Fax

FILED

MAY 29 2012

DEPARTMENT OF REAL ESTATE
BY: _____

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

In the Matter of the Accusation of RENEE YVETTE ANGLIN, doing business as Hillside Mortgage & Real Estate Services and RYA Associates, Respondent.	No. H-37273 LA L-2011060325

ORDER STAYING EFFECTIVE DATE

On May 7, 2012, a Decision was rendered in the above-entitled matter to become effective June 4, 2012.

IT IS HEREBY ORDERED that the effective date of the Decision of May 7, 2012, is stayed for a period of 30 days for RENEE YVETTE ANGLIN.

The Decision of RENEE YVETTE ANGLIN, shall become effective at 12 o'clock noon on July 5, 2012.

DATED May 29, 2012

REAL ESTATE COMMISSIONER

Dolores Weeks

BY: DOLORES WEEKS
REGIONAL MANAGER

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of RENEE YVETTE ANGLIN, Respondent.	No. H-37273 LA L-2011060325

FILED

MAY 14 2012

DEPARTMENT OF REAL ESTATE
BY: [signature]

DECISION

The Proposed Decision dated April 11, 2012, 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.

The Decision suspends or revokes one or more real estate licenses on grounds of the conviction of a crime.

The right to reinstatement of a revoked real estate license or to the reduction of a suspension is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on June 4, 2012.

IT IS SO ORDERED May 7, 2012.

Real Estate Commissioner

[signature]

By WAYNE S. BELL
Chief Counsel

BEFFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation Against: RENEE YVETTE ANGLIN, doing business as Hillside Mortgage & Real Estate Services, and as RYA Associates, Respondent.	Case No. H-37273 LA OAH No. 2011060325

PROPOSED DECISION

The hearing in the above-captioned matter was held on March 12, 2012, at Los Angeles, California, before Joseph D. Montoya, Administrative Law Judge (ALJ), Office of Administrative Hearings. Complainant was represented by Elliott Mac Lennan, Department of Real Estate. Respondent Renee Yvette Anglin appeared and represented herself.

Evidence was received, the case was argued, and the matter submitted for decision on the hearing date. The following factual findings, legal conclusions, and orders are hereby made by the ALJ.

FACTUAL FINDINGS

1. Complainant Maria Suarez, Deputy Real Estate Commissioner, Department of Real Estate (Department), filed the Accusation in the above-captioned matter in her official capacity.

2. Respondent Renee Yvette Anglin is licensed by the Department as a real estate broker, holding license number B/01234988, which broker's license was issued to her in March 2006. That broker's license will expire in March 2014 unless renewed. Prior to obtaining a broker's license, and from February 1998, Respondent was licensed as a real estate salesperson.

3. (A) As of April 19, 2006, Respondent was authorized by the Department to use the business name RYA Associates. On November 17, 2006, she was authorized to use the business name Hillside Mortgage & Real Estate Services. This latter fictitious name was cancelled as of August 30, 2008.

(B) Respondent has held numerous branch licenses since she became a broker. Of relevance to this case are branch office licenses issued for San Dimas, California.

The first is a branch license for 127 East Arrow Highway, San Dimas, which was issued on June 8, 2009, and which was cancelled as of June 21, 2010. The second is a branch office license for 580 East Arrow Highway, Suite E, in San Dimas. That branch office license was issued on June 21, 2010, and cancelled approximately two months later, on August 16, 2010.

4. The Accusation, signed by Complainant on May 13, 2011, alleges that an audit of Respondent's books and records established various violations of the Real Estate Law during the period from April 1, 2007 through February 28, 2010. Those alleged violations include failure to maintain a trust account, failure to maintain funds in trust, a shortage of trust funds (or funds that should have been held in trust), improper record keeping, co-mingling of trust funds, improper advance fee and loan modification activities, and conversion of funds. The second cause for discipline alleges improper loan modification services. The third claim for discipline asserts a failure by Respondent to supervise her employees.

5. Respondent filed a Notice of Defense, denying the allegations and seeking a hearing. This proceeding ensued. All jurisdictional requirements have been met.

The Audit

6. Between March 1, 2010, and September 30, 2010, Andy Chen (Chen), an auditor with the Department, examined Respondent's books and records for the period of April 1, 2007 to February 28, 2010. The purpose was to determine if Respondent had been conducting her brokerage activities in compliance with applicable statutes and regulations. The audit was prompted by a consumer complaint, which had been made by Simon Mendoza regarding a loan modification transaction.

7. The audit was limited to Respondent's mortgage loan activities conducted under her fictitious name RYA Associates (RYA), at her branch offices in Los Angeles and Glendale, and under the fictitious business name Hillside Mortgage & Real Estate Services (Hillside), which were conducted at branch offices in San Dimas.

8. (A) Mr. Chen first met with Respondent at her main office in Culver City on March 2, 2010. At that time he served her with a subpoena duces tecum so as to obtain documents from her. She informed Chen that Herman Padilla (Padilla) was the branch office manager for the Hillside office in San Dimas.

(B) During that initial meeting, Chen had Respondent fill out a "Loan Modification Questionnaire." That one page document asked questions about loan modification activities. Respondent filled it out, representing that since the Department had issued a "no objection" letter, she had entered into no advance fee agreements, had collected no advance fees, had obtained no loan modifications, had no cancelled agreements with clients, and had made no refunds. Respondent signed the document on March 2, 2010.

9. When Mr. Chen returned to Respondent's Culver City office one week later, on May 9, 2010, she told him that all of the loan modification paperwork was located at the

Hillside office in San Dimas. She called Padilla and made an appointment for Chen to meet Padilla the next day.

