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DEC 0 3 2011

DEPARTMENT OF REAL ESTATE

By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	
	)	Case No. H-11007 SF
JENNA LYNN KING,	)	
	)	
Respondent.	)	
	)	

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 September 9, 2011, and the findings of fact set forth herein, which are based on one or more of the following: (l) Respondent's express admissions; (2) affidavits; and (3) other evidence.

This Decision revokes a real estate license on grounds of violations of relevant real estate law and regulations as set forth below.

FINDINGS OF FACT

1

On September 14, 2010, E.J. HABERER, II, made the Accusation in his 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 regular and certified mail, return receipt requested, to Respondent's last known mailing address on file with the Department on September 27, 2010.

On August 3, 2011, no Notice of Defense having been filed within the time prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

2

At all times mentioned herein, Respondent has been licensed by the Department under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as a real estate salesperson.

3

At all times herein, Respondent, was doing business under the unregistered fictitious business name Ranger Realty and the name Credit Freedom, Inc., an entity of unknown organization (collectively "KING"). At no time has Ranger Realty been registered as a fictitious business name of Respondent. At no time has Credit Freedom, Inc., held a corporate real estate license.

4

At all times relevant herein Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(d) of the Business & Professions Code ("Code"), in that Respondent solicited and/or performed services for borrowers in connection with loans secured directly or collaterally by liens on real property or on a business opportunity, for or in expectation of a compensation and claimed, demanded, charged, received, collected or contracted for an advanced fee for such services, including, but not limited to, the solicitation of David A. Pintos and Deborah A. Rands (collectively hereinafter "the borrowers") for the modification or renegotiation of their existing mortgage loan(s) for their real property located in American Canyon, California.

5

Respondent's conduct of the solicitations described in Paragraph 4, above, without first obtaining a real estate broker license and without active broker supervision of Respondent's loan modification activities in her capacity as a real estate salesperson constitutes a violation of Section 10130 of the Code and is grounds for the revocation or suspension of Respondent's real estate license and license rights under Sections 10177(d) of the Code.

6

At all times herein mentioned, Respondent claimed, and/or demanded, and/or charged the borrowers an advance fee for performing activities for which a brokers license is required as described in Paragraph 4, above, while not licensed as a real estate broker or within the course and scope of her employment under her supervising brokers' license in violation of Section 10085.5 of the Code and are grounds for the revocation or suspension of Respondent's real estate salesperson license and license rights under Sections 10177(d) of the Code.

7

At all times herein mentioned, Respondent failed to submit to the Department any materials used in obtaining advance fees related to the solicitations described in Paragraph 4, above, including but not limited to the contract forms, letters, or cards used to solicit prospective clients, so that the Commissioner of the Department could determine whether the material might tend to mislead prospective clients.

8

Respondent's failure to cause the advance fee agreement and all materials used in obtaining the advance fee agreement to be submitted to the Department of Real Estate prior to use as required by Section 10085 of the Code and Section 2970 of Title 10 of the California Code of Regulations (hereinafter "the Commissioner's Regulations") constitutes grounds for the revocation or suspension of Respondent's real estate salesperson license and license rights under Section 10177(d) of the Code.

9

Pursuant to Section 10146 of the Code all advanced fees received by a licensee of the Department must be deposited into a properly titled client trust account. In connection with the transactions described herein KING collected advance fees and deposits which, pursuant to Section 10146 of the Code, were required to be deposited into a client trust fund account. KING, failed to deposit such advance fees and deposits upon collection into a trust account in violation of Section 10145 and 10146 of the Code; violations which constitute cause for suspension or revocation of all licenses and license rights of Respondents KING pursuant to Section 10177(d) of the Code.

