

FILED

NOV 13 2008

DEPARTMENT OF REAL ESTATE

By *Juan Aranda*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of )	)	No. H-2163 FR
CRISP COLE & ASSOCIATES, a )	)	OAH No. 2008030219
Corporation, TOWER LENDING, a )	)	
Corporation, CARL COLE, DAVID )	)	
MARSHALL CRISP, JILL LOUISE )	)	
PINHEIRO, SNEHA MOHAMMADI, )	)	
and ROBINSON DINH NGUYEN, )	)	
Respondents. )	)	

In the Matter of the Accusation of )	)	No. H-2074 FR
TOWER LENDING and )	)	OAH No. 2008030218
CARL L. COLE, )	)	
Respondents. )	)	

ORDER DENYING RECONSIDERATION

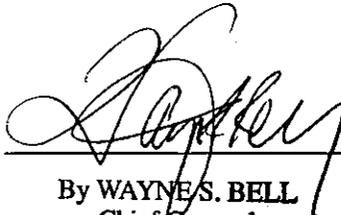
On September 24, 2008, a Decision was rendered in the above-entitled matter. The Decision was to become effective at 12 o'clock noon on October 15, 2008 (hereinafter the "Decision of October 15, 2008").

1           On October 6, 2008, Respondent Carl L. Cole requested  
2 a thirty-day stay to petition for reconsideration of the  
3 Decision of October 15, 2008. Pursuant to Order filed October  
4 7, 2008, the effective date of the Decision was extended to  
5 November 14, 2008.

6           I have given due consideration to the petition of  
7 Respondent. I find no good cause to reconsider the Decision of  
8 October 15, 2008, and reconsideration is hereby denied.

9           IT IS HEREBY ORDERED November 13, 2008.

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11                           JEFF DAVI  
12                           Real Estate Commissioner

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16                           By WAYNE S. BELL  
17                           Chief Counsel

**FILED**

OCT 07 2008

DEPARTMENT OF REAL ESTATE

By L. Frost

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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*In the Matter of the Accusation of*

**TOWER LENDING and  
CARL L. COLE,**

*Respondents*

Case No. **H-2074 FR**

OAH No. **2008030218**

*In the Matter of the Accusation of*

**CRISP COLE & ASSOCIATES, A Corporation,  
TOWER LENDING, A Corporation,  
CARL COLE, DAVID MARSHALL CRISP,  
JILL LOUISE PINHEIRO, SNEHA  
MOHAMMADI, AND ROBINSON DINH  
NGUYEN,**

*Respondents*

Case No. **H-2163 FR**

OAH No. **2008030219**

ORDER STAYING EFFECTIVE DATE

On September 24, 2008, a Decision was rendered in the above-entitled matters to become effective October 15, 2008.

IT IS HEREBY ORDERED that the effective date of the Decision of the Real Estate Commissioner of September 24, 2008, is stayed for a period of thirty (30) days, as to CARL L. COLE only.

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The Decision of the Real Estate Commissioner of September 24, 2008, as to CARL L. COLE only, shall become effective at 12 o'clock noon on November 14, 2008.

DATED: October 7, 2008

JEFF DAVI  
Real Estate Commissioner

William E. Moran  
By: William E. Moran  
Assistant Commissioner,  
Enforcement

**FILED**

SEP 26 2008

DEPARTMENT OF REAL ESTATE

By *K. Frost*

BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of:

CRISP COLE & ASSOCIATES, a Corporation,  
TOWER LENDING, a Corporation, CARL  
COLE, DAVID MARSHALL CRISP, JILL  
LOUISE PINHEIRO, SNEHA MOHAMMADI  
and ROBINSON DINH NGUYEN,

Respondents.

Case No. H-2163 FR

OAH NO. L2008030219

In the Matter of the Accusation of

TOWER LENDING and CARL L COLE,

Respondents.

Case No. H-2074 FR

OAH NO. L2008030218

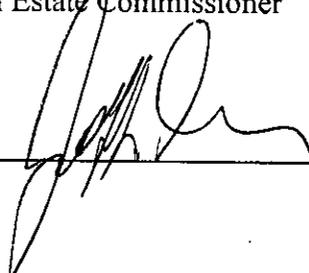
DECISION

The Proposed Decision dated September 3, 2008, 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.

This Decision shall become effective at 12 o'clock noon on OCT 15 2008.

IT IS SO ORDERED 9-24-08.

JEFF DAVI  
Real Estate Commissioner

  
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**BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA**

In the Matter of the Accusation of:

CRISP COLE & ASSOCIATES,  
A corporation,  
TOWER LENDING, a Corporation,  
CARL COLE,  
DAVID MARSHALL CRISP,  
JILL LOUISE PINHEIRO,  
SNEHA MOHAMMADI, and  
ROBINSON DINH NGUYEN,

Respondents.

Case No.: H-2163 FR

OAH No.: L2008030219

In the Matter of the Accusation of:

TOWER LENDING and  
CARL L. COLE,

Respondents.

Case No.: H-2074 FR

OAH No.: L2008030218

**ORDER NUNC PRO TUNC**

On September 4, 2008, the undersigned received a telephone voice mail from John Van Drill, Assistant Chief Counsel, Department of Real Estate, State of California, informing the undersigned of a typographical error in the proposed decision issued September 3, 2008. Mr. Van Drill indicated that the typographical error was on the last line of Legal Conclusion No. 6

The Administrative Law Judge reviewed the proposed decision and determined that it contained a typographical error on page 16, on the last line of Legal Conclusion No. 6. Pursuant to Government Code section 11517, subdivision (c)(2)(C), the phrase "as set forth in Factual Findings 36 and 39" shall be changed to read "as set forth in Factual Findings 36 through 39." Legal Conclusion 6 is changed as follows:

LEGAL CONCLUSIONS RE: RESPONDENT ROBINSON DINH NGUYEN

6. Cause exists to suspend or revoke the license and licensing rights of Respondent Robinson Dinh Nguyen under Business and Professions Code sections 10176, subdivisions (a) and (i), and 10177, subdivisions (d) and (j), in that Respondent Nguyen made substantial misrepresentations and engaged in fraud and dishonest dealing, as set forth in Factual Findings 36 through 39.

GOOD CAUSE APPEARING, the following order is issued:

1. The proposed decision is corrected as set forth herein.
2. This order nunc pro tunc is made part of the record in this case, and shall be attached to the proposed decision.

DATED: September 5, 2008

*Humberto Flores*

HUMBERTO FLORES  
Administrative Law Judge  
Office of Administrative Hearings

**BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA**

In the Matter of the Accusation of:

CRISP COLE & ASSOCIATES,  
-A corporation,  
TOWER LENDING, a Corporation,  
CARL COLE,  
DAVID MARSHALL CRISP,  
JILL LOUISE PINHEIRO,  
SNEHA MOHAMMADI, and  
ROBINSON DINH NGUYEN,

Respondents.

Case No.: H-2163 FR

OAH No.: L2008030219

In the Matter of the Accusation of:

TOWER LENDING and  
CARL L. COLE,

Respondents.

Case No.: H-2074 FR

OAH No.: L2008030218

**PROPOSED DECISION**

The above captioned matters were consolidated for hearing and were heard by Humberto Flores, Administrative Law Judge with the Office of Administrative Hearings, on from July 29, through August 5, 2008, in Bakersfield, California.

Michael B. Rich, Counsel for the Department of Real Estate, represented complainants.

Respondent Carl L. Cole appeared personally and as an officer and director of Crisp Cole & Associates and Tower Lending, and was represented by Glenn M. Kottcamp, Attorney at Law. Respondent David Marshall Crisp appeared in pro se, and as an officer and director of Crisp Cole & Associates and Tower Lending.

Respondent Robinson Dinh Nguyen did not appear despite being served with the Accusation and Notice of Hearing pursuant to Government Code sections 11505 and 11509. Complainant proceeded by default against Respondent Nguyen.

Respondents Jill Louise Pinheiro and Sneva Mohammadi reached settlement agreements with the Department of Real Estate and did not appear at the hearing. The decision in this matter shall not contain legal conclusions or orders relating to the licenses held by Respondents Pinheiro and Mohammadi.

Evidence was received and the matter was submitted for decision. The Administrative Laws Judge makes the following factual findings, legal conclusions and order.

### **STATEMENT OF THE CASE**

Complainants are requesting revocation of the licenses and licensing rights of Respondents Crisp Cole & Associates, Tower Lending, David Marshall Crisp, Carl Cole and Robinson Nguyen, based on allegations that these named Respondents engaged in fraud and dishonest dealing by processing and submitting Uniform Residential Loan Applications containing false representations of material facts. In addition, Complainants are requesting revocation of the real estate broker's license previously issued to Respondent Carl Cole for failing to properly supervise the activities of salespersons and other employees of Crisp Cole & Associates and Tower Lending.

### **FACTUAL FINDINGS**

#### **FACTUAL FINDINGS RE: JURISDICTION AND PARTIES**

1. Complainant Charles W. Koenig, a Deputy Real Estate Commissioner of the State of California, made and filed the Accusation in case H-2163 FR in his official capacity. Complainant John W. Sweeney, a Deputy Real Estate Commissioner of the State of California, made and filed the Accusation in case H-2074 FR in his official capacity.

2. Respondents Crisp Cole & Associates (Respondent CCA), a corporation, Tower Lending (Respondent Tower), a corporation, Carl Cole (Respondent Cole), David Marshall Crisp (Respondent Crisp), Jill Louise Pinheiro (Respondent Pinheiro), Sneha Mohammadi (Respondent Mohammadi), and Robinson Dinh Nguyen (Respondent Nguyen) are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (Code).