10. Chen met with Padilla on March 10, 2010, at the San Dimas office of Hillside. Padilla told Chen that Hillside had negotiated approximately 43 loan modifications during the audit period. At one point during that meeting Chen asked Padilla if the latter owned the Hillside business, and Padilla said he was the owner.

11. Chen interviewed Padilla further on March 11, 2010, and was informed that Hillside maintained two bank accounts, one with Chase Bank and one with Bank of America; those accounts were used to handle receipts and disbursement of fees collected in advance on loan modification transactions during part of the audit period, that is, from February 23, 2009 until October 19 of that year. The Bank of America account was closed in 2009.

12. Padilla did not provide any records or documents pertaining to the two bank accounts at that time. He did, however, provide records from the Chase account (B/A-1 in the audit parlance) during a meeting that took place on March 24, 2010. The records were for the period April 1 to September 30, 2009. The account name on the bank statements was "Rod Aslanian DBA Aslanian Hillside H & R." (Ex. 3, p. 7 of the report.)

13. Chen had problems completing the audit with Respondent. Three appointments made with her during April 2010 were cancelled, on little notice. However, he was able to meet with her at her main office on April 29, 2010, and he received seven files from her for review. On August 10, 2010, Chen met with Respondent to conduct an exit interview. He discussed the audit findings with her, which were based on a limited amount of records he had received. At that time, she asserted that Padilla did not own Hillside, but was only its office manager.

14. Thereafter, Chen and Respondent had telephonic or written communication on three other days in August 2010.

The Audit Findings

15. (A) The auditor, Chen, correctly concluded that any advance fees obtained from customers who sought loan modifications should have been placed in a trust account. Instead, he established that such funds had been placed in Hillside's Chase Bank account, B/A-1, a general account. This constituted co-mingling of trust funds and general operating funds. Chen established, from reviewing 44 loan modification files, that Respondent, through her business Hillside, collected approximately $118,000 in advance fees on those matters.

(B) The Chase account had a shortage of at least $29,139.32 as September 30, 2009. This was due to the fact that unearned advance fees were used to pay bank charges in excess of $4,900, operating expenses of just over $17,500, and an unidentified shortage of approximately $6,600.

(C) Respondent comingled funds when advance fees were paid to her Hillside business but were placed in the operation's general account. Furthermore, the funds were placed in an account that was in a stranger's name; Respondent's name was not on the account, and there is no evidence she was a signatory on the account.

(D) In light of the shortage described above, the balance of the account was reduced to an amount less than the amount deposited. Because some of the monies that should have been held in trust were used for the firm's operations, there was a conversion of trust funds.

16. A review of the loan modification files for transactions under the Hillside business name revealed that Hillside collected advance fees from clients in amounts ranging from $1,500 to $3,500 between February 23 and October 29, 2009. Such fees were collected without Respondent having submitted the advance fee agreements and related materials to the Department for review.

17. As noted in Factual Finding 15, advance fees for loan modification transactions were obtained by Respondent under her Hillside business name but those monies were not placed in a separate trust account. Furthermore, those clients were not provided with documentation of where the advance fee was deposited, what services were to be performed, the amount of the advance fee collected, documentation regarding trust fund disbursements, or information regarding completion of the loan modification contract.

18. (A) Respondent, in her business name Hillside, did not maintain control records for the advance fees collected from clients for loan modification services.

(B) Respondent, in her business name Hillside, did not maintain separate records for each person's advance fee after such advance fees were collected from clients for loan modification services.

19. (A) In some instances Respondent, doing business under the Hillside business name, or as RYA, did not properly prepare or maintain Mortgage Loan Disclosure Statements (MLDS), as follows.

(B) Respondent did not always disclose rebates received from lenders as additional compensation for services rendered. Such should have been disclosed on the MLDS.

(C) Some MLDS's reviewed by Chen were not completed, signed, or dated by the borrower or the agent who negotiated the loan.

(D) In some cases the approved MLDS were not retained in the files.

(E) Some MLDS's retained in the files did not disclose Respondent's license number and/or did not disclose the license number of Respondent's representative who negotiated the loan.

20. Respondent on some occasions used the fictitious business name "Hillside Mortgage" instead of the licensed business name, Hillside Mortgage & Real Estate Services. And, the business name "Hillside" was used on Mr. Padilla's business card.

21. (A) Padilla was not licensed by the Department during the audit period. He and two others, Steve Duran and Luis Venegas acted as loan agents and arranged loans for borrowers on behalf of Respondent, through RYA, but these other two men also lacked licenses.

(B) During the audit period Gino Herman Padilla and Tanya Crespin acted as loan agents and negotiated loan modification transactions for borrowers, on Respondent's behalf.

22. (A) Respondent did not notify the Department, in a timely manner, that she had employed salesperson Diana L. Jimenez, and Respondent failed to notify the Department, in a timely manner, that salesperson Norma P. Gaoiran had terminated her employment with Respondent.

(B) The original licenses of two of Respondent's salespersons were not made available for inspection during the audit.

23. Respondent conducted business at branch offices in Los Angeles, San Dimas, and Glendale prior to obtaining branch office licenses from the Department. That is, she conducted business as RYA at offices on Century Boulevard in Los Angeles, and on East Broadway Avenue in Glendale, prior to obtaining branch office licenses for those locales. Furthermore, 18 of the 44 loan modification files reviewed by Chen showed that the loan modification activity was performed at the 127 East Arrow Highway address in San Dimas, under the Hillside business name, prior to the time that the Department issued the branch office license for that location.