10

KING'S actions as set forth above were willful, deceptive and dishonest and with KING's full knowledge that KING: (1) represented to loan modification clients that the advance fees the clients provided to KING would be deposited into her trust account when, in fact, KING had not opened a bank account titled as a trust account; (2) KING failed to disclose to borrowers that she was not a licensed real estate broker yet held herself out be so licensed; (3) KING offered a money back guarantee to induce customers to provide KING illegal advance fees; (4) represented to buyers that they would receive refunds of advanced fees and then failed to provide to the borrowers promised refunds; (5) that the unlicensed corporation Credit Freedom, Inc., holds a valid real estate license issued by the Department; and (6) other acts or inaction designed to mislead customers into believing that she was a licensed real estate broker. Therefore, KING's conduct violated Sections 10176(a) (making a substantial misrepresentation); 10176(b) (making any false promise of a character likely to influence, persuade or induce); 10176(c) (a continued and flagrant course of misrepresentation or the making of false promises); 10176(i) (any conduct, whether of the same or different character than specified in Section 10176 of the Code which constitutes fraud or dishonest dealing); 10177(d) (willful disregard or violation of the Real Estate Law); and, 10177(j) (engaging in any other conduct whether of the same or a different character than specified in Section 10177) of the Code, and constitute cause for the suspension or revocation of the licenses and license rights of Respondents under Section 10177(d) of the Code.

11

Pursuant to Section 10159.5 of the Code and Section 2731 of the Commissioner's Regulations, the Department regulates the use of fictitious business names under which real estate related activities may be transacted, including, but not limited to: permitting *only* real estate brokers to hold fictitious business names under which real estate license activities may be conducted; that fictitious business names be approved by the Department prior to usage; and, that such fictitious business names be registered with the Department as the brokers' fictitious business names.

12

At all times relevant herein and pursuant to Section 2731 of the Commissioner's Regulations, KING as real estate salesperson was not eligible to use and/or obtain registration with the Department the fictitious business names Ranger Realty and Credit Freedom, Inc. Respondent KING's use of the fictitious business names violates Section 10159.5 of the Code and Section 2731of the Commissioner's Regulations and constitutes cause for suspension or revocation of all licenses and license rights of Respondent KING pursuant to Section 10177(d) of the Code.

13

Credit Freedom Inc. is a business entity operated by KING. It is not incorporated within the State of California and has not registered with the California Secretary of State as a foreign corporation. Therefore, Credit Freedom is not in good standing with the California Secretary of State as required under Section 2742 of the Commissioner's Regulations. KING operates Credit Freedom, Inc., representing that it is licensed by the Department. However, the license number KING uses for the corporation is her personal real estate salesperson license and not a corporate brokers license in violation of Section 10130 of the Code which constitutes cause for suspension or revocation of all licenses and license rights of Respondent KING pursuant to Sections 10177(a) (making any substantial misrepresentation), 10177 (c) (continuing and flagrant misrepresentations), 10177 (i) (other conduct that constitutes fraud or dishonest dealing) and 10177(d) (willful disregard or violation of real estate law) of the Code.

DETERMINATION OF ISSUES

1

The findings above constitute cause for the suspension or revocation of the licenses and license rights of Respondent under Sections 10176(a), 10176(b), 10176(c), 10176(i) and 10177(d) of the Code for violation of Sections 10130, 10085, 10085, 10145, 10146, 10159.5, of the Code and Sections 2731, 2742, and 2970 of the Regulations.

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

ORDER

The Department having met its burden of proof, it is hereby ordered that all licenses and licensing rights of Respondent JENNA LYNN KING under the provisions of Part 1 of Division 4 of the Business and Professions Code are hereby revoked.

This Decision shall become effective at 12 o'clock noon on DEC 23 2011.

DATED: 11/17/11

BARBARA J. BIGBY
Acting Real Estate Commissioner

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FILED
SEP 27 2010
DEPARTMENT OF REAL ESTATE
By R. Henry

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of JENNA LYNN KING, Respondent.	NO. H- 11007 SF ACCUSATION

The Complainant, E.J. HABERER, II, in his official capacity as a Deputy Real Estate Commissioner of the State of California (hereinafter "Complainant"), for Accusation against Respondent JENNA LYNN KING individually and doing business as Credit Freedom, Inc, and/or Ranger Realty (hereinafter "Respondent"), is informed and alleges as follows:

FIRST CAUSE OF ACTION
Unlicensed Loan Modification Activities

1

At all times herein mentioned, Respondent was and now is licensed by the Department as a real estate salesperson. At no time relevant herein did Respondent hold a real estate broker license. Although employed by a supervising broker, at no time relevant herein

was Respondent acting within the course and scope of that employment, but was independently conducting activities for which a real estate broker license is required.

