

FILED

OCT 17 2013

BUREAU OF REAL ESTATE

By Norma Simmons

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of	)	BRE No. H-37691 LA
	)	OAH No. 2012010445
EXECUTIVE ONE REAL ESTATE AND)	
MORTGAGE CORPORATION;)	
GERALD FRANKLIN GEORGE,)	
individually and as designated officer of)	
Executive One Real Estate and)	
Mortgage Corporation; and)	
<u>CHRISTOPHER PAUL GEORGE,</u>)	
individually and as former designated officer of)	
Executive One Real Estate and)	
Mortgage Corporation,)	
)	
)	
Respondent(s).)	

DECISION

The Proposed Decision dated August 29, 2013, 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.

Pursuant to Section 11517 (c)(2) of the Government Code, the following corrections are made to the Proposed Decision:

Legal Conclusions, Page 6, Line 10, "in violation of section 11085" is corrected to read "in violation of section 10085."

This Decision shall become effective at 12 o'clock noon on
NOV 06 2013

IT IS SO ORDERED SEPTEMBER 19, 2013

REAL ESTATE COMMISSIONER



JEFFREY MASON
CHIEF DEPUTY COMMISSIONER

BEFORE THE
BUREAU OF REAL ESTATE
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Second Amended
Accusation Against:

Case No. H-37691 LA

OAH No. 2012010445

EXECUTIVE ONE REAL ESTATE AND
MORTGAGE CORPORATION; GERALD
FRANKLIN GEORGE; individually, and as
designated officer of Executive One Real
Estate and Mortgage Corporation; and
CHRISTOPHER PAUL GEORGE,
individually, and as former designated officer
of Executive One Real Estate and Mortgage
Corporation,

Respondents.

PROPOSED DECISION

This matter came on regularly for hearing on February 5, 2013, in Los Angeles, California, before Mark Harman, Administrative Law Judge, Office of Administrative Hearings, State of California.

Maria Suarez (Complainant) was represented by Lissete Garcia, Counsel, Bureau of Real Estate (Bureau),¹ Department of Consumer Affairs. There were no appearances by Respondents Executive One Real Estate and Mortgage Corporation (Executive One), Gerald Franklin George (G. George), or Christopher Paul George (C. George).

Before the hearing, Executive One voluntarily surrendered its broker license and Complainant reached a tentative settlement agreement with G. George. These actions subsequently were approved by the Commissioner of Real Estate (Commissioner) on March 18, 2013. (Exh. 26.) John F. Mansour, counsel for Respondent C. George, submitted a letter to OAH on or about February 1, 2013 (received on February 6, 2013), which acknowledged the hearing date and stated why Respondent C. George would not be appearing at the hearing. (Exh. 27.)

¹ The Bureau is the successor agency to the Department of Real Estate as of July 1, 2013. The Commissioner of Real Estate is the chief officer of the Bureau.

4a. 21 Century is a California Corporation formed on December 5, 2008. The address for 21 Century's initial agent for service of process, M.T. Nehmeh, Esq., was 9607 Business Center Drive, Building 13, #D, Rancho Cucamonga, California 91730. This same address also served as the main office address of 21st Century Real Estate Investment Corporation, a licensed corporate real estate broker, between November 9, 2007, and January 16, 2009. 21 Century, which has never been licensed by the Bureau in any capacity, appears to have occupied the same office space as 21st Century Real Estate Investment Corporation,⁴ which was in the same building as Respondent C. George and Executive One. In 2008 and 2009, several related entities or fictitious business names operated from this address, including 21st Century Legal Services and 21st Century Real Estate & Investment Corporation.

4b. 21 Century filed a Statement of Information with the Secretary of State on January 20, 2009, which listed Respondent C. George as chief executive officer, a director, and agent for service of process, Andrea Ramirez as the secretary, chief financial officer, and a director, and a principal executive office address of 9507 Business Center Drive, Building 7, Suite B, Rancho Cucamonga. In 2009, 21 Century operated from other Rancho Cucamonga office locations that had been designated as the main office and mailing addresses of Respondent C. George's broker license, including 9340 Baseline Road, Suites 104 and Suite 105.

5. Mable Rose Hernandez (Hernandez) was licensed as a real estate salesperson on October 19, 2005, in the employ of Executive One. She changed her employing broker to RC Mortgage Quest, Inc., on May 18, 2009. Respondent C. George was the designated officer of RC Mortgage from September 15, 2008 to September 14, 2012. Complainant named Hernandez as a Respondent in this matter. Hernandez voluntarily surrendered her license on April 4, 2012. The Commissioner approved this surrender on May 21, 2012, and it became effective on June 13, 2012.

6. Hernandez engaged in certain acts requiring a real estate license. Specifically, Hernandez offered loan modification services to a consumer, Jacqueline G., and demanded and collected an advance fee in connection with these services. The loan modification agreement was between 21 Century Real Estate & Investment Corp. and Jacqueline G. At the time, Hernandez's salesperson license either was placed with Executive One or RC Mortgage Quest, Inc. Jacqueline G. paid an advance fee of \$3,000 in three installments between November 27, 2008, and January

⁴ The Bureau brought an administrative action to revoke 21st Century Real Estate Investment Corporation's corporate real estate license in March 2010. The license was revoked by the Bureau on June 28, 2011. The Bureau also has revoked the licenses of individuals associated with 21st Century Real Estate Investment Corporation, including Mindy Sue Holt (Holt), the designated broker, and Andrea Raquel Ramirez (Ramirez), a licensed salesperson and an officer of 21 Century.

31, 2009, with checks payable to Hernandez. 21 Century failed to perform the loan modification services that it had promised Jacqueline G. 21 Century and Hernandez refused to refund the fees paid by Jacqueline G.

7a. After Jacqueline G. complained to the Bureau in 2010, Hernandez provided a letter to the Bureau on September 7, 2011, setting forth her account concerning this transaction. She said that she: “worked for Chris George at Executive One, then we all were told we would be starting something new it was Loan Modifications, they would be done under a attorney and the company was called 21st Century Legal Services. [¶. . .] so I agreed to give Jacqueline G. a helping hand. [¶. . .] I submitted her authorization. . . It took me until 05/12/09 to get a loan modification from the bank. [¶. . .] Sept 23/2009 The Federal government had come in and shut down 21st Century Legal Services. I was not at the office because had my own files and at that point process mostly from home and preferred at that time to be away from Andrea who I by now had heard was the owner of what had become a madhouse.”