24. After Chen served a subpeona duces tecum upon Respondent, she did not make all of the requested documents available. Chen deduced from the files he did review that loan modification activities preceded the period beginning on February 23, 2009, but no relevant documents were produced by Respondent for that period. Not all of the bank records were made available, and some loan modification documents from the Hillside business operation were not provided.

25. Respondent failed to provide adequate supervision over the activities at the Hillside office and the RYA offices.

The Loan Modification Transaction With Simon Mendoza

26. Chen's audit also focused on a transaction between Hillside and Simon Mendoza (Mendoza), for loan modification services. As detailed below, the auditor established numerous violations of the Real Estate Law in connection with the transaction.

27. Mendoza entered into an agreement with Hillside on June 1, 2009, to modify his mortgage on a property in Moreno Valley. Under the agreement Mendoza was to pay Hillside $3,500, in advance, for the services. He paid that sum by a credit card on June 2, 2009. However, on June 4 Hillside charged that credit card account another $3,500, for a total of $7,000.

28. On June 4, 2009, Mendoza tried to contact Hillside, by phone, e-mail, and certified mail, to cancel the transaction. Two weeks later, he sent a letter and e-mail to Hillside to obtain a refund of his $7,000.

29. The audit established that the $7,000 was deposited into Hillside's general account at Chase Bank, the account labeled B/A 1 in the audit report. This money was not maintained in trust, and no proper accounting records, i.e., separate trust records, columnar records, etc., were maintained for the deposit. The money was refunded to Mendoza on June 29, 2009.

30. In connection with the transaction, Mendoza dealt with Padilla and Diana Jiminez; both acted as loan agents and provided modification services to the client. As previously noted, Padilla was not licensed by the Department. Jiminez was licensed as a salesperson, but she was not licensed through Respondent. Instead, in June 2009, her license was "hung" with Infinity Wholesale Lending, Inc.

The Loan Modification Transaction With Judith Cortez

31. In the summer of 2009, Judith Cortez was interested in obtaining a loan modification for her property in La Puente, California. She contacted Art Rocha (Rocha) at Hillside. Rocha came to her home with some paperwork. He provided her a business card that had the name "Hillside" on it; the card identified him as sales manager. He asked her to come to Hillside's office at 127 East Arrow Highway, in San Dimas.

32. The paperwork necessary to start a loan modification was ready for Ms. Cortez. When she was at the office, she spoke to Padilla, and she was made to understand that he was the owner of Hillside. She also spoke to Padilla's son, Gino, and a secretary named Amanda. She was informed that Rocha no longer worked for Hillside, by Padilla but assured her he would take care of the transaction.

33. In the course of her dealings with Hillside, she paid $2,000 for assistance with the loan modification, in four installments of $500 each. The first payment was August 15, 2009, and the others were September 18, October 15, and November 15 of that year.

34. Ms. Cortez was informed that Hillside had moved; this occurred in approximately May 2010.[1] She went to their new office, located at 580 East Arrow Highway, in San Dimas, and was assured that everything was fine with her transaction. However, at some later date Padilla informed her that Hillside was filing bankruptcy. When she asked what would happen with her transaction, Padilla told her he could recommend someone to take the matter over. She did not follow up on that chance.

35. Ms. Cortez did not receive a loan modification and did not receive services of any significant value from Hillside.

The Ignacio Cortez Loan Modification Transaction

36. At about the same time that Judith Cortez was doing business with Hillside (August to November 2009), her brother Ignacio Cortez used Hillside to obtain a loan modification on his property on Perry Street in Los Angeles. Like his sister, he first met with Mr. Rocha, who also gave him a business card with the name Hillside on it, and which identified Rocha as sales manager. The first meeting was in August 2009.

37. During the period from August 15 through November 15, 2009, Mr. Cortez gave $4,000 to Hillside, in four monthly payments of $1,000, paid on the 15th day of each month. During that time he would contact Hillside, and be told to wait; this happened on more than one occasion, but he did not appear to be making progress toward a loan modification.

38. In early March 2010, Mr. Cortez received a letter on the letterhead "Hillside," in a type style similar to that used on Rocha's business card. This appeared to be a logo for the firm. At the bottom of the page the full name "Hillside Mortgage and Real Estate Services" was set out along with the address of 127 East Arrow Highway in San Dimas.

39. In the March 2010 letter, Hillside informed Mr. Cortez that, regarding another property of his, the lender needed further documentation regarding his tax flow.

40. Thereafter, on May 11, 2010, he received a letter to the effect that Hillside had moved down the street to 580 East Arrow Highway. However, when he went there at some point thereafter to drop off paperwork he found that the business was closed, and he learned from his sister Judith that Hillside was going bankrupt.

41. Although Mr. Cortez paid Hillside $4,000 he did not obtain a loan modification on his Perry Street property.

//

---

[1] Ms. Cortez did not attest to the date. However, her brother, who was also doing business with Hillside, received a written notice of the move that was dated May 11, 2010. A copy of that letter is part of Exhibit 5.

Respondent's Contentions

42. Respondent took the stand on her own behalf and made claims wholly at odds with the documentary evidence, and the Real Estate Law. For example, she stated, more than once, that one did not have to have a license to make real estate loans or to participate in mortgage modification. These statements were made in response to questions pertaining to the fact that Padilla, who she initially identified as her branch office manager, was not licensed by the Department. At one point, she indicated that she and Padilla had worked together at a large mortgage company, and that they had not had to have licenses to do that work. At best, this evidenced a profound ignorance of applicable law and regulations.