2

At all times relevant herein Respondent used the unregistered fictitious business name Ranger Realty and the name Credit Freedom, Inc., an entity of unknown organization. At no time has Ranger Realty been registered as a fictitious business name of KING. At no time has Credit Freedom, Inc., held a corporate real estate license.

3

At all times relevant herein Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(d) of the Business & Professions Code ("Code"), in that Respondent solicited and/or performed services for borrowers in connection with loans secured directly or collaterally by liens on real property or on a business opportunity, for or in expectation of a compensation and claimed, demanded, charged, received, collected or contracted for an advanced fee for such services, including, but not limited to, the solicitation of David A. Pintos and Deborah A. Rands (collectively hereinafter "the borrowers") for the modification or renegotiation of their existing mortgage loan(s) for their real property located in American Canyon, California.

4

Respondent's conduct of the solicitations described in Paragraph 3, above, without first obtaining a real estate broker license and without active broker supervision of Respondent's loan modification activities in her capacity as a real estate salesperson constitutes a violation of Section 10130 of the Code and is grounds for the revocation or suspension of Respondent's real estate license or license rights under Sections 10177(d) of the Code.

5

At all times herein mentioned, Respondent claimed, and/or demanded, and/or charged the borrowers an advance fee for performing activities for which a license is required as

described in Paragraph 3, above, while not licensed as a real estate broker or within the course and scope of her employment under her supervising brokers' license in violation of Section 10085.5 of the Code and are grounds for the revocation or suspension of Respondent's real estate license or license rights under Sections 10177(d) of the Code.

6

At all times herein mentioned, Respondent failed to submit to the Department any materials used in obtaining advance fees related to the solicitations described in Paragraph 3, above, including but not limited to the contract forms, letters, or cards used to solicit prospective clients, so that the Commissioner of the Department could determine whether that material might tend to mislead prospective clients.

7

Respondent's failure to cause the advance fee agreement and all materials used in obtaining the advance fee agreement to be submitted to the Department of Real Estate prior to use as required by Section 10085 of the Code and Section 2970 of Title 10 of the California Code of Regulations (hereinafter "the Commissioner's Regulations") constitutes grounds for the revocation or suspension of Respondent's real estate license or license rights under Section 10177(d) of the Code.

8

The acts and/or omissions of Respondent described above constitute a violation of Section 10177(d) of the Code in conjunction with Sections 10085, 10085.5 and 10130 of the Code, and Section 2970 of the Commissioner's Regulations, and is cause for the suspension or revocation of Respondent's license and license rights.

SECOND CAUSE OF ACTION

Failure to Maintain Trust Funds in Trust Account

9

Each and every allegation in Paragraphs 1 through 8, inclusive, above, is incorporated by this reference as if fully set forth herein.

10

Pursuant to Section 10146 of the Code all advanced fees received by a licensee of the Department must be deposited into a properly titled client trust account. In connection with the transactions described herein KING collected advance fees and deposits which, pursuant to Section 10146 of the Code, were required to be deposited into a client trust fund account. KING, failed to deposit such advance fees and deposits upon collection into a trust account in violation of Section 10145 and 10146 of the Code; violations which constitute cause for suspension or revocation of all licenses and license rights of Respondents KING pursuant to Section 10177(d) of the Code.

THIRD CAUSE OF ACTION
Misrepresentation

11

Each and every allegation in Paragraphs 1 through 10 above is incorporated by this reference as if fully set forth herein.