3. At all relevant times, Respondent CCA was licensed by the Department of Real Estate (Department) as a corporate real estate broker by and through Respondent Cole as its designated officer-broker to qualify and to act for Respondent CCA as a real estate broker. At all relevant times, Respondents Cole and Crisp were principal stockholders of CCA, and each was a director and officer of the corporation.

4. At all relevant times Respondent Tower was and is licensed by the Department as a corporate real estate broker by and through Respondent Cole as its designated officer-broker to qualify and to act for Respondent Tower as a real estate broker. At all relevant times Respondents Cole and Crisp were principal stockholders of Respondent Tower, and each was a director and officer of the corporation.

5. At all relevant times Respondent Cole was and is now licensed by the Department as a real estate broker, individually and as designated officer-broker of Respondents CCA and Tower. As the designated officer-broker, Respondent Cole was responsible pursuant to section 10159.2 of the Code for the supervision of the activities, for which a license is required, of the officers, agents, real estate licensees, and employees of Respondents CCA and Tower.

6. At all relevant times Respondent Mohammadi was licensed by the Department as a real estate broker.

7. At all relevant times Respondents Crisp, Pinheiro and Nguyen were licensed by the Department as real estate salespersons in the employ of Respondent CCA.

8. Within the three year period preceding the filing of the Accusations, Respondents Cole, CCA and Tower engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers in the State of California within the meaning of:

- (a) Code section 10131, subdivision (a), in that Respondents Cole and CCA and operated and conducted a real estate resale brokerage business with the public wherein, on behalf of others, for compensation or in expectation of compensation, said Respondents sold or offered to sell, bought or offered to buy, solicited prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase, sale or exchange of real property or a business opportunity; and,
- (b) Code section 10131, subdivision (d), in that Respondent Cole and Tower operated and conducted a mortgage loan brokerage business with the public wherein, on behalf of others, for compensation or in expectation of compensation, said Respondents solicited borrowers or lenders for or negotiated loans or collected payments or performed services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

## FACTUAL FINDINGS RE: CCA AND OTHER RESPONDENTS

9. In November and December 2005, Respondents CCA and Cole induced No Red Tape Mortgage to make mortgage loans in the sum of \$1,000,000 and \$450,000 secured by real property at 9619 Marseilles Avenue, Bakersfield (Marseilles property), California, to finance the purchase of said real property by Respondent Cole. Respondent Cole signed a Uniform Residential Loan Application in which he falsely represented to the lender that he was purchasing the Marseilles property as his primary residence and that he intended to occupy the property as a residential owner. In fact, Respondent Cole never intended to reside in the house, rather he intended to lease the subject property to the sellers as tenants.

10. Respondent Cole testified that he was negligent in signing the residential loan application for the Marseilles property. Respondent Cole's testimony is not persuasive. The loan application has certain creditor and liability information that was supplied by Respondent Cole to the interviewer, and a reasonable inference is that Respondent Cole provided all of the other information in the document.

11. The Marseilles property loan file also contains a letter purportedly signed by Respondent Cole indicating that he would rent his then residence in order to make the Marseilles property his primary residence (exhibit 34, p. 185). This letter was generated from the offices of Respondent Tower. Respondent Cole claimed that his purported signature on this document was forged. Respondent Cole's assertion is credible. However, it was Respondent Cole's failure to properly supervise CCA and Tower activities that created a business atmosphere where an employee of either CCA or Tower might forge Respondent Cole's signature on a document without fear of repercussion by Respondent Cole or other management personnel.

12. The representation set forth in Factual Finding 9 was false and misleading and was known by Respondents CCA and Cole to be false and misleading when made, or was made by such Respondents with no reasonable grounds for believing the representation to be true. Further, the representation is a substantial misrepresentation of a material fact, and constitutes fraud and dishonest dealing.

13. In September and October 2005, Respondents CCA, Tower, Pinheiro, and Crisp induced Sun Trust Mortgage, Inc., to make loans in the sum of \$299,200 and \$74,800 secured by real property at 800 Astoria Park Drive, Bakersfield, California, to finance the purchase of said real property by Leslie Sluga. The above-named respondents falsely represented to the lender that purchaser/borrower Leslie Sluga had been employed by Respondent CCA as a transaction coordinator during the two-year period preceding the loan application. The false employment information was verified by Respondent Pinheiro, who at the time was Respondent CCA's office manager.

14. The Uniform Residential Loan Application, submitted by Respondent Tower, indicates that Respondent Cole was the interviewer for the loan application. Respondent Cole denied that he interviewed Ms. Sluga and denies signing the loan application. Respondent Cole's testimony on this issue is credible. A comparison of the signature on the Astoria loan application with Respondent Cole's actual signature supports his testimony.<sup>1</sup> Further, Ms. Sluga is the mother-in-law of Respondent Crisp, and it is inferred that Ms. Sluga's connection with CCA was not Respondent Cole, but rather Respondent Crisp, who either submitted the loan application or directed employees of CCA and/or Tower to submit the document containing the false statement.

15. The representations set forth in Factual Findings 13 and 14 above, were false and misleading and were known by Respondents CCA, Tower, Pinheiro, and Crisp to be false and misleading when made, or were made by such Respondents with no reasonable grounds for believing said representations to be true, because Respondent CCA had never employed Leslie Sluga in any capacity.

16. The acts, omissions and representations of Respondents CCA, Tower, Pinheiro, and Crisp as set forth in Factual Findings 13 and 14 constitute substantial misrepresentations of material facts, fraud and dishonest dealing.

17. In July of 2005, Respondents CCA, Tower, Cole, and Crisp:

- (a) Induced Fremont Investment and Loan (Fremont) to make loans in the sum of \$527,472 and \$131,868 secured by real property at 8702 Oak Hills Avenue, Bakersfield, California, to finance the purchase of said real property by Jennifer Crisp. In the Uniform Residential Loan Application processed and submitted by Respondent Tower, the above-named Respondents falsely represented to the lender that Ms. Crisp intended to occupy said real property as her primary residence, and concealed from the lender the fact, as Respondents knew or should have known at the time through the exercise of reasonable diligence, that Jennifer Crisp was simultaneously applying for and obtaining a mortgage loan obligation from Long Beach Mortgage Corporation in the sum of \$320,000, to finance the purchase of real property at 7908 Revelstoke Way, Bakersfield, California.
- (b) Induced Long Beach Mortgage Corporation to make a loan in the sum of \$320,000 secured by real property at 7908 Revelstoke Way, Bakersfield, California, to finance the purchase of said real property by Jennifer Crisp. In the loan application processed and submitted by Respondent Tower,

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<sup>1</sup> Evidence Code section 1417 allows the trier of fact to determine the genuineness of handwriting by comparing it to other handwriting that has been found to be genuine.

Respondents falsely represented to the lender that Ms. Crisp intended to occupy said real property as her primary residence, and concealed from said lender the fact, as Respondents knew or should have known at the time through the exercise of reasonable diligence, that Jennifer Crisp was simultaneously applying for and obtaining mortgage loan obligations to Fremont Investment and Loan in the sum of \$527,472 and \$131,868 to finance the purchase of real property at 8702 Oak Hills Avenue, Bakersfield, California.

18. Jennifer Crisp, who is married to Respondent Crisp, signed a loan application to Long Beach Mortgage on July 15, 2005, and signed a loan application to Fremont on July 27, 2005. In both applications, Ms. Crisp falsely claimed that she was purchasing both properties as her primary residences. In addition, Ms. Crisp signed an occupancy agreement for the Revelstoke property.

19. In both applications, Respondent Cole is identified as the interviewer, and he signed the documents on behalf of Respondent Tower. Although Respondent Cole testified that he wasn't sure that he signed these documents as the interviewer, a comparison of these signatures with the signatures on the loan documents in exhibit 34 proves to the undersigned that Respondent Cole signed the residential loan applications as the interviewer for the Jennifer Crisp loans.

20. Testimony from a representative of Fremont established that Fremont would not have loaned the funds to Ms. Crisp on the Oak Hills property had Fremont been made aware that Ms. Crisp was not in fact going to reside at the property,<sup>2</sup> and that she had submitted a loan application to Long Beach Mortgage for the Revelstoke property only days earlier. Conversely, Long Beach Mortgage would not have processed and made the loan on the Revelstoke property had it been aware of the loan application submitted by Ms. Crisp to Fremont.

21. The acts, omissions and representations of Respondents CCA, Tower, Crisp, and Cole, as set forth in Factual Finding 17, were known by said Respondents to be false, or were made by Respondents with no reasonable grounds for believing said representations to be true, and constitute substantial misrepresentations of material facts, fraud, and dishonest dealing.

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<sup>2</sup> Testimony at the hearing established that loan institutions have internal guidelines on processing and making loans. These guidelines usually allow for greater loan amounts and more favorable terms and conditions on loans when a borrower purchases a house as her primary residence.

22. On or about September 2, 2005, Respondents CCA, Tower, and Crisp induced Long Beach Mortgage Corporation to make loans of \$504,000 and \$126,000 secured by real property at 11402 Marazion Hill Court, Bakersfield, California (Marazion Hill property), to finance the purchase of said real property by Respondent Crisp by making false representations as follows:

- (a) In his Uniform Residential Loan Application processed and submitted by Respondent Tower, Respondent Crisp falsely represented to the lender that as buyer, he intended to occupy the property as his primary residence. In fact, Respondent Crisp did not intend to occupy said real property as his primary residence.
- (b) In connection with the loan application, Respondent Crisp signed an "Occupancy Agreement" certifying that he intended to occupy the property during the 12-month period immediately following loan closing. In fact, upon the completion of the transaction, Respondent Crisp leased the property to the seller for a two-month period.
- (c) The Uniform Residential Loan Application, processed by Respondent Tower, contains an interviewer's signature purported to be that of Respondent Cole (exhibit 43, p. 38). Respondent Cole denied that it was his signature, and a comparison of his signature in exhibit 34 supports his testimony. This leads to the inference that Respondent Crisp, who stood to benefit from the transaction, either forged Respondent Cole's signature, or directed an employee of Respondent Tower to forge the signature.