43. At another point in her testimony, Respondent stated that there were no concrete rules for loan modification work when the market for that work began to take off. However, she recalled that by the middle of 2009, the Department had effectively ended the business. Despite that perception on her part, she knew that Padilla was doing loan modification business in San Dimas, at a business operation carrying her business name, and using advance fee contracts that carried not only her fictitious business name—Hillside—but that used her license number.[2] She knew that such contracts had to have the Department's approval, but she didn't want to go through that process, but, she allowed Padilla to use the contracts. According to Respondent, Padilla was just trying to help others who had taken on bad loans in earlier times.

44. At one point in her direct testimony, Respondent indicted that the rule on taking advance fees was not in issue. Later, when questioned about how the advance fees were handled, she acknowledged that there were some "paperwork" issues.

45. Regarding her relationship with Padilla, as noted above she contended he did not have to have a license. She told Chen initially that Padilla was branch manager, and after the latter told Chen he was owner, she at some point late in the audit process described Padilla as her partner, and admitted she received 10 percent of Hillside's income. However, at the hearing, she claimed to be getting none of the money from the mortgage modification transactions.

Other Findings

46. Mr. Chen was credible in his testimony, both in his demeanor and by the consistency of the testimony and his clear grasp of the facts. Respondent's credibility suffered from her attitude, which seemed to treat this entire matter as a trivial one, as well as

---

[2] Mr. Chen credibly testified that of the 44 advance fee agreements he reviewed, 43 were in the Hillside fictitious name; one had a slightly different name, Hillside Financial Consultants LLC. Of the 43 carrying Respondent's fictitious name, virtually all carried Respondent's license number, found at the signature block. Exhibit 7 is an exemplar of such contracts.

her seeming ignorance of basic rules governing real estate brokers and salespeople. It was also damaged by the contradictory statements she had made to Chen in the various interviews, and statements made in her testimony that further contradicted her prior statements, or which were inconsistent with other facts established by the audit and the evidence in this proceeding.

47. The standard agreement utilized in the loan modification transactions clearly denominates fees paid by the customers as advance fees. The agreements also state that the monies will be deposited into a trust account "as set forth in paragraph 2." (Ex. 7, p. 1.) Paragraph 2 identifies the purported trust account as one being held at Chase Bank, account number 4230956108. That is the same account identified by Chen as the Hillside general account, or B/A 1, which was in the name of Rod Aslanian, who at one point had worked for Respondent.

48. There is evidence that Respondent does not even perceive the problems unearthed by the audit process. There is no evidence that she has taken any steps to change her way of doing business. It can be inferred that she had essentially rented her license to Aslanian or Padilla, or both, and the latter was not even licensed as a salesperson. She appears to think this is justified because Padilla was just "helping people," when all he did was help himself to their money.

LEGAL CONCLUSIONS

1. The Department is vested with jurisdiction to proceed in this matter, based on Factual Findings 1 through 5, and Code sections 10100 and 10103.[3]

2. (A) Respondent Anglin failed to comply with the Commissioner's regulations, found at California Code of Regulations (CCR), title 10,[4] in the following particulars. In many instances, the violation also constitutes a violation of a particular statute, which will be noted as well.

(B) Respondent violated CCR section 2832.1 and Code section 10145 in her handling of trust funds for multiple beneficiaries, based on Factual Findings 15, 17, 18, 27 through 29, and 47.

(C) Respondent violated CCR sections 2970 and 2972, and Code sections 10026 and 10085, in connection with her use of and participation in advance fee agreements, including her failure to submit such agreements to the Department for review, based on Factual Findings 8(B), 9, 10, 15(A), 16, 17, and 26 through 41.

---

[3] All statutory citations shall be to the Business and Professions Code.

[4] All citations to the CCR shall be to title 10.

(D) Respondent violated CCR section 2972, and Code section 10146, by failing to deposit advance fees in trust, based on Factual Findings 15 through 18, and 26 through 29.

(E) Respondent violated CCR section 2831 and Code section 10145 by failing to maintain control records for trust funds, based on Factual Finding 18(A).

(F) Respondent violated CCR section 2831.1 and Code section 10145 by failing to have separate records for each beneficiary or transaction, based on Factual Finding 18(B).

(G) Respondent violated CCR section 2832, and Code sections 10145 and 10176, subdivision (e), by commingling trust funds of clients with Respondent's funds, based on Factual Findings 15 and 26 through 29.

(H) Respondent violated CCR section 2840 and Code section 10240 by failing to disclose pertinent information, or by failing to maintain written disclosure statements, based on Factual Finding 19.

(I) Respondent violated CCR section 2731 and Code section 10159.5 by using fictitious business names not licensed by the Department, based on Factual Finding 20.

(J) Respondent violated CCR section 2752 and Code section 10161.8 by failing to notify the Department that she had employed salespersons, based on Factual Finding 22(A).

(K) Respondent violated CCR section 2753 and Code section 10160 by not retaining original salesperson licenses, based on Factual Finding 22(B).

(L) Respondent violated CCR section 2725 and Code section 10177, subdivision (h), by failing to exercise reasonable control and supervision over the real estate business and activities conducted under her fictitious names and at her branch offices, based on Factual Findings 6 through 41.

3. Respondent's license is subject to discipline pursuant to Code section 10177, subdivision (d), for her willful disregard of, or violation of, the Real Estate Law or the Commissioner's regulations, based on Legal Conclusions 2(B) through (L), and their factual predicates.

4. Respondent violated Code sections 10145 and 10177, subdivision (j), by her handling of trust funds that led to their conversion, based on Factual Findings 15, and 31 through 41. This violation subjects her license to discipline pursuant to Code section 10177, subdivision (j).