7b. Hernandez continued: “[T]he dept of the treasury came by and I told him how the money went . . . I would get 40% they would get 60% if they provided the lead such as a dialing system. But if I provided my own leads I got the bigger portion. [¶. . .] If somebody wrote me a check in my name I would cash it give 21st Century their portion and keep mine pay my telemarketers ECT.” She went on to say “I have no regrets about helping people . . . and if I had it to do over I would except knowing what I now know, after our conversation this morning I would never had accepted the money upfront.”

8. Hernandez’s descriptions of the Jacqueline G. transaction demonstrate that Hernandez was engaged in soliciting loan modification services and received advance fees on behalf of 21 Century. These acts were not legal in California, in particular because soliciting borrowers and offering to perform services for borrowers in connection with a loan secured directly or collaterally by a lien on real property requires a real estate license (§ 10131, subd. (d).) 21 Century was neither licensed to engage in these activities nor a fictitious business name filed with the Bureau through which these activities could be performed.

9. The residential loan modification agreement under which 21 Century charged a \$3,000 advance fee to Jacqueline G. was not submitted to the Department prior to its use, as required under section 10085 and California Code of Regulations, title 10 (CCR), section 2970.

10. Neither Respondent C. George nor Hernandez deposited the advance fees collected from Jacqueline G. in a trust account or provided an accounting to Jacqueline G., as required under section 10146 and CCR section 2972.

11a. Complainant presented evidence of five other consumer complaints involving transactions similar to Jacqueline G. There was commonality of individuals' names, business styles, and office addresses, which indicated that these loan modification services agreements also were being solicited on behalf of 21 Century. These transactions further demonstrated that 21 Century's officers and employees violated provisions of the Real Estate Law pertaining to the solicitation of loan modification services agreements and to the payment of advance fees. For example, as early as September 2008, Jean and Iris D. were solicited by Ramirez, a salesperson and an officer of 21 Century, for a loan modification services agreement regarding loans on two parcels of real property in Florida. The couple paid \$7,750 in advance fees to "21st Century" in approximately December 2008. 21 Century did not obtain a modification of the principals' loans and the principals later were notified their properties were going into foreclosure. They asked for a refund. Ramirez told them no, and said to take the matter to small claims court.

11b. Laxlie and Jonie F. received mail solicitations from 21 Century in January 2009. Their property also was located in Florida, and they need assistance obtaining a loan modification. Ruby Encina, an unlicensed person affiliated with 21 Century, told the principals that she had a 95 percent success rate of obtaining modifications for homeowners. The couple was asked to pay advance fees of \$3,612.

11c. Gary and Marcy L. were behind in their mortgage payments when they signed a loan modification services agreement with 21 Century in January 2009, in which 21 Century promised to modify their first and second mortgages, and lower their interest rates to four percent. They paid a total of \$3,500 in advance fees to "21st Century Legal Services," and were assured that, if 21 Century could not help them, their money would be refunded. In April 2009, they learned from a 21 Century representative that 21 Century could not help them. They again tried calling 21 Century to ask for a refund, and 21 Century either did not answer their telephone calls or refused to return their calls.

11d. On March 21, 2009, Kerri J., a resident of Virginia, received a mail solicitation from 21 Century, with an address of 9340 Baseline Road Suite 105, Rancho Cucamonga. The mailer offered loan modification services and collection of an advance fee. Kerri J. paid over \$4,400 in advance fees to 21 Century. Beginning in April 2009, Kevin J., a resident of Pennsylvania, received multiple mailed solicitations from 21 Century with an address of 9340 Baseline Road, Suite 105, Rancho Cucamonga. He paid nearly \$4,683 in advance fees to 21 Century. 21 Century neither obtained loan modifications for these victims nor would refund any of the advance fees.

12. Respondent C. George was the chief executive officer of 21 Century. Respondent C. George, as designated officer of RC Mortgage Quest, Inc., was responsible for overseeing Hernandez's licensed activities during the same time period that Hernandez was engaged in loan modification activities conducted on

behalf of Respondent C. George's company. A reasonable inference, based on Hernandez's statement and official records, is that Respondent C. George directly or indirectly solicited unauthorized and unlawful loan modification services agreements, from which he received advance fees.

13. On September 5, 2012, an indictment was filed before the United States District Court for the Central District of California, in case number ED CR12-00065, against Respondent C. George, and 10 other individuals, including Ramirez and Holt, charging them with felony violations of 18 U.S.C. sections 1349 (conspiracy), 1343 (wire fraud), and 1341 (mail fraud), in connection with the loan modification activities of 21 Century and related entities. The indictment alleges that 21 Century, by the use of false pretenses and advertising that contained numerous materially false statements, induced distressed homeowners to pay advance fees totaling as much as \$7 million. Respondent C. George failed to report this indictment to the Bureau within 30 days from the bringing of the indictment.

14. As a matter in aggravation, several other states, including Arkansas, Florida, Maryland, Michigan, New Hampshire, Ohio, and Washington, have issued Orders to Cease and Desist, Permanent Injunctions, and subpoenas against 21 Century and its affiliates, based on unlawful, unlicensed loan modification activities.

15. Except for those previously found to have merit, all other allegations in the Second Amended Accusation and all other contentions made at the hearing are found to lack merit or to be surplusage.

LEGAL CONCLUSIONS

1. Cause exists to discipline the real estate broker license of Respondent C. George under section 10177, subdivision (d), for willful violations of the Real Estate Law. Respondent C. George, through an unlicensed entity, 21 Century, and through unauthorized fictitious business names, engaged in the business of a real estate broker in the State of California within the meaning of sections 10131, subdivision (d), and 10131.2, to wit, 21 Century's employees solicited borrowers to perform modification services in connection with residential real property loans, and accepted advance fees in connection with these loan modification services agreements; and further, failed to obtain prior authorization for these agreements from the Commissioner, in violation of section 11085 and CCR section 2970; and failed to deposit advance fees in a trust account as required under section 10146 and CCR section 2972. (Factual finding numbers 2 through 12.)