23. The representations set forth in Factual Finding 22 were false and misleading and were known by Respondents CCA, Tower, and Crisp to be false and misleading because during the negotiations leading up to the transaction, Respondent Crisp agreed to lease the property to the seller as a tenant. Respondent Crisp and the seller executed a lease agreement on September 2, 2005. Respondent Crisp did not intend to reside in the Marazion Hill property, but rather intended to subsequently sell the Marazion Hill property without residing there. This is evidenced not only by the lease agreement, but also by the fact that within a two-month period, Respondent Crisp and/or his wife purchased three different residential properties and represented in the underlying loan applications that they intended to occupy each house as their primary residence. In addition, Respondent Crisp purchased two other houses in November and December of 2005, in which he claimed primary residence for each house, as set forth below in Factual Finding 25.

24. The acts, omissions and representations of Respondents CCA, Tower, and Crisp, set forth in Factual Findings 19 and 20 constitute substantial misrepresentations of material facts, fraud, and dishonesty dealing.

25. In November and December of 2005, Respondents CCA, Tower, and Crisp:

- (a) Induced Sun Trust Mortgage to make loans of \$1,105,000 and \$350,000 secured by real property at 10509 Newquay Court, Bakersfield, California, to finance the purchase of said real property by Respondent Crisp. In the residential loan applications processed and submitted by Respondent Tower, Respondents CCA, Tower, and Crisp falsely represented to the lender that Respondent Crisp intended to occupy the real property as his primary residence, and concealed from said lender the fact that Respondent Crisp was simultaneously applying for and obtaining a mortgage loan obligation to WMC Mortgage Corporation in the sum of \$1,060,000 to finance the purchase of real property at 1805 Grimshaw Way, Bakersfield, California.
- (b) Induced WMC Mortgage Corporation to make loans in the sum of \$860,000 and \$200,000 secured by real property at 1805 Grimshaw Way, Bakersfield, California, to finance the purchase of said real property by Respondent Crisp. In the residential loan applications processed and submitted by Respondent Tower, Respondents CCA, Tower, and Crisp falsely represented to the lender that Respondent Crisp intended to occupy said real property as his primary residence, and concealed from said lender the fact that Respondent Crisp was simultaneously applying for and obtaining mortgage loan obligations to Sun Trust Mortgage of \$1,455,000 to finance the purchase of real property at 10509 Newquay Court, Bakersfield, California;

26. Respondent Crisp signed residential loan applications for the Newquay and Grimshaw properties on December 21, 2005. He signed an occupancy affidavit for each property on March 13, 2006, indicating that each house would be his primary residence. He signed a deed of trust for each property on March 13, 2006.

27. Respondent Crisp introduced testimony from a painting contractor and from Respondent Cole, both of whom testified that Respondent Crisp lived at the Grimshaw house for a number of months. While Respondent Crisp may have spent some time living at the Grimshaw house, he purchased the Grimshaw and Newquay properties as investments and not as his primary residences.

28. The acts, omissions and representations of Respondents CCA, Tower, and Crisp, as set forth in Factual Finding 25 constitute substantial misrepresentations of material facts, fraud and dishonest dealing.

29. In September 2006, Respondents CCA, Tower, and Crisp:

- (a) Induced Sun Trust Mortgage, Inc., to make loans in the sum of \$1,000,000 and \$295,000 secured by real property at 11219 Draper Court, Bakersfield, California, to finance the purchase of said real property by Jennifer Crisp. In the residential loan applications, Respondents CCA, Tower, and Crisp falsely represented to the lender that the buyer intended to occupy the real property as her primary residence, and that California Business Solutions employed Jennifer Crisp as a chief operations officer (COO). In fact, Ms. Crisp had never been employed by California Business Solutions.<sup>3</sup> Respondents also concealed from the lender the fact, as Respondents knew or should have known through the exercise of reasonable diligence, that Jennifer Crisp was simultaneously applying for and obtaining a mortgage loan obligation to Aegis Wholesale Corporation in the sum of \$475,000 to finance the purchase of real property at 12706 Lanai Avenue, Bakersfield, California.
- (b) Induced Aegis Wholesale Corporation to make loans in the sum of \$400,000 and \$75,000 secured by real property at 12706 Lanai Avenue, Bakersfield, California, to finance the purchase of said real property by Jennifer Crisp. In the residential loan applications, Respondents CCA, Tower, and Crisp falsely represented to the lender that the buyer intended to occupy the real property as her primary residence, and that California Business Solutions employed Jennifer Crisp as its COO. Respondents knew or should have known through the exercise of reasonable diligence that Jennifer Crisp had no intention of occupying the property and that she did not work for California Business Solutions as its COO. Respondents also concealed from said lender the fact that, as Respondents knew or should have known at the time through the exercise of reasonable diligence, Jennifer Crisp was simultaneously applying for and obtaining mortgage loan obligations to Sun Trust Mortgage, Inc. totaling \$1,295,000 to finance the purchase of real property at 11219 Draper Court, Bakersfield, California.

30. The acts, omissions and representations of Respondents CCA, Tower, and Crisp, as set forth in Factual Finding 29 constitute substantial misrepresentations of material facts, fraud and dishonest dealing.

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<sup>3</sup> Timothy Hubbell, the owner of California Business Solutions, testified that Ms. Crisp never worked at his company. Further, Mr. Hubbell denied signing the letter in the loan documents verifying her employment with California Business Solutions.

31. In October and November 2005, Respondents CCA, Tower, and Crisp:

- (a) Induced Long Beach Mortgage Corporation to make loans in the sum of \$303,200 and \$75,800 secured by real property at 14309 San Jose Avenue, Bakersfield, California, to finance the purchase of said real property by Janie Stockton by falsely representing to the lender that said buyer intended to occupy the property as her primary residence and that Respondent CCA employed Janie Stockton as an office manager.
- (b) Induced Sun Trust Mortgage, Inc., to make loans of \$594,350 and \$148,600 secured by real property at 416 Copinsay Court, Bakersfield, California, to finance the purchase of said real property by Janie Stockton in that Respondents falsely represented to the lender that said buyer intended to occupy the real property as her primary residence and that Respondent CCA employed Janie Stockton as a marketing director.

32. The acts, omissions and representations of Respondents CCA, Tower and Crisp, as set forth in Factual Finding 31 constitute substantial misrepresentations of material facts, fraud, and dishonest dealing.

33. Complainant did not establish that Respondent Crisp and Janie Stockton had entered into an agreement whereby Respondent Crisp paid Janie Stockton to sign and submit the loan applications on behalf of Respondent Crisp, who would then pay the monthly mortgage installments, and that Janie Stockton would sell the property at the direction of Respondent Crisp and pay the equity proceeds from such sale to Respondent Crisp. The only evidence presented on this issue were the hearsay statements attributed to Janie Stockton.

34. In the period between February 2, 2006, and April 14, 2006, Respondents CCA, Tower, Mohammadi, and Crisp:

- (a) Induced Sun Trust Mortgage, Inc., to make loans in the sum of \$894,451 and \$223,613 secured by real property at 11504 Haydock Court, Bakersfield, California, to finance the purchase of said real property by Respondent Mohammadi as an ostensible buyer. In the residential loan applications, Respondents CCA, Tower, Mohammadi, and Crisp, falsely represented to the lender that Mohammadi intended to occupy the real property as her primary residence, and concealed from said lender the fact, as such Respondents knew or should have known at the time through the exercise of reasonable diligence, that Respondent Crisp and Respondent Mohammadi had entered into an agreement whereby Crisp paid Mohammadi to sign and submit the loan applications as the purchaser. The agreement also called for Crisp to pay the monthly mortgage installments, and upon the future sale of the property, Respondent Crisp would receive the equity proceeds.

(b) Induced Kirkwood Financial Corporation to make loans in the sum of \$1,275,000 and \$425,000 secured by real property at 11504 Haydock Court, Bakersfield, California, to finance the purchase of said real property by an ostensible buyer, Leslie Sluga, by falsely representing to the lender that said buyer intended to occupy the real property as her primary residence and that Ms. Sluga was the owner of a company known as California Business Solutions. In fact, California Business Solutions employed Ms. Sluga as a bookkeeper. As noted in Factual Finding 13, Ms. Sluga is the mother-in-law of Respondent Crisp. Therefore, Respondents knew, or with the exercise of reasonable diligence, should have known that the statement concerning Ms. Sluga's employment information was false.

35. The acts, omissions and representations of Respondents CCA, Tower, Mohammadi, and Crisp, as set forth Factual Finding 34 constitute substantial misrepresentations of material facts, fraud, and dishonest dealing.

36. On July 26, 2005, Respondents CCA, Tower, Nguyen, and Crisp induced Long Beach Mortgage Corporation to make mortgage loans in the sum of \$507,960 and \$126,990 secured by real property at 1904 Ordsall Street, Bakersfield, California, to finance the purchase of said real property by Respondent Nguyen by falsely representing to the lender that Respondent Nguyen was purchasing the said property as his primary residence and intended to occupy the property as a residential owner, and would reside in the property during the twelve (12) month period immediately following the close of escrow.

37. Respondent Nguyen did not intend to reside in the Ordsall Street property as stated in his loan application. This is because on July 27, 2005, he submitted another loan application to Fremont Investment and Loan to finance the purchase of a house at 3507 Rancho Santa Fe, Bakersfield, California. In his loan application submitted to Fremont, Respondent Nguyen stated that he intended to reside in the Rancho Santa Fe property. In addition, he signed an occupancy affidavit indicating his intention to reside there.