5. Respondent violated Code section 10236.4, subdivision (b), by utilizing loan disclosure statements that did not disclose her license number, based on Factual Findings 19(E).

6. (A) Respondent violated Code sections 10130 and 10137 by employing persons who were not licensed by the Department in the capacity of loan agents or other positions that required licensure by the Department, and by compensating such persons for such work. This Conclusion is based on Factual Findings 8(A), 16, 21, 30, and 32.

(B) Respondent's license is subject to discipline pursuant to Code section 10137 based on this Conclusion.

7. (A) Respondent violated Code section 10163 by operating branch offices that were not so licensed by the Department, based on Factual Finding 23.

(B) Respondent's license is subject to discipline pursuant to Code section 10165 based on this Conclusion.

8. Respondent violated Code section 10148 by failing to retain records, based on Factual Findings 8(A), 12, and 24.

9. Respondent's license is subject to discipline pursuant to Code section 10177, subdivision (d), for her willful disregard of, or violation of, the Real Estate Law based on Legal Conclusions 4 through 8, and their factual predicates.

10. Respondent's license is subject to discipline pursuant to Code section 10176, subdivision (i), for conduct amounting to fraud or dishonest dealing, based on Factual Findings 15 through 41.

11. Respondent's license is subject to discipline pursuant to section 10177, subdivision (g), for negligence in the performance of her duties as a broker, based on Factual Findings 15 through 41.

12. Any allegations upon which findings or legal conclusions have not been made are deemed unproven, or surplasage.

13. (A) It is long-settled that the purpose of proceedings of this type is to protect the public, and not to punish an errant licensee. (E.g., *Camacho v. Youde* (1979) 95 Cal.App.2d 161, 164; *Hughes v. Board of Architectural Examiners* (1998) 17 Cal.4th 763, 784-786.) In this case, Respondent's acts at best constitute gross negligence, and at worst constitute intentional wrongdoing, including conversion of funds placed in trust, and in either event her failings span a period of many months, and caused harm to many consumers. Her numerous violations of the Real Estate Law and attendant regulations run the gamut from failure to give notice that a salesperson has left employment, the least of her sins, to mismanagement and conversion of trust funds.

(B) In the practice of a real estate license, "[h]onesty and integrity are deeply and daily involved in various aspects of the practice." (*Golde v. Fox* (1979) 98 Cal.App.3d 167, 176). "The public exposing themselves to a real estate licensee has reason to believe that the licensee must have demonstrated a degree of honesty and integrity in order to have obtained such a license." (*Id.* at 177-178.) In *Harrington v. Department of Real Estate* (1989) 214 Cal.App.3d 394, 402, the Court of Appeal found that "the Legislature intended to insure that real estate brokers and salespersons will be honest, truthful and worthy of the fiduciary responsibilities which they will bear."

(C) The reality is that Respondent's professional misconduct encompasses more than negligence. She put an unlicensed person, Padilla, in charge of her branch office, seemingly to do whatever he wanted, which ended up, essentially, with the theft of funds from Mr. Cortez and his sister. During the hearing she took no responsibility for this state of affairs, despite the rule that a broker is responsible for the acts of her employees and salespeople. Her testimony contradicted statements she had made to the auditor, or which contradicted documents and records obtained by the auditor or held by the Department. Claiming that Padilla and others involved at the Hillside and RYA offices did not need to be licensed to conduct loan transactions evinced a profound and fundamental ignorance of the laws that regulate real estate agents.

(D) Any one of the violations could lead to license discipline, and a catalog of violations of the types established by Complainant requires a stringent disciplinary response from the Department. As to the nature of that disciplinary order, it must be noted that Respondent provided no evidence of rehabilitation, and no evidence in mitigation, while her position and statements during the hearing only tended to aggravate the situation. She does not appear worthy of the fiduciary responsibilities she must bear. There is no reason to believe that a restricted license will serve to alter her conduct for the better, and every reason to believe that revocation of her license is necessary for the public welfare. In all the circumstances, an order of revocation must issue.

ORDER

The real estate broker's license issued to Renee Yvette Anglin, number 01234988, is hereby revoked.

April 11, 2012

Joseph D. Montoya
Administrative Law Judge
Office of Administrative Hearings

Sacto

FILED

JUL - 3 2012

DEPARTMENT OF REAL ESTATE
BY:

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of RENEE YVETTE ANGLIN, doing business, as Hillside Mortgage & Real Estate Services and RYA Associates, Respondent.	)	NO. H-37273 LA L-2011060325

ORDER DENYING RECONSIDERATION

On May 7, 2012, a Decision was rendered in the above-entitled matter. Said Decision which was to become effective on June 4, 2012, was stayed by separate Order to July 5, 2012.

On June 18, 2012 Respondent filed a petition for reconsideration of the Decision of May 7, 2012. I have given due consideration to the petition of Respondent. I find no good cause to reconsider the Decision of May 7, 2012, and reconsideration is hereby denied.

IT IS SO ORDERED 7/3/2012

Real Estate Commissioner

By WAYNE S. BELL
Chief Counsel

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

FILED

MAY 12 2011

DEPARTMENT OF REAL ESTATE
BY:

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of RENEE YVETTE ANGLIN, doing business as Hillside Mortgage & Real Estate Services and RYA Associates, Respondent.	No. H- 37273 LA A C C U S A T I O N

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against RENEE YVETTE ANGLIN doing business as Hillside Mortgage & Real Estate Services and RYA Associates, alleges as follows:

1.

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

///

///

2.

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

License

3.