2. Cause exists to discipline the real estate broker license of Respondent C. George pursuant to sections 10177, subdivisions (d), for willfully using 21 Century and other unauthorized names to engage in real estate activities, e.g., loan modification services, which required a license, as set forth in factual finding numbers

2 through 12, and legal conclusion number 1. Real estate brokers, as well as salespersons, perform real estate activities only in the names that appear on the real estate license. Section 10159.5 provides that: "Every person applying for a license under this chapter who desires to have such license issued under a fictitious business name shall file with his application a certified copy of his fictitious business name statement filed with the county clerk." The Commissioner's regulation also prohibits the use of "a fictitious name in the conduct of any activity for which a license is required under the Real Estate Law unless the licensee is the holder of a license bearing the fictitious name." (Cal. Code Regs., tit. 10, § 2731, subd. (a).) Respondent C. George, who was the chief executive officer of 21 Century, never applied to the Bureau to allow his broker license to use any of the fictitious business names affiliated with 21 Century, including 21st Century Legal Services or 21st Century Real Estate & Investment Corp.

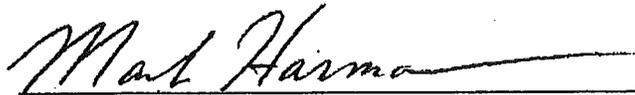
3. Cause exists to discipline the real estate broker license of Respondent C. George under sections 10177, subdivision (d), and 10186.2, for failure to make a written report to the Commissioner within 30 days from the bringing of a federal indictment against Respondent, as set forth in factual finding number 13

4. The purpose of a disciplinary matter is to protect the public and not to punish the licensee. (*Handeland v. Department of Real Estate* (1976) 58 Cal.App.3d 513, 518; *Camacho v. Youde* (1979) 95 Cal.App.3d 161; *Small v. Smith* (1971) 16 Cal.App.3d 450, 457.) Respondent C. George violated many duties of a real estate broker under the Real Estate Law. His conduct appears to have caused substantial harm to numerous homeowners who were in financial distress. His conduct demonstrates that he lacks an ability to perform the activities of a licensed real estate broker in a manner consistent with the public safety. Revocation of his license is necessary and in the public interest.

ORDER

All licenses and licensing rights of Respondent, Christopher Paul George, under the Real Estate Law are revoked.

DATED: August 29, 2013


MARK HARMAN
Administrative Law Judge
Office of Administrative Hearings

1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondent
3 at a formal hearing on the Second Amended Accusation, which
4 hearing was to be held in accordance with the provisions of the
5 Administrative Procedure Act ("APA"), shall instead and in place
6 thereof be submitted solely on the basis of the provisions of
7 this Stipulation and Agreement ("Stipulation").

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

12 3. Respondent filed a Notice of Defense pursuant to
13 Section 11506 of the Government Code for the purpose of
14 requesting a hearing on the allegations in the Second Amended
15 Accusation. Respondent hereby freely and voluntarily withdraws
16 said Notice of Defense. Respondent acknowledges that he
17 understands that by withdrawing said Notice of Defense he will
18 thereby waive his right to require the Commissioner to prove the
19 allegations in the Second Amended Accusation at a contested
20 hearing held in accordance with the provisions of the APA and
21 that he will waive other rights afforded to him in connection
22 with the hearing such as the right to present evidence in
23 defense of the allegations in the Second Amended Accusation and
24 the right to cross-examine witnesses.

25 4. This Stipulation is based on the factual
26 allegations contained in the Second Amended Accusation filed in
27 this proceeding. In the interest of expedience and economy,
28 Respondent chooses not to contest these factual allegations, but
to remain silent and understands that, as a result thereof,

1 these factual statements, will serve as a prima facie basis for
2 the disciplinary action stipulated to herein. The Real Estate
3 Commissioner shall not be required to provide further evidence
4 to prove such allegations.

5 5. This Stipulation is made for the purpose of
6 reaching an agreed disposition of this proceeding and is
7 expressly limited to this proceeding and any other proceeding or
8 case in which the Department of Real Estate ("Department"), the
9 state or federal government, or any agency of this state,
10 another state or federal government is a party.

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

21 7. The Order or any subsequent Order of the Real
22 Estate Commissioner made pursuant to this Stipulation shall not
23 constitute an estoppel, merger or bar to any further
24 administrative or civil proceedings by the Department of Real
25 Estate with respect to any matters which were not specifically
26 alleged to be causes for accusation in this proceeding but do
27 constitute a bar, estoppel and merger as to any allegations
28 actually contained in the Second Amended Accusation against
Respondent herein.

DETERMINATION OF ISSUES

1
2 By reason of the foregoing stipulations and waivers
3 and solely for the purpose of settlement of the pending Second
4 Amended Accusation without a hearing, it is stipulated and
5 agreed that the following determination of issues shall be made:

6 The conduct, acts and/or omissions of Respondent
7 GERALD FRANKLIN GEORGE, as set forth in Paragraph 4, above, in
8 failing to adequately supervise the activities of Respondent
9 EXECUTIVE ONE to ensure compliance with the Real Estate Law, is
10 in violation of Section 10159.2 of the Code and constitutes
11 grounds to discipline the license and license rights of
12 Respondent GERALD FRANKLIN GEORGE pursuant to Code Sections
13 10177(h).

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1 5. If Respondent pays the monetary penalty and if no
2 further cause for disciplinary action against the real estate
3 license of Respondent occurs within one year from the effective
4 date of the Decision, the stay hereby granted shall become
5 permanent.

6 DATED: Jan. 25, 2013

7 
Lissete Garcia, Counsel for
8 the Department of Real Estate

9 * * *

10 I have read the Stipulation and Agreement, have
11 discussed it with my counsel, and its terms are understood by me
12 and are agreeable and acceptable to me. I understand that I am
13 waiving rights given to me by the California Administrative
14 Procedure Act (including but not limited to Sections 11506,
15 11508, 11509 and 11513 of the Government Code), and I willingly,
16 intelligently and voluntarily waive those rights, including the
17 right of requiring the Commissioner to prove the allegations in
18 the Second Amended Accusation at a hearing at which I would have
19 the right to cross-examine witnesses against me and to present
20 evidence in defense and mitigation of the charges.