12

KING's actions as set forth above, were willful, deceptive and dishonest and with the full knowledge that KING: (1) represented to loan modification clients that the advance fees the clients were provided would be deposited into her trust account when in fact KING had not opened a bank account titled as a trust account; (2) KING failed to disclose to borrowers that she was not a licensed real estate broker yet held herself out be so licensed; (3) KING offered a money back guarantee to induce customers to provide to KING illegal advance fees; (4) represented to buyers that they would receive refunds of advanced fees and then failed to provide to the borrowers promised refunds; that the unlicensed corporation Credit Freedom, Inc., holds a valid real estate license issued by the Department; and (6) other acts or inaction designed to mislead customers into believing that she was a licensed real estate broker. Therefore, KING's conduct violated Sections 10176(a) (making a substantial misrepresentation); 10176(b) (making any false promise of a character likely to influence, persuade or induce); 10776(c) (a continued and flagrant course of misrepresentation or the

making of false promises); 10177(i) (any conduct, whether of the same or different character than specified in Section 10176 of the Code which constitutes fraud or dishonest dealing); 10177(d) (willful disregard or violation of the Real Estate Law); and, 10177(j) (engaging in any other conduct whether of the same or a different character than specified in Section 10177) of the Code, and constitute cause for the suspension or revocation of the licenses and license rights of Respondents under Section 10177(d) of the Code.

FOURTH CAUSE OF ACTION
Illegal Use of Fictitious Business Name

13

Each and every allegation in Paragraphs 1 through 12, inclusive, above, is incorporated by this reference as if fully set forth herein.

14

Pursuant to Section 10159.5 of the Code and Section 2731 of the Commissioner's Regulations, the Department regulates the use of fictitious business names under which real estate related activities may be transacted, including, but not limited to: permitting only real estate brokers to hold fictitious business names under which real estate license related activities may be conducted; and that fictitious business names be approved by the Department prior to usage; and, that such fictitious business names be registered with the Department as the brokers' fictitious business names.

15

At all times relevant herein and pursuant to Section 2731 of the Commissioner's Regulations, Respondent KING as a real estate salesperson was not eligible to use and/or obtain registration with the Department the fictitious business names Ranger Realty and Credit Freedom, Inc. Respondent KING's use of the fictitious business names violates Section 10159.5 of the Code and Section 2731of the Commissioner's Regulations and constitutes cause for suspension or revocation of all licenses and license rights of Respondent KING pursuant to Section 10177(d) of the Code.

FIFTH CAUSE OF ACTION
Unlicensed Corporation

16

Each and every allegation in Paragraphs 1 through 15, inclusive, above, is incorporated by this reference as if fully set forth herein.

17

Credit Freedom Inc., is a business entity operated by KING. It is not incorporated within the State of California and has not registered with the California Secretary of State as a foreign corporation. Therefore, Credit Freedom, Inc. is not in good standing with the California Secretary of State as required under Section 2742 of the Commissioner's Regulations. KING operates Credit Freedom, Inc., representing that it is licensed by the Department. However, the license number KING uses for the corporation is her personal real estate salesperson license and not a corporate broker license in violation of Section 10130 of the Code which constitutes cause for suspension or revocation of all licenses and license rights of Respondent KING pursuant to Sections 10177(a) (making any substantial misrepresentation), 10177 (c) (continuing and flagrant misrepresentations), 10177 (i) (other conduct that constitutes fraud or dishonest dealing) and 10177(d) (willful disregard or violation of real estate law) of the Code.

SIXTH CAUSE OF ACTION
Negligence and/or Incompetence

18

Each and every allegation in Paragraphs 1 through 17, inclusive, above are incorporated by this reference as if fully set forth herein.

19

In the alternative, the acts and omissions of Respondent KING described herein constitute negligence or incompetence in performing acts requiring a real estate license, and are cause under Section 10177(g) of the Code for suspension or revocation of all licenses and license rights of Respondent KING.

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 Respondent JENNA LYNN KING under the Code and for such other and further relief as may be proper under other provisions of law.

E.J. HABERER, II
Deputy Real Estate Commissioner

Dated at Oakland, California,
this 14th day of September, 2010.