At all times mentioned, ANGLIN (hereinafter referred to as "Respondent" or "ANGLIN"), is presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter Code), as a real estate broker. ANGLIN was originally licensed as a real estate broker March 8, 2006.

Brokerage

4.

At all times mentioned, in Culver City, County of Los Angeles, ANGLIN acted as a real estate broker and conducted licensed activities within the meaning of:

A. Code Section 10131(d). ANGLIN dba RYA Associates engaged in activities with the public wherein lenders and borrowers were solicited 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 or in expectation of compensation and for fees often collected in advance as well as at the conclusion of transactions; and

B. Code Section 10131.2. ANGLIN, dba Hillside Mortgage & Real Estate Services, engaged in the business of a loan

modification and an advance fee brokerage. Respondent performed loan modification services with respect to loans to economically distressed homeowners which were secured by liens on real property for compensation or in expectation of compensation and for fees often collected in advance and as well at the close of the transactions. Respondent contacted lenders on behalf of economically distressed homeowners seeking modification of the terms of their home loans, interest and/or principal reduction, foreclosure abatement, loan refinance, extenuations, trial mortgage and short sale services.

FIRST CAUSE OF ACCUSATION
(Audit Examination)

5.

On October 14, 2010, the Department completed an audit examination of the books and records of ANGLIN pertaining to the mortgage loan, advanced fee and loan modification service activities described in Paragraph 4, which require a real estate license. The audit examination covered a period of time beginning on April 1, 2007 to February 28, 2010. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 090154 and the exhibits and work papers attached to said audit report.

///

///

///

///

Trust Account

6.

ANGLIN did not maintain a trust account during the audit period; however, at all times mentioned, in connection with the activities described in Paragraph 4, above, ANGLIN accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties, including borrowers and lenders seeking mortgage loans and from economically distressed homeowner-borrowers for advance fees and loan modifications handled by ANGLIN. Thereafter ANGLIN made deposits and or disbursements of such trust funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by ANGLIN in this trust account:

"Rod Asiaian dba Hillside H & R
Account No. XXX-XX5610-8"
Chase Bank
San Dimas, CA 91773 (B/A #1)

(B/A #1 - ANGLIN's (HMRES) general business operating account also used for deposit of advance fees collected from homeowners for loan modification services).

///

///

///

///

///

Violations

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period described in Paragraph 5, Respondent ANGLIN, acted in violation of the Code and the Regulations in that Respondent:

(A) Permitted, allowed or caused the disbursement of trust funds from the B/A #1 where the disbursement of said funds B/A #1, where the disbursement of funds reduced the total of aggregate funds in B/A #1, to an amount which, on September 30, 2009, was at a minimum $29,139.32, less than the existing aggregate trust fund liability to every homeowner-principal who was an owner of said funds, without first obtaining the prior written consent of the owners, in violation of Code Section 10145 and Regulation 2832.1.

The $29,139.32 shortage was due to unearned advance fees, ANGLIN's use of trust funds to pay for bank charges and ANGLIN's operating expenses, and for unidentified deficits.

(B) On June 1, 2009, Simon Mendoza ("Mendoza") contracted with Hillside Mortgage & Real Estate Services ("HMRES"), ANGLIN's fictitious business name, to modify the home loan for his residence located at 25376 Yolanda Ave., Moreno Valley.

Herman Gino Padilla ("Padilla"), ANGLIN's unlicensed branch office manager for San Dimas, and licensed salesperson

Diana Lorenza Jimenez provided and loan modification services for the Mendoza.

Homeowner-borrower Mendoza agreed to pay HMRES $3,500 fees in advance in order to obtain modification of his exiting loan with a view to securing more favorable terms and conditions.

ANGLIN did not submit the advance fee agreement for loan modification services to be provided to the Department for approval prior to collecting the advance fees from MENDOZA.

On June 2, 2009, Mendoza paid $3,500 to HMRES with Mendoza's Wescom Visa credit card. On June 4, 2009, HMRES charged an additional $3,500 onto Mendoza's credit card.

On June 4, 2009, Mendoza subsequently canceled the loan modification agreement and was ultimately refunded his $7,000 advance fee from HMRES.

Date	Form of Payment	Amount	B/A # 1 Date Deposited	Amount
6/2/2009	Mendoza's Visa	$3,500.00	6/5/2009	$3,500.00
6/4/2009	Mendoza's Visa	$3,500.00	6/8/2009	$3,500.00
Total		$7,000.00		$7,000.00

The conduct, acts and/or omissions of Respondent ANGLIN is in violation of Code Sections 10085, 10145, 10146 and 10137 and Regulations 2970 and 2972.

(C) Violated Code Section 10085 and Regulation 2970 by failing to submit to the Commissioner not less than ten calendar days before publication or other use, all

materials to be used in advertising, promoting, soliciting and negotiating an agreement calling for the payment of an advance fee including the form of advance fee agreement proposed for use.

(D) Violated Code Section 10146 and Regulation 2972 by failing to provide a complete description of loan modification services to be rendered provided to each would-be homeowner in 10 point type font and an allocation and disbursement of the amount collected as the advance fee.

(E) Failed to maintain a control record in the form of a columnar record in chronological order of all trust funds including advance fees received, deposited and disbursed, in violation of Code Section 10145 and Regulation 2831.

(F) Failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all advance fees collected, in violation of Code Section 10145 and Regulation 2831.1.

(G) Commingled trust funds and personal funds by depositing advance fees received from loan modification services into ANGLIN's general operating account and issuing checks from said account, in violation of Code Sections 10145 and 10176(e) and Regulation 2832, as set forth below in the table below for the following homeowner

loan modifications.