21
22 Respondent can signify acceptance and approval of the
23 terms and conditions of this Stipulation and Agreement by faxing
24 a copy of the signature page, as actually signed by Respondent,
25 to the Department at the following telephone/fax number: (213)
26 576-6917. Respondent agrees, acknowledges and understands that
27 by electronically sending to the Department a fax copy of his
28

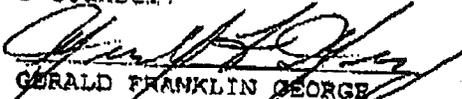
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1 actual signature as it appears on the Stipulation and Agreement,
 2 that receipt of the faxed copy by the Department shall be as
 3 binding on Respondent as if the Department had received the
 4 original signed Stipulation and Agreement.

5 Further, if the Respondent is represented by counsel,
 6 the Respondent's counsel can signify his agreement to the terms
 7 and conditions of the Stipulation and Agreement by submitting
 8 that signature via fax. The Commissioner has asked that within
 9 24 hours of obtaining Respondent's signature to the agreement,
 10 Respondent's counsel shall deposit in the mail the original
 11 settlement/stipulation containing the original signatures of
 12 both the Respondent and Respondent's counsel.

15 DATED: 1/24/13


 GERALD FRANKLIN GEORGE
 Respondent

17 DATED: 1/24/13


 JOHN P. MANSOUR, ESQ.
 Counsel for Respondent
 Approved as to Form

21 The foregoing Stipulation and Agreement is hereby
 22 adopted as my Decision and Order in this matter, and shall
 23 become effective at 12 o'clock noon on _____, 2013.

24 IT IS SO ORDERED _____, 2013.

26 REAL ESTATE COMMISSIONER

1 actual signature as it appears on the Stipulation and Agreement,
2 that receipt of the faxed copy by the Department shall be as
3 binding on Respondent as if the Department had received the
4 original signed Stipulation and Agreement.

5 Further, if the Respondent is represented by counsel,
6 the Respondent's counsel can signify his agreement to the terms
7 and conditions of the Stipulation and Agreement by submitting
8 that signature via fax. The Commissioner has asked that within
9 24 hours of obtaining Respondent's signature to the agreement,
10 Respondent's counsel shall deposit in the mail the original
11 settlement/stipulation containing the original signatures of
12 both the Respondent and Respondent's counsel.
13
14

15 DATED: _____

GERALD FRANKLIN GEORGE
Respondent

17 DATED: _____

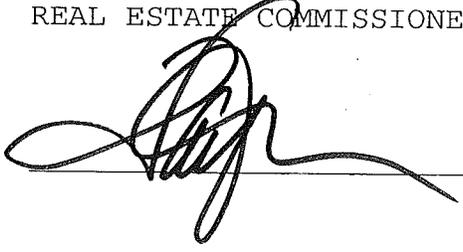
JOHN F. MANSOUR, ESQ.
Counsel for Respondent
Approved as to Form

20 * * *

21 The foregoing Stipulation and Agreement is hereby
22 adopted as my Decision and Order in this matter, and shall
23 become effective at 12 o'clock noon on April 15, 2013.

24 IT IS SO ORDERED March 18, 2013.

25 REAL ESTATE COMMISSIONER

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IT IS HEREBY ORDERED that Respondent's petition for voluntary surrender of its corporate real estate broker license is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated January 24, 2013, (attached as Exhibit "A" hereto). Respondent's license certificate and pocket card shall be sent to the below listed address so that they reach the Department on or before the effective date of this Order:

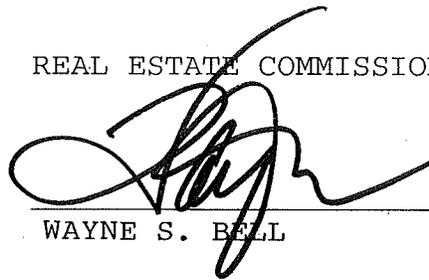
Department of Real Estate
Attn: Licensing Flag Section
P.O. Box 187000
Sacramento, CA 95818-7000

This Order shall become effective at 12 o'clock noon
on April 15, 2013.

DATED:

3/18/2013

REAL ESTATE COMMISSIONER



WAYNE S. BELL

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EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	DRE No. H-37691 LA
<u>EXECUTIVE ONE REAL ESTATE AND</u>	)	OAH No. 2012010445
<u>MORTGAGE CORPORATION;</u>)	
GERALD FRANKLIN GEORGE;)	
individually and as designated)	
officer of Executive One Real)	
Estate and Mortgage Corporation;)	
and CHRISTOPHER PAUL GEORGE,)	
individually and as former)	
designated officer of Executive)	
One Real Estate and Mortgage)	
Corporation,)	
)	
)	
Respondents.)	

DECLARATION

My name is GERALD FRANKLIN GEORGE and I am or was an officer of EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION which was licensed as a real estate broker and has license rights with respect to said license. I am authorized and empowered to sign this declaration on behalf of EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION. I am acting on behalf of

1 EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION in this
2 matter. EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION and
3 I are represented by John F. Mansour, attorney at law, in this
4 matter.

5 In lieu of proceeding in this matter in accordance
6 with the provisions of the Administrative Procedure Act
7 (Sections 11400 et seq., of the Government Code), EXECUTIVE ONE
8 REAL ESTATE AND MORTGAGE CORPORATION will voluntarily surrender
9 its real estate license, issued by the Department of Real Estate
10 ("Department"), pursuant to Business and Professions Code
11 Section 10100.2.

12 It is understood that by so voluntarily surrendering
13 its license, EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION
14 may be relicensed as a broker or issued a new mortgage loan
15 originator endorsement, only by petitioning for reinstatement
16 pursuant to Section 11522 of the Government Code. It is also
17 understood that by so voluntarily surrendering its license,
18 EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION agrees to the
19 following:

20 1. The filing of this Declaration shall be deemed as
21 its petition for voluntary surrender.

