214 Jamestown Place, Chino,
9 California 91710. At no time did Respondent AUTHORITY obtain the
10 loan modification or refund any portion of the payment made.

11 17.

12 The conduct, acts and/or omissions of Respondents, as
13 set forth above, is cause for the suspension or revocation of the
14 licenses and license rights of Respondents pursuant to Code
15 Sections 10177(d) and/or 10177(g).

16 THIRD CAUSE OF ACCUSATION
17 (Unlicensed Activity)

18 18.

19 Complainant hereby incorporates by reference the
20 allegations set forth in Paragraphs 1 through 17, above.

21 19.

22 The activities described in Paragraphs 10 and 16,
23 supra, require a real estate license under Sections 10131(d) and
24 10131.2 of the Code. Respondents violated Section 10137 of the
25 Code by employing and/or compensating individuals who were not
26

1 licensed as a real estate salesperson or as a broker to perform
2 activities requiring a license as follows:

3 a. Respondents employed and/or compensated Allen to
4 perform some or all of the services alleged in Paragraph 10,
5 subsection (a), above, though he was not licensed as a real
6 estate salesperson or broker.

7 b. Respondents employed and/or compensated Broom to
8 perform some or all of the services alleged in Paragraph 16,
9 subsection (a), above, though he was not at the time licensed as
10 a real estate salesperson or broker.

11 c. Respondents employed and/or compensated Rivera to
12 perform some or all of the services alleged in Paragraph 16,
13 subsection (b), above, though he was not licensed as a real
14 estate salesperson or broker.

15 20.

16
17 The conduct, acts and/or omissions of Respondents as
18 set forth above violate Code Section 10137, and is cause for the
19 suspension or revocation of the licenses and license rights of
20 Respondents pursuant to Code Sections 10137, 10177(d) and/or
21 10177(g).

22 FOURTH CAUSE OF ACCUSATION
23 (Use of Unauthorized Fictitious Business Name)

24 21.

25 Complainant hereby incorporates by reference the
26 allegations set forth in Paragraphs 1 through 20, above.

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22.

Use of a fictitious business name for activities requiring the issuance of a real estate license requires the filing of an application for the use of such name with the Department in accordance with the provisions of Code Section 10159.5.

23.

Respondents acted without Department authorization in using the fictitious business name "Authority Lending" to engage in activities requiring the issuance of a real estate license.

24.

The conduct, acts and/or omissions of Respondents, as set forth in Paragraph 25, above, violates Code Section 10159.5 and Section 2731 of the Regulations, and is cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10177(d) and/or 10177(g).

FIFTH CAUSE OF ACTION

(Corporate Suspension of Respondent AUTHORITY)

25.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 24, above.

26.

On or about May 20, 2011, the Franchise Tax Board of the State of California suspended the powers, rights and privileges of Respondent AUTHORITY pursuant to the provisions of the California Revenue and Taxation Code. The corporate powers,

1 rights and privileges of Respondent AUTHORITY remain suspended to
2 date.

3 27.

4 The conduct of Respondent AUTHORITY, as alleged above,
5 is in violation of Section 2742(c) of the Regulations, and
6 subjects its real estate license and license rights to suspension
7 or revocation pursuant to Code Section 10177(d), (f) and (g).

8 SIXTH CAUSE OF ACCUSATION
9 (Failure to Supervise)

10 28.

11 Complainant hereby incorporates by reference the
12 allegations set forth in Paragraphs 1 through 27, above.

13 29.

14 Respondent JONES ordered, caused, authorized or
15 participated in the conduct of Respondent AUTHORITY, as is
16 alleged in this Accusation.

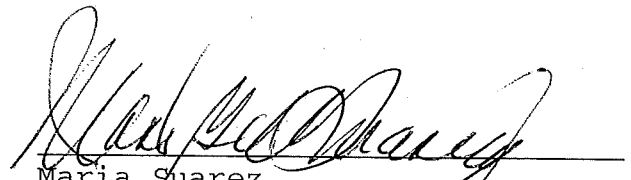
17 30.

18 The conduct, acts and/or omissions, of Respondent JONES
19 in allowing Respondent AUTHORITY to violate the Real Estate Law,
20 as set forth above, constitutes a failure by Respondent JONES, as
21 the officer designated by a corporate broker licensee, to
22 exercise the supervision and control over the activities of
23 Respondent AUTHORITY, as required by Code Section 10159.2, and is
24 cause to suspend or revoke the real estate licenses and license
25 rights of Respondent JONES under Code Sections 10177(d), 10177(g)
26 and/or 10177(h).
27

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 all the licenses and license rights of Respondents
5 AUTHORITY LENDING CORPORATION and DERRICK ANTHONY JONES under the
6 Real Estate Law (Part 1 of Division 4 of the Business and
7 Professions Code), for the costs of investigation and enforcement
8 as permitted by law, and for such other and further relief as may
9 be proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 11th day of April, 2012.

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15 
16 Maria Suarez
17 Deputy Real Estate Commissioner
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25 cc: AUTHORITY LENDING CORPORATION
26 DERRICK ANTHONY JONES
27 Maria Suarez
Sacto.