(H) Converted trust funds by depositing advance fees solicited from homeowner-borrowers for loan modification services into ANGLIN's general operating account, B/A #1, in violation of Code Sections 10145 and 10176(i). ANGLIN reduced the amount in B/A #1's general account to an amount less than the amount of the trust funds deposited constituting conversion, in breach of the Payment Phases of the Loan Modification Agreement, as set forth herein:

Table A: Loan Modification Agreement Phases

HMRES' advance fee agreement, indicated that the advance fees were apportioned and disbursed as follows:

Phase 1 - "Phase 1 services shall be completed upon the Company's presentation to Borrower of the Company's recommended course of action with respect to the possible modification of the Original Loan"; and

Phase 2 - "Loan Proposals to Lender and Secure Lender Response....Company agrees to pursue the matter of any offer for loan modification made to Borrower in a timely fashion to a point of resolution, where either (a) Borrower has entered into a loan modification agreement with the Lender, or (b) Borrower has not and will not be entering into a loan modification agreement with the Lender"; and

Phase 3 - "Shall consist of the processing of Borrower's loan application, from submission to Lender to funding and closing of the loan modification. Phase 3 services shall be completed upon the closing of the loan modification."

B/A-1's bank statements revealed that from April 2009 to September 2009, that HMRES' operating expenses and bank charges were disbursed from the B/A-1 general account during the period from April 2009 to September 2009, as tabled below:

Table: Conversion of Unearned Loan Modification Fees

Period	Description	Total Amount	W/P
Apr. 2009 to Sep. 2009	NSF Charge	$ 165.00	B-3, B-3.2
Apr. 2009 to Sep. 2009	Bankcard Fees	$ 4,748.92	B-3, B-3.2
Apr. 2009 to Sep. 2009	Other Bank Charges	$ 48.40	B-3, B-3.2
Apr. 2009 to Sep. 2009	Telephone/Internet	$ 6,774.62	B-3, B-3.1
Apr. 2009 to Sep. 2009	Fedex/USPS	$ 915.37	B-3, B-3.1
Apr. 2009 to Sep. 2009	Info. Searching/ Experian	$ 673.40	B-3, B-3.1
Apr. 2009 to Sep. 2009	Office Max/Staples	$ 1,402.58	B-3, B-3.1
Apr. 2009 to Sep. 2009	ATM Withdrawal	$ 7,769.64	B-3, B-3.1
Apr. 2009 to Sep. 2009	Utility	$ 10.50	B-3, B-3.1
Total		**$ 22,508.43**	

The advance fees collected and deposited into B/A-1 for loan modification services totaling $91,200 were disbursed to ANGLIS/HMRES before the complete rendering of services was accomplished, in violation of Code Section 10176(i) for conversion.

(I)(1) Failed to retain a true and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrowers Mehrad/Regina Mazkoori, in violation of Code Section 10240 and Regulation 2840.

(I)(2) Failed to disclose yield spread premiums from lenders on the approved Mortgage Loan Disclosure Statement for the borrowers Mehrad/Regina Mazkoori, in violation of Code Section 10240, 10241 and Regulation 2840.1;

(I)(3) Failed to disclose that loan fees charged were in fact paid to ANGLIN, instead of being reported as "Paid to Others", on the Mortgage Loan Disclosure Statement for the aforesaid borrowers, in violation of Code Section 10240 and Regulation 2840.

(J) Failed to display the Department's license number on the Mortgage Loan Disclosure Statement provided to borrowers, nor the name of the loan officer negotiating the loan for borrowers Leonel Guidino Jr., Frank Coronado, Marie Quintana, Claudia Tyler, Mosies Gonzalez, Rigoberto Morales and Alan Patel, in violation of Code Section 10236.4.

(K) Used the fictitious name of "Hillside Mortgage", to conduct licensed activities including a mortgage loan brokerage, without first obtaining from the Department a license bearing

said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731.

(L)(1) Employed and compensated Herman Padilla, Steven Duran and Luis Venegas, as loan agents who ANGLIN knew were not licensed by the Department as a real estate broker or as a real estate salesperson employed by a real estate broker, for performing acts for which a real estate license is required, including soliciting mortgage loans; in violation of Code Section 10137.

(L)(2) Employed and compensated Gino Herman Padilla and Tanya Crespin, as loss mitigation agents who ANGLIN knew were not licensed by the Department as a real estate broker or as a real estate salesperson employed by a real estate broker, for performing acts for which a real estate license is required, including soliciting mortgage loans; and in violation of Code Section 10137.

(M) Failed to notify the Department of the employment of salesperson Diana Lorena Jimenez and the termination of salesperson Norma Pegenia Gaoiran, in violation of Code Section 10161.8 and Regulation 2752.

(N) Failed to retain the salesperson license certificates for Susan Elizabeth Harris and Evadne E. Wright, in violation of Code Section 10160 and Regulation 2753.

(O) Conducted mortgage loan and loan modification activities at ANGLIN's Los Angeles, San Dimas and Glendale offices prior to obtaining branch office licenses from the Department, in violation of Code Section 10163.

(P) After notice and subpoena on February 29, 2010, failed to retain all records of ASHLI's activity during the audit period requiring a real estate broker license, in violation of Code Section 10148.