22 2. It shall also be deemed to be an understanding and
23 agreement by EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION
24 that it waives all rights EXECUTIVE ONE REAL ESTATE AND MORTGAGE
25 CORPORATION has to require the Commissioner to prove the
26 allegations contained in the Second Amended Accusation filed in
27 this matter at a hearing held in accordance with the provisions

1 of the Administrative Procedure Act (Government Code Sections
2 11400 et seq.), and that EXECUTIVE ONE REAL ESTATE AND MORTGAGE
3 CORPORATION also waives other rights afforded to it in
4 connection with the hearing such as the right to discovery, the
5 right to present evidence in defense of the allegations in the
6 Second Amended Accusation and the right to cross-examine
7 witnesses.

8 3. EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION
9 further agrees that upon acceptance by the Commissioner, as
10 evidenced by an appropriate order, all affidavits and all
11 relevant evidence obtained by the Department in this matter
12 prior to the Commissioner's acceptance, and all allegations
13 contained in the Second Amended Accusation filed in the
14 Department Case No. H-37691 LA, may be considered by the
15 Department to be true and correct as to Executive One Real
16 Estate and Mortgage for the purpose of deciding whether to grant
17 relicensure or reinstatement pursuant to Government Code Section
18 11522.

19 4. EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION
20 freely and voluntarily surrenders all of its licenses and
21 license rights under the Real Estate Law.

22 5. A copy of the Commissioner's Criteria of
23 Rehabilitation is attached hereto. If and when a petition
24 application is made for reinstatement of a surrendered license
25 or endorsement, the Real Estate Commissioner will consider as
26 one of the criteria of rehabilitation, whether or not
27 restitution has been made to any person who has suffered

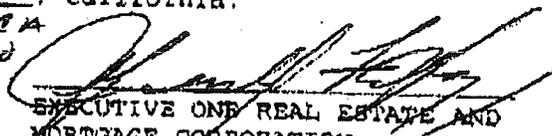
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1 monetary losses through "substantially related" acts or
 2 omissions of Respondent, whether or not such persons are named
 3 in the investigation file in this case.

4 I declare under penalty of perjury under the laws of
 5 the State of California that the above is true and correct and
 6 that this declaration was executed 1/24/13 2013,
 7 at 9631 VIA MANANA, California.

8 RALPH CLARKE, CA
 9 91780



EXECUTIVE ONE REAL ESTATE AND
 MORTGAGE CORPORATION
 by Gerald Franklin George

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1 LISSETE GARCIA, Counsel (SBN 211552)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105

5 Telephone:(213) 576-6982
6 (Direct) (213) 576-6914

FILED

DEC 11 2012

DEPARTMENT OF REAL ESTATE
BY: C. Z.

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) DRE No. H-37691 LA
12) OAH No. 2012010445
13 EXECUTIVE ONE REAL ESTATE AND)
14 MORTGAGE CORPORATION;) SECOND AMENDED
15 GERALD FRANKLIN GEORGE;) ACCUSATION
16 individually and as designated)
17 officer of Executive One Real)
18 Estate and Mortgage Corporation; and)
19 CHRISTOPHER PAUL GEORGE,)
20 individually and as former)
21 designated officer of)
22 Executive One Real Estate and)
23 Mortgage Corporation,)
24 Respondents.)

25 This Second Amended Accusation amends the First Amended Accusation filed on
26 June 19, 2012. The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State
27 of California, for cause of Accusation against EXECUTIVE ONE REAL ESTATE AND
28 MORTGAGE CORPORATION; GERALD FRANKLIN GEORGE, individually and as officer
of Executive One Real Estate and Mortgage Corporation; and CHRISTOPHER PAUL
GEORGE, individually and as former officer of Executive One Real Estate and Mortgage
Corporation, (collectively "Respondents") is informed and alleges as follows:

1. 1

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

2. 4

5 At all times herein mentioned, Respondents were licensed and/or have license
6 rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions
7 Code).

3. 8

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

4. 11

12 From May 20, 2004, through May 19, 2012, EXECUTIVE ONE REAL ESTATE
13 AND MORTGAGE CORPORATION ("EXECUTIVE ONE") was licensed as a corporate real
14 estate broker, License No. 01431726. EXECUTIVE ONE's license expired on
15 May 19, 2012. Respondent has renewal rights under Code Section 10201. The Department
16 retains jurisdiction pursuant Code Section 10103. From May 20, 2004, through January 30,
17 2005, EXECUTIVE ONE was licensed to act by and through Respondent CHRISTOPHER
18 PAUL GEORGE as its officer pursuant to Code Section 10159.2 to be responsible for ensuring
19 compliance with the Real Estate Law.

5. 20

21 From May 20, 2004, through May 19, 2012, Respondent EXECUTIVE ONE was
22 licensed to act by and through Respondent GERALD FRANKLIN GEORGE as its officer
23 pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate
24 Law.

6. 25

26 From November 6, 2004, through the present, Respondent GERALD FRANKLIN
27 GEORGE has been licensed as a real estate broker, License No. 01354433. During all times
28 relevant herein, Respondent GERALD FRANKLIN GEORGE was an officer, director, and

1 owned or controlled ten percent or more of EXECUTIVE ONE's stock.

2 7.

3 From April 22, 2003, through the present, Respondent CHRISTOPHER PAUL
4 GEORGE has been licensed as a real estate broker, License No. 01262125.

5 8.

6 From October 19, 2005, through May 21, 2012, Mable Rose Hernandez
7 ("Hernandez") was licensed as a restricted real estate salesperson, License No. 01462457. From
8 May 14, 2008, through May 17, 2009, Hernandez was licensed under the employ of Respondent
9 EXECUTIVE ONE. Hernandez voluntarily surrendered her license effective as of June 13,
10 2012.

11 FIRST CAUSE OF ACCUSATION

12 (Dissolved Corporation)

13 (Failure To Supervise – Respondent GERALD FRANKLIN GEORGE)

14 9.

15 Regulation 2743, subdivision (c) states: "[A] corporation licensed under Section
16 10211 of the Code shall not engage in the business of a real estate broker while not in good legal
17 standing with the Office of the Secretary of State."

18 10.

19 On November 6, 2008, Respondent EXECUTIVE ONE was dissolved as a
20 corporation with the California Secretary of State. No notice of the change in corporate status
21 was provided to the Department by either Respondent EXECUTIVE ONE or Respondent
22 GERALD FRANKLIN GEORGE.

