

**FILED**

FEB 13 2013

DEPARTMENT OF REAL ESTATE

BY: \_\_\_\_\_

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	No. H-38429 LA
	)	
<u>SIMPLICITY REALTY 1,</u>	)	
BRIAN JASON MORALES,	)	
individually and as former	)	
designated officer of	)	
Simplicity Realty 1, and	)	
<u>REINHARD SCHOENHOEFER,</u>	)	
	)	
Respondents.	)	
	)	

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on January 11, 2013, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On September 18, 2012, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, return receipt requested, to Respondents SIMPLICITY REALTY 1 and REINHARD SCHOENHOEFER.

On January 11, 2013, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents' default was entered herein.

2.

From March 10, 2010, through the present, Respondent SIMPLICITY REALTY 1 ("SIMPLICITY") has been licensed by the Department of Real Estate ("Department") as a corporate real estate broker, License ID 01876367.

3.

From March 23, 2005, through the present, Respondent REINHARD SCHOENHOEFER ("SCHOENHOEFER") has been licensed by the Department as a real estate salesperson, License ID 01473232. From August 25, 2009, through January 21, 2010, Respondent SCHOENHOEFER was licensed under the employment of broker Beachside Capital, Inc. From January 22, 2010 through December 29, 2010, Respondent SCHOENHOEFER was licensed under the employment of Respondent BRIAN JASON MORALES.

4.

Secure Doc Prep Corp, Dain Turner ("Turner"), Carlo Longo ("Longo"), Ruben (NMN) Corona ("Corona"), and Robert (NMN) Marquez ("Marquez") are not licensed in any capacity by the Department.

5.

Secure Doc Prep Corp is a California corporation formed on or about March 14, 2009. SCHOENHOEFER, Longo, and Turner were former officers and directors of Secure Doc Prep Corp. Corona is currently an officer and director of Secure Doc Prep Corp.

6.

SIMPLICITY is a California corporation formed on or about September 11, 2009. Corona is currently an officer and director of SIMPLICITY.

7.

At times relevant herein, Secure Doc Prep Corp and SIMPLICITY shared the same office address of 2450 White Road, Suite 250, Irvine, California 92614. Secure Doc Prep Corp and SIMPLICITY also operated branch offices at 17748 Skypark Circle Suite 260, Irvine, California 92606; 27702 Crown Valley Pkwy.

Suite D-4 228, Ladera Ranch, California 92694; and 2710 Alton Pkwy. Suite 109-104, Irvine, CA 92606.

8.

On or about September 22, 2009, Respondents SIMPLICITY and SCHOENHOEFER, while using their own names or other fictitious business names including Secure Doc Prep Corp and SIMPLICITY, and acting through their agents, employees, or independent contractors, charged and collected advance fees totaling \$3,990 from borrowers Scott and Barbara L. for mortgage loan negotiation, modification or forbearance services. Respondents failed to refund any monies to Scott and Barbara L. after failing to provide the services that had been promised.

9.

On or about October 14, 2010, Respondents SIMPLICITY and SCHOENHOEFER, while using their own names or other fictitious business names including Secure Doc Prep Corp and SIMPLICITY, and acting through Marquez and other agents, employees, or independent contractors, charged advance fees of \$2,295 from borrower Eugene S. for mortgage loan negotiation, modification or forbearance services. Respondents collected \$1,721.22 from Eugene S. for said services. Respondents failed to refund any monies to Eugene S. after failing to provide the services that had been promised.

10.

Respondent SIMPLICITY acted without Department authorization in using unlicensed branch offices located at 17748 Skypark Circle Suite 260, Irvine, California 92606; 27702 Crown Valley Pkwy. Suite D-4 228, Ladera Ranch, California 92694; and 2710 Alton Pkwy. Suite 109-104, Irvine, California 92606, to engage in activities requiring the issuance of a real estate license.

11.

Respondent SIMPLICITY acted without Department authorization in using the unlicensed business name Secure Doc Prep Corp to engage in activities requiring the issuance of a real estate license.

## DETERMINATION OF ISSUES

1.

The conduct, acts and/or omissions of Respondents SIMPLICITY and SCHOENHOEFER as set forth in Paragraphs 8 and 9 above, in that they used unauthorized advance fee agreements, charged or collected advance fees for soliciting borrowers or lenders, or promised to perform services for borrowers in connection with loans secured directly or collaterally by a lien on real property, is in violation of Business and Professions Code ("Code") Sections 10085, 10085.5, 10085.6, and Regulation 2970 and constitutes cause to suspend or revoke the real estate licenses and license rights of Respondents SIMPLICITY and SCHOENHOEFER under the provisions of Code Section 10177(d).