(Q) ANGLIN had no system in place for regularly monitoring ANGLIN 's compliance with the Real Estate Law especially in regard to establishing, systems, policies and procedures to review trust fund handling, in violation of Code Section 10177(h) and Regulation 2725. ANGLIN failed to appropriate policies, rules or procedures in place to review, oversee, inspect and manage and especially to prevent the deposit of trust funds into ANGLIN 's general operating accounts which were not designated as trust accounts, or to maintain any trust fund handling records, in the form of advance fees, which were improperly deposited into a general bank account; and

Disciplinary Statutes

8.

The conduct of Respondent ANGLIN described in Paragraph 7, above, violated the Code and the Regulations below:

The conduct of Respondent ANGLIN described in Paragraph 7, violated the Code and the Regulations below:

PARAGRAPH	PROVISIONS VIOLATED
7(A)	Code Section 10145 and Regulation 2832.1
7(B)	Code Sections 10085, 10145, 10146 and 10137

	and Regulations 2970 and 2972.
7(C)	Code Section 10085 and Regulation 2970
7(D)	Code Section 10146 and Regulation 2972
7(E)	Code Section 10145 and Regulation 2831
7(F)	Code Section 10145 and Regulation 2831.1
7(G)	Code Sections 10145 and 10176(e) and Regulation 2832
7(H)	Code Sections 10145 and 10176(i)
7(I)	Code Sections 10240 and 10241 and Regulations 2840 and 2840.1
7(J)	Code Section 10236.4(b)

7(K)	Code Section 10159.5 and Regulation 2731
7(L)	Code Section 10137
7(M)	Code Section 10161.8 and Regulation 2752
7(N)	Code Section 10160 and Regulation 2753
7(O)	Code Section 10163
7(P)	Code Section 10148
7(Q)	Code Section 10177(h) and Regulation 2725

The foregoing violations constitutes cause for discipline of the real estate license and license rights of ANGLIN, as aforesaid, under the provisions of Code Sections 10137, 10176(e), 10176(i), 10177(d) and 10177(h) for violation of the Real Estate Law and/or 10177(g) for negligence.

///

///

///

SECOND CAUSE OF ACCUSATION
(Loan Modification Services)

9.

At all times mentioned herein, Respondent ANGLIN engaged in the business of a loan modification and advance fee brokerage, within the definition of Code Sections 10131(d) and 10131.2.

General Allegations

10.

During 2008 and continuing thereafter to date, Respondent ANGLIN, dba Hillside Mortgage & Real Estate Services and/or Hillside Financial Consultants LLC and/or "Hillside" solicited economically distressed homeowners facing foreclosure and eviction from their homes, offered loan modification services, charged and collected advance fees.

Specific Allegations

11.

Respondent ANGLIN, operating via unlicensed loss mitigation agents and loan modification agents offered loss mitigation and loan modification services to homeowner-borrowers seeking downward adjustments or payment extenuations to their home mortgages. Respondent collected advanced fees from said homeowner-borrowers without possessing a pre-approved advance fee agreement from the Department, including collecting advance fees

after October 11, 2011, the prohibitory cutoff date for collecting advance fees for loan modification Thereafter, Respondent failed to obtain the loan modification or to provide the services contracted for and paid for in advance, or to refund the advance fees paid by the borrowers tabled below:

Table: Loan Modification Services

Homeowner	Date	Status	Advance Fee
Ignacio Cortez	August-November 2009	No Service	$4,000
Judith Cortez	August-November 2009	No Service	$4,000
Total			$8,000

Loan Modification Violations and Disciplinary Statutes

12.

The conduct of Respondent ANGLIN violated the Code and the Regulations as set forth below with respect to the tabled homeowner-borrowers:

13.

13(a) Code Section 10176(a) for substantial misrepresentation.

13(b) Code Section 10176(b) for making false promises of a character likely to influence, persuade or induce the aforesaid homeowner-borrowers.

13(c) Code Section 10176(i) for fraud, dishonest dealing for aforesaid homeowner-borrowers.

13(d) Code Section 10176(i) for conversion of $8,000 of

the aforesaid homeowner-borrowers collected advance fees.

13(e) Code Section 10137 for employing and/or compensating unlicensed loss mitigation agents, including but not limited to, Jose Arturo Rocha, and licensed real estate salesperson(s)s that were non broker affiliated including, but not limited to Gino Herman Padilla.

13(f) Code Section 10177(d) for violation of Code Sections 10086 and Regulation 2970.

13(g) Code Section 10177(g) for negligence.

Negligence

14.

The overall conduct of Respondent ANGLIN constitutes negligence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of Respondent pursuant to Code Section 10177(g).

Breach of Fiduciary Duty

15.

The overall conduct of Respondent ANGLIN constitutes a breach of fiduciary duty. This conduct and violation is cause for the suspension or revocation of the real estate license and license rights of Respondent pursuant to the provisions of Code Sections 10176(i) and/or 10177(g).

THIRD CAUSE OF ACCUSATION
(Failure to Supervise)

16.

The overall conduct of Respondent ANGLIN constitutes a failure on Respondent's part to exercise the reasonable

supervision and control over the licensed activities Respondent's brokerage and to keep in compliance with the Real Estate Law, with specific regard to loan modifications services and advance fee handling, trust fund handling and employment of unlicensed loan mitigation agents, requiring a real estate license and is cause for the suspension or revocation of the real estate license and license rights of Respondent ANGLIN pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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 the license and license rights of Respondent RENEE YVETTE ANGLIN, 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 applicable provisions of law including but not limited to restitution and costs of audit.

Dated at Los Angeles, California

this 13 April 2011.

Deputy Real Estate Commissioner

cc: Renee Yvette Anglin D.O.
Maria Suarez
Sacto.
Enforcement - Anthony Vo
Enforcement - Edgar Sarmiento
Audits - Andy Chen