38. The representations set forth in Factual Findings 36 and 37 were false and misleading and were known by Respondents CCA, Tower, Nguyen, and Crisp to be false and misleading when made, or were made by such Respondents with no reasonable grounds for believing said representations to be true.

39. The acts, omissions and representations of Respondents CCA, Tower, Nguyen, and Crisp, as set forth in Factual Findings 36 and 37 constitute substantial misrepresentations of materials facts, fraud, and dishonesty dealing.

40. At all relevant times Respondent Cole was responsible, as the designated broker-officer of Respondent CCA, for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees. Respondent Cole failed to exercise reasonable supervision and control over the real estate purchase and sale brokering activities of Respondent CCA. In particular, Respondent Cole permitted, ratified and/or caused the conduct set forth in factual Findings 9 through 39 to occur, and failed to take reasonable steps, including but not limited to the review of purchase contracts, the review of escrow instructions, preventing straw-buyer purchases of residential real properties, preventing misrepresentations and false statements on loan applications and occupancy agreements, supervision of employees, and the implementation of policies, rules, procedures, and systems to ensure the compliance of the corporation with the Real Estate Law.

41. At all relevant times, Respondent Cole was responsible, as the designated broker-officer of Respondent Tower, for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees. Respondent Cole failed to exercise reasonable supervision and control over the mortgage brokering activities of Respondent Tower. In particular, Respondent Cole permitted, ratified and/or caused the conduct described in the Factual Findings 9 through 35 to occur, and failed to take reasonable steps, including but not limited to the review of loan applications, preventing misrepresentations and false statements on loan applications and occupancy agreements, supervision of employees, and the implementation of policies, rules, procedures, and systems to ensure the compliance of the corporation with the Real Estate Law.

#### FACTUAL FINDINGS RE: RESPONDENTS TOWER AND COLE

42. From approximately April through August of 2005, Respondents Tower and Cole employed and compensated Jayson Costa to perform activities requiring a real estate license. Specifically, Mr. Costa solicited prospective borrowers, and/or lenders 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. Mr. Costa was not licensed by the Department during his entire employment with Respondent Tower. Despite not being licensed, Mr. Costa contacted borrowers, quoted interest rates, interviewed loan applicants and negotiated loans on more than 50 transactions.

43. Respondent Cole was the designated broker-officer for Respondent Tower during Mr. Costa's employment. Respondent Cole testified at the hearing that he had been told by Mr. Costa that he (Costa) was licensed by the Department at the time he was hired to negotiate and process loans for Respondent Tower. Respondent Cole's testimony is not credible on this issue. Mr. Costa testified credibly at the hearing he never told Respondent Cole that he was licensed and that Respondent Cole never asked to see his license nor did he inquire about it. Mr. Costa's testimony is supported by the transaction records maintained by Respondent Tower. Although

Costa processed and negotiated over 50 residential loans for Tower, and was paid over \$150,000 from April to August 2005, the company records (exhibits 59 and 61) do not show him as the agent who processed the loans. Rather, the records designate Respondent Cole as the processing agent. Further, the residential loan applications that are attached to exhibit 61 were not signed by Costa, but rather by Respondent Cole as the ostensible interviewer. Finally, Respondent Mohammadi, the office manager for respondent Tower, explained to a Department investigator that the reason that the records were kept in this fashion was because Mr. Costa was not licensed. These facts not only show that Respondents Cole and Tower knew that Mr. Costa was not licensed, but that they devised and prepared a set of records designed to hide that Mr. Costa was engaged in licensed activities for Respondents Tower and Cole.

44. Transactions that were processed and negotiated by Mr. Costa included loans to the following borrowers:

- (a) Eric Maldonado for a loan secured by real property located at 2125 Sacramento Street, Bakersfield, California, based on a loan application submitted April 28, 2005;
- (b) Paul and Dee Ann Wheaton for a loan secured by real property located at 6205 Hartman Avenue, Bakersfield, California, based on a loan application submitted June 28, 2005; and
- (c) Jennifer and Craig Greitlin for a loan secured by real property located at 10012 Vanessa Avenue, Bakersfield, California, based on a loan application submitted on June 17, 2005.

45. The Uniform Residential Loan Applications for the borrowers identified in Factual Finding 44, contain certain language requesting information relating to the borrower's race, ethnicity or sex. It states in pertinent part:

You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may discriminate neither, on the basis of this information, nor on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race or sex, under Federal regulation, this lender is required to note the information on the basis of visual observation or surname. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under the applicable state law for the particular loan applied for).

46. The residential loan applications indicated that each borrower provided the race, sex and ethnicity information to the interviewer, who according to the loan application was Respondent Cole.

47. Complainant did not prove that Respondent Cole never interviewed any of the borrowers set forth in Factual Finding 44. None of the above borrowers testified at the hearing to prove complainant's contention. The fact that Mr. Costa processed the loans and interviewed the borrowers does not, by itself, prove that Respondent Cole never spoke with the borrowers.

#### FACTORS IN AGGRAVATION

48. The evidence presented at the hearing proved that Respondent Crisp, in his capacity as salesperson and officer of Respondents CCA and Tower, engaged in a practice of submitting, or causing to be submitted, loan applications containing false representations, omissions, and forged documents in order obtain residential property loans. The evidence established that these lending institutions would not have made the loans had they been made aware of the false representations and omissions contained in the loan applications. In the purchase of the three properties set forth in Factual Findings 22 and 25, Respondent Crisp personally submitted false and/or fraudulent loan applications. In loan applications submitted for other properties, Respondent Crisp convinced others, including family members and employees of Respondents CCA and Tower, to act as purchaser/borrowers and to submit false information on residential loan applications. A review of the escrow documents for the transactions set forth in Factual Findings 9 through 39, reveals that Respondent CCA, the real estate broker for the transactions, received approximately \$488,000 in commissions, while Respondent Tower received approximately \$120,000 in loan origination fees for negotiating loans, and processing and submitting loan applications.

49. Respondent Cole delegated almost all of the activities relating to real estate transactions conducted and/or processed by Respondents CCA and Tower, and thereafter failed to properly supervise the licensed activities of salespersons and other licensed employees and failed to review transaction documents for accuracy. Rather than properly performing his duty to supervise CCA employees and its real estate activities, Respondent Cole focused his attention on development projects in Kern County, such as his project to build twin high-rise buildings in Bakersfield. As a result, Respondent Cole abdicated his supervisory responsibility and allowed Respondent Crisp, a real estate salesperson, to run the day-to-day operations of Respondents CCA and Tower. Finally, Respondent Cole, in his capacity as designated broker-officer of Respondent Tower, was aware that Jayson Costa was not licensed during the time that Mr. Costa was employed to negotiate and process loans for borrowers. Rather than hire a licensed individual, Respondents Cole and Tower prepared deceptive records to hide Mr. Costa's activities, which required a license.

## FACTORS IN MITIGATION

50. Respondent Cole received a salesperson's license in 1991, and obtained a broker's license in 2003. He has no previous discipline. The evidence proved that he has been active in the community since he moved to Bakersfield in 1998, and has donated time and money to various community organizations. It is also noted that Respondent Cole purchased the Marseilles property (Factual Finding 9) as a favor to a friend and colleague who had suffered family and financial difficulties.

## **LEGAL CONCLUSIONS**

### LEGAL CONCLUSIONS RE: RESPONDENT DAVID MARSHALL CRISP

1. Cause exists to suspend or revoke the license and licensing rights of Respondent David Marshall Crisp under Business and Professions Code sections 10176, subdivisions (a) and (i), and 10177, subdivisions (d) and (j), in that respondent Crisp made substantial misrepresentations, engaged in fraud and dishonest dealing, and disregarded the Real Estate Law, as set forth in Factual Findings 13 through 39.

### LEGAL CONCLUSIONS RE: RESPONDENT CARL L. COLE

2. Cause exists to suspend or revoke the license and licensing rights of Respondent Carl L. Cole under Business and Professions Code sections 10176, subdivisions (a) and (i), and 10177, subdivisions (d) and (j), in that Respondent Cole made substantial misrepresentations, engaged in fraud and dishonest dealing, and willfully disregarded the Real Estate Law, as set forth in Factual Findings 9 through 12, and 17 through 21.

3. Cause exists to suspend or revoke the license and licensing rights of Respondent Carl L. Cole under Business and Professions Code section 10177, subdivision (g), in that Respondent Cole demonstrated negligence or incompetence while performing licensed activities, as set forth in Factual Findings 13 through 49.

4. Cause exists to suspend or revoke the license and licensing rights of Respondent Carl L. Cole under Business and Professions Code section 10177, subdivisions (d) and (g), in conjunction with section 10159.2, in that Respondent Cole failed to properly supervise the licensed activities conducted by salespersons and other employees on behalf of Respondents CCA and Tower, as set forth in Factual Findings 13 through 49.

5. Cause exists to suspend or revoke the license and licensing rights of Respondent Carl L. Cole under Business and Professions Code sections 10137 and 10177, subdivision (d), in that Respondent Cole employed a non-licensed person to perform licensed activities for Respondent Tower Lending, as set forth in Factual Findings 42, 43 and 44.

LEGAL CONCLUSIONS RE: RESPONDENT ROBINSON DINH NGUYEN

6. Cause exists to suspend or revoke the license and licensing rights of Respondent Robinson Dinh Nguyen under Business and Professions Code sections 10176, subdivisions (a) and (i), and 10177, subdivisions (d) and (i), in that Respondent Nguyen made substantial misrepresentations and engaged in fraud and dishonest dealing, as set forth in Factual Findings 36 ~~and~~ <sup>through</sup> 39.