23 11.

24 The dissolution of Respondent EXECUTIVE ONE's corporate status is in
25 violation of Regulation 2742, subdivision (c) and constitutes grounds to suspend or revoke
26 Respondent EXECUTIVE ONE's corporate real estate broker license pursuant to Code Sections
27 10177(d) and/or 10177(g).

28

1 12.

2 The conduct, acts and/or omissions of Respondent GERALD FRANKLIN
3 GEORGE as set forth in Paragraphs 9 through 11, above, in failing to adequately supervise the
4 activities of Respondent EXECUTIVE ONE to ensure compliance with the Real Estate Law, is
5 in violation of Section 10159.2 of the Code and constitutes grounds to discipline the license
6 and/or license rights of Respondent GERALD FRANKLIN GEORGE pursuant to Code
7 Sections 10177(h), 10177(d) and/or 10177(g).

8
9 SECOND CAUSE OF ACCUSATION

10 (Advance Fee Violations/Misrepresentations/Dishonest Dealing)

11 13.

12 There is hereby incorporated in this Second, separate Cause of Accusation, all of
13 the allegations contained in Paragraphs 1 through 12 above, with the same force and effect as if
14 herein fully set forth.

15 14.

16 21st Century Legal Services, Inc., also known as 21st Century Legal Services, and
17 Ruby Encina have never been licensed by the Department in any capacity. 21 Century Legal
18 Services operated out of multiple locations including 9507 Business Center Drive, Building 7,
19 Suite B, Rancho Cucamonga 91730, 9607 Business Center Drive, Building 13, Suite D, Rancho
20 Cucamonga 91730 and 9340 Baseline Road, Suite 104, Rancho Cucamonga, California 91701.

21 15.

22 21st Century Real Estate Investment Corporation was formerly licensed by the
23 Department as a corporate real estate broker, License No. 01835672. 21st Century Real Estate
24 Investment Corporation's license was revoked by the Department on June 28, 2011, in
25 Department Case No. H-36504 LA. 21st Century Real Estate Investment Corporation's main
26 office address from November 9, 2007, through January 16, 2009, was 9607 Business Center
27 Drive, Building 13, Suite D, Rancho Cucamonga, California 91730.

28

1 16.

2 Mindy Sue Holt was formerly licensed as a real estate broker and as the
3 designated officer for 21st Century Real Estate Investment Corporation. Mindy Sue Holt's real
4 estate broker license was revoked on June 30, 2011, in Department Case No. H-36504 LA.

5 17.

6 Andrea Raquel Ramirez ("Ramirez") was formerly licensed as a real estate
7 salesperson. From April 21, 2008, through January 15, 2009, Ramirez' employing broker was
8 listed as 21st Century Real Estate Investment Corporation. Ramirez' real estate salesperson
9 license was revoked on October 21, 2009, in Department Case No. H-35895 LA.

10 18.

11 For an unknown period of time beginning no later than November 26, 2008, and
12 continuing to the present, Respondents, while using the fictitious business names 21st Century
13 Legal Services, Inc., 21st Century Legal Services, 21st Century Real Estate & Investment Corp.,
14 or other fictitious business names not known at this time, engaged in the business of, acted in the
15 capacity of, advertised or assumed to act as real estate brokers in the State of California within
16 the meaning of Code Sections 10131, subdivision (d) and 10131.2. Their activities included
17 soliciting borrowers or lenders for and/or negotiating loans, collecting payments and/or
18 performing services for borrowers or lenders in connection with loans secured by liens on real
19 property. Their activities also included claiming, demanding, charging, receiving, collecting or
20 contracting for the collection of an advance fee within the meaning of Code Sections 10026 and
21 10085.

22 19.

23 Respondents engaged in the activities described in Paragraph 18, above, along
24 with Hernandez, Ramirez, Ruby Encina, and Mindy Sue Holt. Respondents engaged in said
25 activities from several locations including: 1) 9507 Business Center Drive, Building 7, Suite B,
26 Rancho Cucamonga, California 91730; 2) 9607 Business Center Drive, Bldg. 13, Ste. D, Rancho
27 Cucamonga, California 91730; 3) 9607 Business Center Drive, Building 13, Suite E, Rancho
28 Cucamonga, California 91730; and 4) 9340 Baseline Road, Suite 105, Rancho Cucamonga,

1 California 91701.

2 20.

3 Jacqueline G.

4 In or around November, 2008, Hernandez solicited loan modification and
5 negotiation services in connection with loans secured by liens on real property to Jacqueline G.
6 Hernandez provided Jacqueline G. with a residential loan modification agreement between 21st
7 Century Real Estate & Investment Corp. and Jacqueline G. Hernandez made misrepresentations
8 to Jacqueline G. including that a licensed attorney would handle the loan modification and
9 negotiation with Jacqueline G.'s lender in order to induce Jacqueline G. to enter into the
10 agreement with 21st Century Real Estate & Investment Corp. On November 26, 2008,
11 Jacqueline G. paid \$1,000 in advance fees to Hernandez for loan negotiation and modification
12 services. On December 30, 2008, Jacqueline G. paid \$1,000 in advance fees to Hernandez for
13 loan negotiation and modification services. On January 31, 2009, Jacqueline G. paid \$1,000 in
14 advance fees to Hernandez for loan negotiation and modification services. Jacqueline G. did not
15 obtain a loan modification through Respondents.

16 21.

17 On or about September 7, 2011, Hernandez provided a written statement to the
18 Department wherein Hernandez claimed that she conducted the loan modification and
19 negotiation services for Jacqueline G. while Hernandez was working under the direction of
20 Respondents CHRISTOPHER PAUL GEORGE and EXECUTIVE ONE.

21 22.

22 The residential loan modification agreement which charged a \$3,000 advance fee
23 to Jacqueline G. was not submitted to the Department prior to use as was required under Code
24 Section 10085 and Regulation Section 2970.

25 23.

26 The advance fees collected by Respondents were not deposited in a trust account
27 as required under Code Section 10146. Respondents did not provide an accounting to principals,
28 in violation of Code Section 10146 and Regulation Section 2972.

1 24.