2.

The conduct, acts and/or omissions of Respondent SIMPLICITY as set forth in Paragraphs 8 and 9 above, in that it failed to comply with the requirements of Code Section 10146 constitutes cause to suspend or revoke the real estate license and license rights of Respondent SIMPLICITY under the provisions of Code Section 10177(d).

3.

The conduct, acts and/or omissions of Respondents SIMPLICITY and SCHOENHOEFER as set forth in Paragraphs 8 and 9 above, in that they operated an unlicensed entity, Secure Doc Prep Corp, and used unlicensed agents to engage in activities requiring a real estate license under Code Section 10131(d), constitutes cause to suspend or revoke the real estate licenses and license rights of Respondents SIMPLICITY and SCHOENHOEFER under the provisions of Code Section 10176(a) and 10176(i).

4.

The conduct, acts and/or omissions of Respondents SIMPLICITY and SCHOENHOEFER, as set forth in Paragraphs 8 and 9 above, in that SIMPLICITY employed or compensated persons for performing acts requiring a real estate license when they were not licensed under SIMPLICITY, and Respondent SCHOENHOEFER accepted compensation from a person other than the broker under whom he was licensed at the time, is in violation of Code Section 10137. Respondents SIMPLICITY and SCHOENHOEFER's conduct constitutes cause to suspend or revoke the real estate

licenses and license rights of Respondents SIMPLICITY and SHOENHOEFER under the provisions of Code Sections 10137 and 10177(d).

5.

The conduct, acts and/or omissions of Respondents SIMPLICITY and SHOENHOEFER, and their employees, agents and/or independent contractors including Turner, Marquez, Longo, and Corona, as set forth in Paragraphs 8 and 9, above, constitute grounds for the suspension or revocation of the licenses and license rights of Respondents SIMPLICITY and SHOENHOEFER pursuant to Code Sections 10176(a) (making any substantial misrepresentation), 10176(b) (making any false promises of a character likely to influence, persuade or induce), and 10176(i) (fraud or dishonest dealing).

6.

The conduct, acts and/or omissions of Respondent SIMPLICITY as set forth in Paragraph 10, above, violate Code Section 10163 and Regulation 2715 and are cause for the suspension or revocation of the license and license rights of Respondent SIMPLICITY pursuant to Code Section 10177(d).

7.

The conduct, acts and/or omissions of Respondent SIMPLICITY as set forth in Paragraph 11, above, violate Code Section 10159.5 and Regulation 2731 and are cause for the suspension or revocation of the license and license rights of Respondent SIMPLICITY pursuant to Code Section 10177(d).

8.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

The licenses and license rights of Respondents  
SIMPLICITY REALTY 1 and REINHARD SCHOENHOEFER, under the  
provisions of Part I of Division 4 of the Business and  
Professions Code are revoked.

This Decision shall become effective at 12 o'clock  
noon on March 5, 2013.

DATED: 2/6/13

REAL ESTATE COMMISSIONER



By AWET P. KIDANE  
Chief Deputy Commissioner

1 Department of Real Estate  
2 320 West Fourth Street, Suite 350  
3 Los Angeles, California 90013-1105

**FILED**

JAN 11 2013

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of )  
12 )  
13 SIMPLICITY REALTY 1, )  
14 BRIAN JASON MORALES, individually )  
15 and as former designated officer )  
16 of Simplicity Realty 1, and )  
REINHARD SCHOENHOEFER, )  
Respondents. )

NO. H-38429 LA  
DEFAULT ORDER

17 Respondents, SIMPLICITY REALTY 1 and REINHARD  
18 SCHOENHOEFER, having failed to file a Notice of Defense within  
19 the time required by Section 11506 of the Government Code, are  
20 now in default. It is, therefore, ordered that a default be  
21 entered on the record in this matter as to SIMPLICITY REALTY 1  
22 and REINHARD SCHOENHOEFER.

23 IT IS SO ORDERED

*January 11, 2013*

Real Estate Commissioner

*Dolores Weeks*

24 By: DOLORES WEEKS  
25 Regional Manager  
26  
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