LEGAL CONCLUSIONS RE: RESPONDENT CRISP COLE & ASSOCIATES

7. Cause exists to suspend or revoke the license and licensing rights of Respondent CCA under Business and Professions Code sections 10176, subdivisions (a) and (i), and 10177, subdivisions (d) and (j), in that Respondent CCA, through Respondents Crisp, Cole, Nguyen, Mohammadi and Pinheiro, made substantial misrepresentations, engaged in fraud and dishonest dealing, and willfully disregarded the Real Estate Law, as set forth in Factual Findings 9 through 39.

8. Cause exists to suspend or revoke the license and licensing rights of Respondent CCA under Business and Professions Code section 10177, subdivision (g), in that Respondent CCA, through Respondent Cole, demonstrated negligence or incompetence in the performance licensed activities, as set forth in Factual Findings 9 through 39.

LEGAL CONCLUSIONS RE: RESPONDENT TOWER LENDING

9. Cause exists to suspend or revoke the license and licensing rights of Respondent Tower under Business and Professions Code sections 10176, subdivisions (a) and (i), and 10177, subdivisions (d) and (j), in that Respondent Tower, through Respondents Crisp and Cole, made substantial misrepresentations, engaged in fraud and dishonest dealing, and willfully disregarded the Real Estate Law, as set forth in Factual Findings 13 through 39.

10. Cause exists to suspend or revoke the license and licensing rights of Respondent Tower under Business and Professions Code section 10177, subdivision (g), in that Respondent Tower, through Respondent Cole, demonstrated negligence or incompetence in the performance licensed activities, as set forth in Factual Findings 13 through 44.

11. Cause exists to suspend or revoke the license and licensing rights of Respondent Tower under Business and Professions Code sections 10137 and 10177, subdivision (d), in that Respondent Tower, through Respondent Cole, employed a non-licensed person to perform licensed activities, as set forth in Factual Findings 42, 43 and 44.

**ORDER**

1. All licenses and licensing rights of Respondent DAVID MARSHALL CRISP are revoked.

2. All licenses and licensing rights of Respondent CARL L. COLE are revoked.

3. All licenses and licensing rights of Respondent ROBINSON DINH NGUYEN are revoked.

4. All licenses and licensing rights of Respondent CRISP COLE & ASSOCIATES are revoked.

5. All licenses and licensing rights of Respondent TOWER LENDING are revoked.

DATED: September 3, 2008

  
HUMBERTO FLORES  
Administrative Law Judge  
Office of Administrative Hearings

1 DEPARTMENT OF REAL ESTATE  
2 P. O. Box 187000  
3 Sacramento, CA 95818-7000  
4  
5 Telephone: (916) 227-0789  
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**FILED**

JUL 22 2008

DEPARTMENT OF REAL ESTATE  
By *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 ) NO. H-2163 FR  
13 )  
14 CRISP COLE & ASSOCIATES, a )  
15 Corporation, TOWER LENDING, a ) STIPULATION AND AGREEMENT  
16 Corporation, CARL COLE, )  
17 DAVID MARSHALL CRISP, )  
18 JILL LOUISE PINHEIRO, )  
19 SNEHA MOHAMMADI, and )  
20 ROBINSON DINH NGUYEN, )  
21 )  
22 Respondents. )  
23 )

24 It is hereby stipulated by and between Respondent  
25 SNEHA MOHAMMADI, acting by and through her Counsel, Carl M.  
26 Faller, and the Complainant, acting by and through Michael B.  
27 Rich, Counsel for the Department of Real Estate, as follows for  
the purpose of settling and disposing of the Accusation filed  
on September 10, 2007, in this matter ("the Accusation"):

1. All issues which were to be contested and all  
evidence which was to be presented by Complainant and  
Respondent at a formal hearing on the Accusation, which hearing  
was to be held in accordance with the provisions of the

DRE No. H-21633 SAC

SNEHA MOHAMMADI

1 Administrative Procedure Act (APA), shall instead and in place  
2 thereof be submitted solely on the basis of the provisions of  
3 this Stipulation and Agreement.

4           2. Respondent has received, read and understands  
5 the Statement to Respondent, the Discovery Provisions of the  
6 APA and the Accusation filed by the Department of Real Estate  
7 in this proceeding.

8           3. On September 21, 2007, Respondent filed a Notice  
9 of Defense pursuant to Section 11505 of the Government Code for  
10 the purpose of requesting a hearing on the allegations in the  
11 Accusation. Respondent hereby freely and voluntarily withdraws  
12 said Notice of Defense. Respondent acknowledges that  
13 Respondent understands that by withdrawing said Notice of  
14 Defense Respondent will thereby waive Respondent's right to  
15 require the Commissioner to prove the allegations in the  
16 Accusation at a contested hearing held in accordance with the  
17 provisions of the APA and that Respondent will waive other  
18 rights afforded to Respondent in connection with the hearing  
19 such as the right to present evidence in defense of the  
20 allegations in the Accusation and the right to cross-examine  
21 witnesses.

22           4. Without admitting the truth of the allegations  
23 contained in the remaining paragraphs of the Accusation,  
24 Respondent stipulates that she will not interpose a defense  
25 thereto. This Stipulation is based on the factual allegations  
26 contained in the Accusation. In the interests of expedience and  
27 economy, Respondent chooses not to contest the allegations, but

1 to remain silent, and understands that, as a result thereof,  
2 these factual allegations, without being admitted or denied,  
3 will serve as a basis for the disciplinary action stipulated to  
4 herein. The Real Estate Commissioner shall not be required to  
5 provide further evidence to prove said factual allegations.

6 5. It is understood by the parties that the Real  
7 Estate Commissioner may adopt the Stipulation and Agreement as  
8 his decision in this matter, thereby imposing the penalty and  
9 sanctions on Respondent's real estate license and license  
10 rights as set forth in the "Order" below. In the event that  
11 the Commissioner in his discretion does not adopt the  
12 Stipulation and Agreement, it shall be void and of no effect,  
13 and Respondent shall retain the right to a hearing and  
14 proceeding on the Accusation under all the provisions of the  
15 APA and shall not be bound by any admission or waiver made  
16 herein.

17 6. This Stipulation and Agreement shall not  
18 constitute an estoppel, merger or bar to any further  
19 administrative or civil proceedings by the Department of Real  
20 Estate with respect to any matters which were not specifically  
21 alleged to be causes for accusation in this proceeding.

22 DETERMINATION OF ISSUES

23 By reason of the foregoing stipulations, admissions  
24 and waivers and solely for the purpose of settlement of the  
25 pending Accusation without hearing, it is stipulated and agreed  
26 that the following Determination of Issues shall be made:

27 I

1 The acts and omissions of Respondent SNEHA MOHAMMADI  
2 described in the Accusation are grounds for the suspension or  
3 revocation of the licenses and license rights of Respondent  
4 under the provisions of Sections 10176(a), 10176(i), 10177(d),  
5 10177(g), and 10177(j) of the California Business and  
6 Professions Code.

7 ORDER

8 I

9 All licenses and licensing rights of  
10 Respondent SNEHA MOHAMMADI, under Part I of Division 4 of the  
11 Business and Professions Code are revoked.

12  
13  
14 DATED 6/17/08

Michael B. Rich  
MICHAEL B. RICH, Counsel  
Department of Real Estate

15  
16 \* \* \*

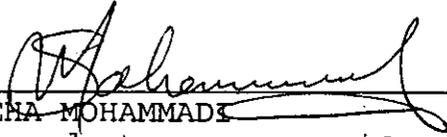
17 I have read the Stipulation and Agreement and its  
18 terms are understood by me and are agreeable and acceptable to  
19 me. I understand that I am waiving rights given to me by the  
20 California Administrative Procedure Act (including but not  
21 limited to Sections 11506, 11508, 11509, and 11513 of the  
22 Government Code), and I willingly, intelligently, and  
23 voluntarily waive those rights, including the right of  
24 requiring the Commissioner to prove the allegations in the  
25 Accusation at a hearing at which I would have the right to  
26 cross-examine witnesses against me and to present evidence in  
27 defense and mitigation of the charges.

DRE No. H-21633 SAC

SNEHA MOHAMMADI

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6/16/08  
DATED

  
SNEHA MOHAMMADI  
Respondent

Approved as to form and content by counsel for Respondent.

6/13/08  
DATED

  
CARL M. FALLER  
Attorney for Respondent

\* \* \*

The foregoing Stipulation and Agreement is hereby adopted by as my Decision in this matter as to Respondent SNEHA MOHAMMADI and shall become effective at 12 o'clock noon on AUG 12 2008

IT IS SO ORDERED 7-17-08, 2008.

JEFF DAVI  
Real Estate Commissioner



BY: Barbara J. Bigby  
Chief Deputy Commissioner

FLAG

1 DEPARTMENT OF REAL ESTATE  
2 P. O. Box 187000  
3 Sacramento, CA 95818-7000  
4 Telephone: (916) 227-0789

**FILED**  
JUL 22 2008

DEPARTMENT OF REAL ESTATE  
By L. Frost

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )	
	) NO. H-2163 FR
CRISP COLE & ASSOCIATES, a )	
Corporation, TOWER LENDING, a )	<u>STIPULATION AND AGREEMENT</u>
Corporation, CARL COLE, )	
DAVID MARSHALL CRISP, )	
JILL LOUISE PINHEIRO, )	
SNEHA MOHAMMADI, and )	
ROBINSON DINH NGUYEN, )	
Respondents. )	

18 It is hereby stipulated by and between Respondent  
19 JILL LOUISE PINHEIRO (hereinafter referred to as "Respondent"),  
20 acting by and through her Counsel, Thomas S. Clark, and the  
21 Complainant, acting by and through Michael B. Rich, Counsel for  
22 the Department of Real Estate, as follows for the purpose of  
23 settling and disposing of the Accusation filed on September 10,  
24 2007, in this matter (hereinafter "the Accusation"):

25 1. All issues which were to be contested and all  
26 evidence which was to be presented by Complainant and  
27 Respondent at a formal hearing on the Accusation, which hearing

H-2163 FR JILL LOUISE PINHEIRO

1 was to be held in accordance with the provisions of the  
2 Administrative Procedure Act (APA), shall instead and in place  
3 thereof be submitted solely on the basis of the provisions of  
4 this Stipulation and Agreement.