2 The conduct, acts and/or omissions of Respondents EXECUTIVE ONE,
3 GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, as set forth above, in
4 collecting advance fees from prospective borrowers pursuant to a written fee agreement, which
5 agreement was not submitted to the Department for review prior to use, is in violation of Code
6 Section 10085 and Regulation Section 2970, and constitutes grounds for the suspension or
7 revocation of the licenses and license rights of Respondents EXECUTIVE ONE, GERALD
8 FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, pursuant to Code Sections
9 10177(d) or 10177(g).

10 25.

11 The conduct, acts and/or omissions of Respondents EXECUTIVE ONE,
12 GERALD FRANKLIN GEORGE, and CHRISTOPHER PAUL GEORGE, as set forth above, in
13 collecting advance fees from prospective borrowers and failing to deposit the advance fees into a
14 trust account and provide an accounting to principals, is in violation of Code Section 10146 and
15 Regulation Section 2972, and constitutes grounds for the suspension or revocation of the licenses
16 and license rights of Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE, and
17 CHRISTOPHER PAUL GEORGE, pursuant to Code Sections 10177(d) or 10177(g).

18 THIRD CAUSE OF ACCUSATION

19 (Use of Unlicensed Fictitious Business Name)

20 26.

21 There is hereby incorporated in this Third, separate, Cause of Accusation, all of
22 the allegations contained in Paragraphs 1 through 25 above, with the same force and effect as if
23 herein fully set forth.

24 27.

25 Jean and Iris D.

26 On December 2, 2008, Jean and Iris D. received various mail solicitations from
27 21st Century Legal Services, Inc. also known as 21st Century Legal Services, with an address of
28 9607 Business Center Drive, Building 13#D, Rancho Cucamonga, California 91730. The

1 mailers offered loan modification and negotiation services and charged advance fees ranging
2 from \$2,181 to \$2,871.13. Andrea Ramirez is listed as the mortgage specialist for 21st Century
3 Legal Services.

4 28.

5 Laxlie and Jonie F.

6 On January 15 and 22, 2009, Laxlie and Jonie F. received mail solicitations from
7 21st Century Legal Services with an address of 9607 Business Center Drive, Building 13#D,
8 Rancho Cucamonga, California 91730. The mailers offered loan modification and negotiation
9 services and charged advance fees of \$3,612.

10 29.

11 Gary and Marcy L.

12 On January 26, 2009, Gary and Marcy L. received a mail solicitation from 21st
13 Century Legal Services with an address of 9607 Business Center Drive, Building 13#D, Rancho
14 Cucamonga, California 91730. The mailer offered loan modification and negotiation services
15 and charged an advance fee of \$3,500.

16 30.

17 9340 Baseline Road, Suite 105

18 On March 17, 2009, Respondent CHRISTOPHER PAUL GEORGE changed his
19 main office and mailing addresses listed with the Department to 9340 Baseline Road, Suite 105,
20 Rancho Cucamonga, California 91730. On April 17, 2009, Respondent CHRISTOPHER PAUL
21 GEORGE changed his main office and mailing addresses with the Department to 9340 Baseline
22 Road, Suite 104, Rancho Cucamonga, California 91730. The City of Rancho Cucamonga,
23 California uses both zip codes 91701 and 91730.

24 31.

25 Kerri B.

26 On March 21, 2009, Kerri J. received a mail solicitation from 21st Century Legal
27 Services, Inc. also known as 21st Century Legal Services, with an address of 9340 Baseline
28 Road, Suite 105, Rancho Cucamonga, California 91701. The mailer offered loan modification

1 and negotiation services and charged an advance fee of \$2,644.

2 32.

3 Kevin J.

4 On April 27, 2009, Kevin J. received multiple mailed solicitations from 21st
5 Century Legal Services with an address of 9340 Baseline Road, Suite 105, Rancho Cucamonga,
6 California 91701. The mailers offered loan modification and negotiation services and charged
7 advance fees ranging from \$1,523.82 to \$1,658.86.

8 33.

9 The activities described in Paragraphs 20 and 27 through 32, above, of soliciting
10 borrowers and offering to perform services for borrowers in connection with a loan secured
11 directly or collaterally by a lien on real property require a real estate license under Code Section
12 10131, subdivision (d). Use of a fictitious business name for activities requiring the issuance of
13 a real estate license requires the filing of an application for the use of such name with the
14 Department in accordance with the provisions of Code Section 10159.5 and Regulation 2731.

15 34.

16 Respondents acted without Department authorization in using the fictitious
17 business names 21st Century Legal Services, Inc., 21 Century Legal Services, and 21st Century
18 Real Estate & Investment Corp. to engage in activities requiring the issuance of a real estate
19 license.

20 35.

21 The conduct, acts and/or omissions of Respondents EXECUTIVE ONE,
22 GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, as set forth in
23 Paragraphs 18 through 30, above, violate Code Section 10159.5 and Regulation 2731, and is
24 cause for the suspension or revocation of the licenses and license rights of Respondents
25 EXECUTIVE ONE, GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE,
26 pursuant to Code Sections 10177, subdivision (d) and/or 10177, subdivision (g).

1 FOURTH CAUSE OF ACCUSATION

2 (Failure to Supervise)

3 36.

4 There is hereby incorporated in this Fourth, separate Cause of Accusation, all of
5 the allegations contained in Paragraphs 1 through 35, above, with the same force and effect as if
6 herein fully set forth.

7 37.

8 Respondent GERALD FRANKLIN GEORGE's failure to supervise the activities
9 of Respondent EXECUTIVE ONE and its employees to ensure compliance with the Real Estate
10 Law, is in violation of Code Section 10159.2 and Regulation 2725, which constitutes grounds to
11 suspend or revoke Respondent GERALD FRANKLIN GEORGE's license and license rights
12 pursuant to Code Sections 10177, subdivision (h), 10177, subdivision (d) and/or 10177,
13 subdivision (g).

14 FIFTH CAUSE OF ACCUSATION

15 (Failure to Report Indictment - CHRISTOPHER PAUL GEORGE)

16 38.

17 There is hereby incorporated in this Fifth, separate Cause of Accusation, all of the
18 allegations contained in Paragraphs 1 through 37, above, with the same force and effect as if
19 herein fully set forth.

20 39.