5           2. Respondent has received, read and understands the  
6 Statement to Respondent, the Discovery Provisions of the APA  
7 and the Accusation filed by the Department of Real Estate in  
8 this proceeding.

9           3. On September 25, 2007, Respondent filed a Notice  
10 of Defense pursuant to Section 11505 of the Government Code for  
11 the purpose of requesting a hearing on the allegations in the  
12 Accusation. Respondent hereby freely and voluntarily withdraws  
13 said Notice of Defense. Respondent acknowledges that  
14 Respondent understands that by withdrawing said Notice of  
15 Defense Respondent will thereby waive Respondent's right to  
16 require the Commissioner to prove the allegations in the  
17 Accusation at a contested hearing held in accordance with the  
18 provisions of the APA and that Respondent will waive other  
19 rights afforded to Respondent in connection with the hearing  
20 such as the right to present evidence in defense of the  
21 allegations in the Accusation and the right to cross-examine  
22 witnesses.

23           4. Without admitting the truth of the allegations  
24 contained in the remaining paragraphs of the Accusation,  
25 Respondent stipulates that she will not interpose a defense  
26 thereto. This Stipulation is based on the factual allegations  
27 contained in the Accusation. In the interests of expedience and



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I

The undefended acts and omissions of Respondent JILL LOUISE PINHEIRO alleged in the Accusation are grounds for the suspension or revocation of the licenses and license rights of Respondent under the provisions of Sections 10176(a), 10176(i), 10177(d), 10177(g), and 10177(j) of the Code.

ORDER

I

A. All licenses and licensing rights of Respondent JILL LOUISE PINHEIRO under the Real Estate Law are suspended for a period of thirty (30) days from the effective date of this Decision; provided, however, that thirty (30) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

1. Respondent shall obey all laws, rules and regulations governing the rights, duties and responsibilities of a real estate licensee in the State of California; and

2. That no final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action occurred within two (2) years of the effective date of this Decision. Should such a determination be made, the Commissioner may, in his discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should no such determination be made, the stay imposed herein shall become permanent.

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July 2, 2008  
DATED

Michael B. Rich  
MICHAEL B. RICH, Counsel  
Department of Real Estate

\* \* \*

I have read the Stipulation and Agreement and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509, and 11513 of the Government Code), and I willingly, intelligently, and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

07-01-08  
DATED

Jill Louise Pinheiro  
JILL LOUISE PINHEIRO  
Respondent

Approved as to form and content by counsel for Respondent.

7-1-08  
DATED

Thomas S. Clark  
THOMAS S. CLARK  
Attorney for Respondent

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\* \* \*

The foregoing Stipulation and Agreement is hereby  
adopted by me as my Decision in this matter as to Respondent  
JILL LOUISE PINHEIRO and shall become effective at 12 o'clock  
noon on AUG 12 2008

IT IS SO ORDERED 7-21-08

JEFF DAVI  
Real Estate Commissioner



BY: Barbara J. Bigby  
Chief Deputy Commissioner



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I

The Complainant, CHARLES W. KOENIG, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondents in his official capacity and not otherwise.

II

Respondents CRISP COLE & ASSOCIATES, a corporation (herein "CCA"), TOWER LENDING, a corporation (herein "TOWER"), CARL COLE (herein "COLE"), DAVID MARSHALL CRISP (herein "CRISP"), JILL LOUISE PINHEIRO (herein "PINHEIRO"), SNEHA MOHAMMADI (herein "MOHAMMADI"), and ROBINSON DINH NGUYEN (herein "NGUYEN") are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "the Code").

III

At all times herein mentioned, Respondent CCA was and is licensed by the Department of Real Estate (hereafter "Department") as a corporate real estate broker by and through Respondent COLE as designated officer-broker of Respondent CCA to qualify said corporation and to act for said corporation as a real estate broker. At all times herein mentioned, Respondents COLE and CRISP was each a principal stockholder, director, and officer of Respondent CCA.

IV

At all times herein mentioned, Respondent TOWER was and is licensed by the Department as a corporate real estate by and through Respondent COLE as designated officer-broker of

1 Respondent TOWER to qualify said corporation and to act for said  
2 corporation as a real estate broker. At all times herein  
3 mentioned, Respondents COLE and CRISP was each a principal  
4 stockholder, director, and officer of Respondent TOWER.

5 V

6 At all times herein mentioned, Respondent COLE was and  
7 is licensed by the Department as a real estate broker,  
8 individually and as designated officer-broker of Respondents CCA  
9 and TOWER. As said designated officer-broker, Respondent COLE  
10 was at all times mentioned herein responsible pursuant to  
11 Section 10159.2 of the Code for the supervision of the  
12 activities of the officers, agents, real estate licensees, and  
13 employees of Respondents CCA and TOWER for which a license is  
14 required.

15 VI

16 At all times herein mentioned Respondent MOHAMMADI was  
17 and is licensed by the Department as a real estate broker.

18 VII

19 At all times herein mentioned, Respondents CRISP,  
20 PINHEIRO and NGUYEN were and are licensed by the Department as  
21 real estate salespersons in the employ of Respondent CCA.

22 VIII

23 Within the three year period next preceding to the  
24 filing of this Accusation and at all times herein mentioned,  
25 Respondents engaged in the business of, acted in the capacity  
26 of, advertised, or assumed to act as real estate brokers within  
27 the State of California within the meaning of:

1 (a) Section 10131(a) of the Code, including the  
2 operation and conduct of a real estate resale  
3 brokerage with the public wherein, on behalf of  
4 others, for compensation or in expectation of  
5 compensation, Respondents sold or offered to  
6 sell, bought or offered to buy, solicited  
7 prospective sellers or purchasers of, solicited  
8 or obtained listings of, or negotiated the  
9 purchase, sale or exchange of real property or a  
10 business opportunity; and,

11 (b) Section 10131(d) of the Code, including the  
12 operation of and conduct of a mortgage loan  
13 brokerage business with the public wherein, on  
14 behalf of others, for compensation or in  
15 expectation of compensation, Respondents  
16 solicited borrowers or lenders for or negotiated  
17 loans or collected payments or performed services  
18 for borrowers or lenders or note owners in  
19 connection with loans secured directly or  
20 collaterally by liens on real property or on a  
21 business opportunity.

22 IX

23 Whenever reference is made in an allegation in this  
24 Accusation to an act or omission of Respondent CCA, such  
25 allegation shall be deemed to mean that the officers, directors,  
26 employees, agents and real estate licensees employed by or  
27 associated with Respondent CCA committed such act or omission

1 while engaged in the furtherance of the business or operations  
2 of Respondent CCA and while acting within the course and scope  
3 of their corporate authority and employment.

4 X

5 Whenever reference is made in an allegation in this  
6 Accusation to an act or omission of Respondent TOWER, such  
7 allegation shall be deemed to mean that the officers, directors,  
8 employees, agents and real estate licensees employed by or  
9 associated with Respondent TOWER committed such act or omission  
10 while engaged in the furtherance of the business or operations  
11 of Respondent TOWER and while acting within the course and scope  
12 of their corporate authority and employment.

13 FIRST CAUSE OF ACTION

14 XI

15 There is hereby incorporated in this First, separate  
16 and distinct, Cause of Action, all of the allegations contained  
17 in Paragraphs I through X, inclusive, of the Accusation with the  
18 same force and effect as if herein fully set forth.

19 XII

20 Within the three year period next preceding to the  
21 filing of this Accusation, Respondents CCA, COLE and CRISP  
22 induced Red Tape Mortgage to make mortgage loans in the sum of  
23 \$1,000,000.00 and \$450,000.00 secured by real property at 9619  
24 Marseilles Avenue, Bakersfield, California, to finance the  
25 purchase of said real property by Respondent COLE by  
26 representing to the lender, contrary to fact, that Respondent  
27 COLE was purchasing the Marseilles Property as his primary

1 residence and intended to occupy the property as a residential  
2 owner.

3 XIII

4 The representations described in Paragraph XII, above,  
5 were false and misleading and were known by Respondents CCA,  
6 CRISP and COLE to be false and misleading when made or were made  
7 by such Respondents with no reasonable grounds for believing  
8 said representations to be true. In truth and in fact:  
9 Respondent COLE intended to lease the subject property to the  
10 Sellers as tenants; Respondent COLE did not intend to reside in  
11 the Marseilles Property.

12 XIV

13 The acts and omissions of Respondents CCA, CRISP and  
14 COLE described in Paragraphs XI through XIII, above constitute  
15 the substantial misrepresentations of material facts, fraud, and  
16 dishonest dealing.

17 XV

18 The facts alleged in Paragraphs XI through XIV, above,  
19 are grounds for the suspension or revocation of the licenses of  
20 Respondents CCA, CRISP and COLE under Sections 10176(a),  
21 10176(i), 10177(d), 10177(g), and/or 10177(j) of the Code.

22 SECOND CAUSE OF ACTION

23 XVI

24 There is hereby incorporated in this Second, separate  
25 and distinct, Cause of Action, all of the allegations contained  
26 in Paragraphs I through XV, inclusive, of the Accusation with  
27 the same force and effect as if herein fully set forth.

1 XVII

2 Within the three year period next preceding to the  
3 filing of this Accusation, Respondents CCA, TOWER, COLE, CRISP,  
4 and PINHEIRO induced Sun Trust Mortgage, Inc., to make loans in  
5 the sum of \$299,200.00 and \$74,800.00 secured by real property  
6 at 800 Astoria Park Drive, Bakersfield, California, to finance  
7 the purchase of said real property by Leslie Sluga by  
8 representing to the lender, contrary to fact, that Leslie Sluga  
9 had been employed by Respondent CCA as a transaction coordinator  
10 during the two year period next preceding the loan application.

11 XVIII

12 The representations described in Paragraph XVII,  
13 above, were false and misleading and were known by Respondents  
14 CCA, CRISP, PINHEIRO and COLE to be false and misleading when  
15 made or were made by such Respondents with no reasonable grounds  
16 for believing said representations to be true. In truth and in  
17 fact: Respondent CCA had never employed Leslie Sluga in any  
18 capacity.

19 XIX

20 The acts and omissions of Respondents CCA, TOWER,  
21 CRISP, PINHEIRO, and COLE described in Paragraphs XV through  
22 XVIII, above constitute the substantial misrepresentations of  
23 material facts, fraud, and dishonest dealing.

24 XX

25 The facts alleged in Paragraphs XV through XIX, above  
26 are grounds for the suspension or revocation of the licenses of  
27 Respondents CCA, TOWER, CRISP, PINHEIRO and COLE under Sections

1 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j) of the  
2 Code.

3 THIRD CAUSE OF ACTION

4 XXI

5 There is hereby incorporated in this Third, separate  
6 and distinct, Cause of Action, all of the allegations contained  
7 in Paragraphs I through XX, inclusive, of the Accusation with  
8 the same force and effect as if herein fully set forth.

9 XXII

10 Within the three year period next preceding to the  
11 filing of this Accusation, between on or about June 28, 2005 and  
12 on or about July 18, 2005, Respondents CCA, TOWER, COLE, and  
13 CRISP:

14 (a) Induced Fremont Investment and Loan to make loans  
15 in the sum of \$527,472.00 and \$131,868.00 secured  
16 by real property at 8702 Oak Hills Avenue,  
17 Bakersfield, California, to finance the purchase  
18 of said real property by Jennifer Crisp by  
19 representing to the lender, contrary to fact, as  
20 Respondents knew or should have known at the time  
21 through the exercise of reasonable diligence,  
22 that said buyer intended to occupy said real  
23 property as her primary residence, and by  
24 concealing from said lender the fact, as  
25 Respondents knew or should have known at the time  
26 through the exercise of reasonable diligence,  
27 that Jennifer Crisp was simultaneously applying

1 for and obtaining a mortgage loan obligation to  
2 Long Beach Mortgage Corporation in the sum of  
3 \$320,000.00 to finance the purchase of real  
4 property at 7908 Revelstoke Way, Bakersfield,  
5 California; and,

6 (b) Induced Long Beach Mortgage Corporation to make a  
7 loan in the sum of \$320,000.00 secured by real  
8 property at 7908 Revelstoke Way, Bakersfield,  
9 California, to finance the purchase of said real  
10 property by Jennifer Crisp by representing to the  
11 lender, contrary to fact, as such Respondents  
12 knew or should have known at the time through the  
13 exercise of reasonable diligence, that said buyer  
14 intended to occupy said real property as her  
15 primary residence, and by concealing from said  
16 lender the fact, as such Respondents knew or  
17 should have known at the time through the  
18 exercise of reasonable diligence, that Jennifer  
19 Crisp was simultaneously applying for and  
20 obtaining mortgage loan obligations to Fremont  
21 Investment and Loan in the sum of 527,472.00 and  
22 \$131,868.00 to finance the purchase of real  
23 property at 8702 Oak Hills Avenue, Bakersfield,  
24 California.

25 XXIII

26 The acts and omissions of Respondents CCA, TOWER,  
27 CRISP, and COLE described in Paragraph XXII, above, constitute

1 the substantial misrepresentation of material facts, fraud, and  
2 dishonest dealing.

3 XXIV

4 The facts alleged in Paragraphs XXI through XXIII,  
5 above, are grounds for the suspension or revocation of the  
6 licenses of Respondents CCA, TOWER, CRISP, and COLE under  
7 Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j)  
8 of the Code.

9 FOURTH CAUSE OF ACTION

10 XXV

11 There is hereby incorporated in this Fourth, separate  
12 and distinct, Cause of Action, all of the allegations contained  
13 in Paragraphs I through XXIV, inclusive, of the Accusation with  
14 the same force and effect as if herein fully set forth.

15 XXVI

16 Within the three year period next preceding to the  
17 filing of this Accusation, on or about September 2, 2005,  
18 Respondents CCA, TOWER, COLE, and CRISP induced Long Beach  
19 Mortgage Corporation to make loans in the sum of \$504,000.00 and  
20 \$126,000.00 secured by real property at 11402 Marazion Hill  
21 Court, Bakersfield, California (hereinafter the "Marazion Hill  
22 property"), to finance the purchase of said real property by  
23 Respondent CRISP by representing to the lender, contrary to  
24 fact, as Respondents knew or should have known at the time  
25 through the exercise of reasonable diligence, that Respondent  
26 CRISP as buyer intended to occupy said real property as his  
27 primary residence, and by concealing from said lender the fact,

1 as Respondents knew or should have known at the time through the  
2 exercise of reasonable diligence, that Respondent CRISP had no  
3 intention of occupying said property.

4 XXVII

5 The representations described in Paragraph XXVI,  
6 above, were false and misleading and were known by Respondents  
7 CCA, CRISP and COLE to be false and misleading when made or were  
8 made by such Respondents with no reasonable grounds for  
9 believing said representations to be true. In truth and in  
10 fact: Respondent CRISP intended to lease the subject property to  
11 the Seller as tenant; Respondent CRISP did not intend to reside  
12 in the Marseilles Property; and, Respondent CRISP intended to  
13 subsequently sell the Marazion Hill property without residing in  
14 said property.

15 XXVIII

16 The acts and omissions of Respondents CCA, TOWER,  
17 CRISP, and COLE described in Paragraphs XXVI and XXVII, above  
18 constitute the substantial misrepresentations of material facts,  
19 fraud, and dishonest dealing.

20 XXIX

21 The facts alleged in Paragraphs XXVI through XXVIII,  
22 above are grounds for the suspension or revocation of the  
23 licenses of Respondents CCA, TOWER, CRISP, and COLE under  
24 Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j)  
25 of the Code.

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XXXIII

The facts alleged in Paragraphs XXXI through XXXII, above, are grounds for the suspension or revocation of the licenses of Respondents CCA, TOWER, CRISP, and COLE under Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j) of the Code.

SIXTH CAUSE OF ACTION

XXXIV

There is hereby incorporated in this Sixth, separate and distinct, Cause of Action, all of the allegations contained in Paragraphs I through XXXIII, inclusive, of the Accusation with the same force and effect as if herein fully set forth.

XXXV

Within the three year period next preceding to the filing of this Accusation, between on or about September 5, 2006, and on or about September 20, 2006, Respondents CCA, TOWER, COLE, and CRISP:

- (a) Induced Sun Trust Mortgage, Inc., to make loans in the sum of \$1,000,000.00 and \$295,000.00 secured by real property at 11219 Draper Court, Bakersfield, California, to finance the purchase of said real property by Jennifer Crisp by representing to the lender, contrary to fact, as Respondents knew or should have known at the time through the exercise of reasonable diligence, that said buyer intended to occupy said real property as her primary residence and that

1 California Business Solutions employed Jennifer  
2 Crisp as a chief operations officer, and by  
3 concealing from said lender the fact, as  
4 Respondents knew or should have known at the time  
5 through the exercise of reasonable diligence,  
6 that Jennifer Crisp was simultaneously applying  
7 for and obtaining mortgage loan obligations to  
8 Aegis Wholesale Corporation in the sum of  
9 \$475,000.00 to finance the purchase of real  
10 property at 12706 Lanai Avenue, Bakersfield,  
11 California; and,

12 (b) Induced Aegis Wholesale Corporation to make loans  
13 in the sum of \$400,000.00 and \$75,000.00 secured  
14 by real property at 12706 Lanai Avenue,  
15 Bakersfield, California, to finance the purchase  
16 of said real property by Jennifer Crisp by  
17 representing to the lender, contrary to fact, as  
18 such Respondents knew or should have known at the  
19 time through the exercise of reasonable  
20 diligence, that said buyer intended to occupy  
21 said real property as her primary residence and  
22 that California Business Solutions employed  
23 Jennifer Crisp as a chief operations officer, and  
24 by concealing from said lender the fact, as such  
25 Respondents knew or should have known at the time  
26 through the exercise of reasonable diligence,  
27 that Jennifer Crisp was simultaneously applying

1 for and obtaining mortgage loan obligations to  
2 Sun Trust Mortgage, Inc., in the sum of  
3 \$1,295,000.00 to finance the purchase of real  
4 property at 11219 Draper Court, Bakersfield,  
5 California.

6 XXXVI

7 The acts and omissions of Respondents CCA, TOWER,  
8 CRISP, and COLE described in Paragraph XXII, above, constitute  
9 the substantial misrepresentation of material facts, fraud, and  
10 dishonest dealing.

11 XXXVII

12 The facts alleged in Paragraphs XXXV through XXXVI,  
13 above, are grounds for the suspension or revocation of the  
14 licenses of Respondents CCA, TOWER, CRISP, and COLE under  
15 Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j)  
16 of the Code.

17 SEVENTH CAUSE OF ACTION

18 XXXVIII

19 There is hereby incorporated in this Seventh, separate  
20 and distinct, Cause of Action, all of the allegations contained  
21 in Paragraphs I through XX, inclusive, of the Accusation with  
22 the same force and effect as if herein fully set forth.

23 XXXIX

24 Within the three year period next preceding to the  
25 filing of this Accusation, between on or about October 11, 2005,  
26 and on or about November 21, 2005, Respondents CCA, TOWER, COLE,  
27 and CRISP:

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(a) Induced Long Beach Mortgage Corporation to make loans in the sum of \$303,200.00 and \$75,800.00 secured by real property at 14309 San Jose Avenue, Bakersfield, California, to finance the purchase of said real property by an ostensible buyer, Janie Stockton, by representing to the lender, contrary to fact, as Respondents knew or should have known at the time through the exercise of reasonable diligence, that said buyer intended to occupy said real property as her primary residence and that Respondent CCA employed Janie Stockton as an office manager, and by concealing from said lender the fact, as Respondents knew or should have known at the time through the exercise of reasonable diligence, that Respondent CRISP and Janie Stockton had entered into an agreement whereby Respondent CRISP paid Janie Stockton to sign and submit the loan applications, Respondent CRISP would pay the monthly mortgage installments, and that Janie Stockton would sell the property at the direction of Respondent CRISP and pay the equity proceeds from such sale to Respondent CRISP.

(b) Induced Sun Trust Mortgage, Inc., to make loans in the sum of \$594,350.00 and \$148,600.00 secured by real property at 416 Copinsay Court, Bakersfield, California, to finance the purchase

1 of said real property by an ostensible buyer,  
2 Janie Stockton, by representing to the lender,  
3 contrary to fact, as Respondents knew or should  
4 have known at the time through the exercise of  
5 reasonable diligence, that said buyer intended to  
6 occupy said real property as her primary  
7 residence and that Respondent CCA employed Janie  
8 Stockton as a marketing director, and by  
9 concealing from said lender the fact, as  
10 Respondents knew or should have known at the time  
11 through the exercise of reasonable diligence,  
12 that Respondent CRISP and Janie Stockton had  
13 entered into an agreement whereby Respondent  
14 CRISP paid Janie Stockton to sign and submit the  
15 loan applications, Respondent CRISP would pay the  
16 monthly mortgage installments, and that Janie  
17 Stockton would sell the property at the direction  
18 of Respondent CRISP and pay the equity proceeds  
19 from such sale to Respondent CRISP.

20 XL

21 The acts and omissions of Respondents CCA, TOWER,  
22 CRISP, and COLE described in Paragraph XXXIX, above, constitute  
23 the substantial misrepresentation of material facts, fraud, and  
24 dishonest dealing.

25 XLI

26 The facts alleged in Paragraphs XXXIX through XL,  
27 above, are grounds for the suspension or revocation of the

1 licenses of Respondents CCA, TOWER, CRISP, and COLE under  
2 Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j)  
3 of the Code.

4 EIGHTH CAUSE OF ACTION

5 XLII

6 There is hereby incorporated in this Eighth, separate  
7 and distinct, Cause of Action, all of the allegations contained  
8 in Paragraphs I through XLI, inclusive, of the Accusation with  
9 the same force and effect as if herein fully set forth.

10 XLIII

11 Within the three year period next preceding to the  
12 filing of this Accusation, between on or about February 2, 2006,  
13 and on or about April 4, 2006, Respondents CCA, TOWER, COLE,  
14 MOHAMMADI, and CRISP:

- 15 (a) Induced Sun Trust Mortgage, Inc., to make loans  
16 in the sum of \$894,451.00 and \$223,613.00 secured  
17 by real property at 11504 Haydock Court,  
18 Bakersfield, California, to finance the purchase  
19 of said real property by Respondent MOHAMMADI as  
20 an ostensible buyer by representing to the  
21 lender, contrary to fact, as Respondents knew or  
22 should have known at the time through the  
23 exercise of reasonable diligence, that Respondent  
24 MOHAMMADI intended to occupy said real property  
25 as her primary residence, and by concealing from  
26 said lender the fact, as Respondents knew or  
27 should have known at the time through the

1 exercise of reasonable diligence, that Respondent  
2 CRISP and Respondent MOHAMMADI had entered into  
3 an agreement whereby Respondent CRISP paid  
4 Respondent MOHAMMADI to sign and submit the loan  
5 applications, Respondent CRISP would pay the  
6 monthly mortgage installments, and that  
7 Respondent MOHAMMADI would sell the property at  
8 the direction of Respondent CRISP and pay the  
9 equity proceeds from such sale to Respondent  
10 CRISP.

11 (b) Induced Kirkwood Financial Corporation to make  
12 loans in the sum of \$1,275,000.00 and \$425,000.00  
13 secured by real property at 11504 Haydock Court,  
14 Bakersfield, California, to finance the purchase  
15 of said real property by an ostensible buyer,  
16 Leslie Sluga, by representing to the lender,  
17 contrary to fact, as Respondents knew or should  
18 have known at the time through the exercise of  
19 reasonable diligence, that said buyer intended  
20 to occupy said real property as her primary  
21 residence and that Leslie Sluga was the owner  
22 of California Business Solutions, and by  
23 concealing from said lender the fact, as  
24 Respondents knew or should have known at the time  
25 through the exercise of reasonable diligence,  
26 that California Business Solutions employed as a  
27 bookkeeper.

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XLIV

The acts and omissions of Respondents CCA, TOWER, CRISP, and COLE described in Paragraph XXXIX, above, constitute the substantial misrepresentation of material facts, fraud, and dishonest dealing.

XLV

The facts alleged in Paragraphs XXXIX through XL, above, are grounds for the suspension or revocation of the licenses of Respondents CCA, TOWER, CRISP, MOHAMMADI, and COLE under Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j) of the Code.

NINTH CAUSE OF ACTION

XLVI

There is hereby incorporated in this Ninth, separate and distinct, Cause of Action, all of the allegations contained in Paragraphs I through XLV, inclusive, of the Accusation with the same force and effect as if herein fully set forth.

XLVII

Within the three year period next preceding to the filing of this Accusation, Respondents CCA, TOWER, NGUYEN, COLE and CRISP induced Long Beach Mortgage Corporation to make mortgage loans in the sum of \$507,960.00 and \$126,990.00 secured by real property at 1904 Ordsall Street, Bakersfield, California, to finance the purchase of said real property by Respondent NGUYEN by representing to the lender, contrary to fact, that Respondent NGUYEN was purchasing the said property as his primary residence and intended to occupy the property as a

1 residential owner, and would reside in the property within  
2 twelve (12) months immediately following the close of escrow.

3 XLVIII

4 The representations described in Paragraph XLVII,  
5 above, were false and misleading and were known by Respondents  
6 CCA, TOWER, NGUYEN, CRISP and COLE to be false and misleading  
7 when made or were made by such Respondents with no reasonable  
8 grounds for believing said representations to be true. In truth  
9 and in fact: Respondent NGUYEN never intended to reside in the  
10 property, and Respondent NGUYEN did not intend to reside in the  
11 property within twelve (12) months immediately following the  
12 close of escrow.

13 XLIX

14 The acts and omissions of Respondents CCA, TOWER,  
15 NGUYEN, CRISP, and COLE described in Paragraphs XLVII through  
16 XLVIII, above constitute the substantial misrepresentations of  
17 material facts, fraud, and dishonest dealing.

18 L

19 The facts alleged in Paragraphs XLVII through XLIX,  
20 above, are grounds for the suspension or revocation of the  
21 licenses of Respondents CCA, TOWER, NGUYEN, CRISP, and COLE  
22 under Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or  
23 10177(j) of the Code.

24 TENTH CAUSE OF ACTION

25 LI

26 There is hereby incorporated in this Tenth, separate  
27 and distinct, Cause of Action, all of the allegations contained

1 in Paragraphs I through L, inclusive, of the Accusation with the  
2 same force and effect as if herein fully set forth.

3 LII

4 At all times above mentioned, Respondent COLE was  
5 responsible, as the designated broker officer of Respondent  
6 TOWER LENDING, for the supervision and control of the activities  
7 conducted on behalf of the corporation by its officers and  
8 employees. Respondent COLE failed to exercise reasonable  
9 supervision and control over the mortgage brokering activities  
10 of Respondent TOWER LENDING. In particular, Respondent COLE  
11 permitted, ratified and/or caused the conduct described in the  
12 First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, and  
13 Ninth Causes of Actions, above, to occur, and failed to take  
14 reasonable steps, including but not limited to the review of  
15 loan applications, preventing misrepresentations and false  
16 statements on loan applications and occupancy agreements,  
17 supervision of employees, and the implementation of policies,  
18 rules, procedures, and systems to ensure the compliance of the  
19 corporation with the Real Estate Law.

20 LIII

21 The above acts and/or omissions of Respondent COLE  
22 constitute grounds for disciplinary action under the provisions  
23 of Section 10177(h) of the Code and/or Section 10159.2 of the  
24 Code in conjunction with Section 10177(d) of the Code.

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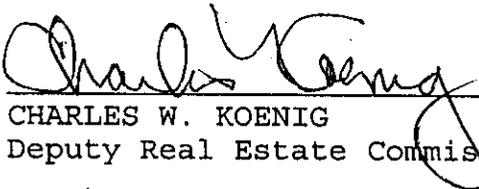


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LVI

The above acts and/or omissions of Respondent COLE constitute grounds for disciplinary action under the provisions of Section 10177(h) of the Code and/or Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law.

  
CHARLES W. KOENIG  
Deputy Real Estate Commissioner

Dated at Sacramento, California,  
this 7<sup>th</sup> day of September, 2007.