21 Code Section 10186.2, subdivision (a)(1)(A), requires real estate licensees to
22 report to the Department any bringing of an indictment or information charging a felony against
23 the licensee. Said report must be made in writing within 30 days from the bringing of the
24 indictment under Code Section 10186.2(a)(2).

25 40.

26 On September 5, 2012, an indictment was filed before the United States District
27 Court for the Central District of California, in Case No. ED CR12-00065, against Respondent
28 CHRISTOPHER PAUL GEORGE. Said indictment charged Respondent CHRISTOPHER

1 PAUL GEORGE, among others involved with 21st Century Legal Services, Inc. and 21st Century
2 Real Estate & Investment Corp., with felony violations of 18 U.S.C. § 1341 (mail fraud), 18
3 U.S.C. § 1343 (wire fraud), and 18 U.S.C. § 1349 (conspiracy to commit mail and wire fraud).

4 41.

5 Respondent CHRISTOPHER PAUL GEORGE's failure to report said indictment
6 to the Department in writing within 30 days of the bringing of the indictment, is in violation of
7 Code Sections 10186.2(a)(1)(A) and 10186.2(a)(2), which constitutes grounds to suspend or
8 revoke Respondent CHRISTOPHER PAUL GEORGE's license and license rights pursuant to
9 Code Sections 10177, subdivision (d) and/or 10177, subdivision (g).

10 IN AGGRAVATION

11 42.

12 Several other states including Arkansas, Florida, Maryland, Michigan, New
13 Hampshire, Ohio, and Washington have issued Orders to Cease and Desist, Permanent
14 Injunctions, and subpoenas against 21st Century Legal Services based on unlawful, unlicensed
15 loan modification activities.

16 43.

17 Code Section 10106 provides, in pertinent part, that in any order issued in
18 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
19 may request the administrative law judge to direct a licensee found to have committed a violation
20 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement
21 of the case.

22 ///

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28 ///

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and/or license rights of Respondents EXECUTIVE ONE REAL
4 ESTATE AND MORTGAGE CORPORATION, GERALD FRANKLIN GEORGE, individually
5 and as designated officer of Executive One Real Estate and Mortgage Corporation, and
6 CHRISTOPHER PAUL GEORGE, individually and as former designated officer of Executive
7 One Real Estate and Mortgage Corporation, under the Real Estate Law (Part 1 of Division 4 of
8 the Business and Professions Code), for the cost of investigation and enforcement as permitted
9 by law, and for such other and further relief as may be proper under other provisions of law.

10 Dated at Los Angeles, California

11 this 6th day of December, 2012

12 
13 MARIA SUAREZ
14 Deputy Real Estate Commissioner

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23 cc: Executive One Real Estate and Mortgage Corporation
24 Gerald Franklin George
25 Christopher Paul George
26 Maria Suarez
27 Sacto.
28 OAH
John F. Mansour, Esq.

1 IT IS HEREBY ORDERED that Respondent MABLE ROSE
2 HERNANDEZ' petition for voluntary surrender of her real estate
3 salesperson license is accepted as of the effective date of this
4 Order as set forth below, based upon the understanding and
5 agreement expressed in Respondent's Declaration dated
6 April 4, 2012 (attached as Exhibit "A" hereto). Respondent's
7 license certificate and pocket card shall be sent to the below
8 listed address so that they reach the Department on or before
9 the effective date of this Order:

10 Department of Real Estate
11 Attn: Licensing Flag Section
12 P.O. Box 187000
13 Sacramento, CA 95818-7000

14 This Order shall become effective at 12 o'clock noon
15 on June 13, 2012.

16 DATED: May 21, 2012.

17 Real Estate Commissioner
18 
19 _____
20 By WAYNE S. BELL
21 Chief Counsel
22
23
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25
26
27

EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	NO. H-37691 LA
	)	L-2012010445
EXECUTIVE ONE REAL ESTATE AND)	
MORTGAGE CORPORATION,)	
GERALD FRANKLIN GEORGE,)	
individually and as designated)	
officer of Executive One Real)	
Estate and Mortgage Corporation,)	
CHRISTOPHER PAUL GEORGE,)	
individually and as former)	
designated officer of)	
Executive One Real Estate and)	
Mortgage Corporation, and)	
<u>MABLE ROSE HERNANDEZ,</u>)	
)	
Respondents.)	

DECLARATION

My name is MABLE ROSE HERNANDEZ, and I am currently licensed as a real estate salesperson and/or have license rights with respect to said license. I am representing myself in this matter.

///

1 In lieu of proceeding in this matter in accordance
2 with the provisions of the Administrative Procedure Act
3 (Sections 11400 et seq., of the Government Code), I wish to
4 voluntarily surrender my real estate license issued by the
5 Department of Real Estate ("Department"), pursuant to Business
6 and Professions Code Section 10100.2.

7 I understand that by so voluntarily surrendering my
8 license, I may be relicensed as a broker or as a salesperson
9 only by petitioning for reinstatement pursuant to Section 11522
10 of the Government Code. I also understand that by so
11 voluntarily surrendering my license, I agree to the following:

12 1. The filing of this Declaration shall be deemed as
13 my petition for voluntary surrender.

14 2. It shall also be deemed to be an understanding and
15 agreement by me that I waive all rights I have to require the
16 Commissioner to prove the allegations contained in the
17 Accusation filed in this matter at a hearing held in accordance
18 with the provisions of the Administrative Procedure Act
19 (Government Code Sections 11400 et seq.), and that I also waive
20 other rights afforded to me in connection with the hearing such
21 as the right to discovery, the right to present evidence in
22 defense of the allegations in the Accusation and the right to
23 cross-examine witnesses.

24 3. I further agree that upon acceptance by the
25 Commissioner, as evidenced by an appropriate order, all
26 affidavits and all relevant evidence obtained by the Department
27 in this matter prior to the Commissioner's acceptance, and all
28 allegations contained in the Accusation filed in the Department

1 Case No. H-37691 LA, may be considered by the Department to be
2 true and correct for the purpose of deciding whether to grant
3 relicensure or reinstatement pursuant to Government Code Section
4 11522.

5 4. I freely and voluntarily surrender all my licenses
6 and license rights under the Real Estate Law.

7 5. A copy of the Commissioner's Criteria of
8 Rehabilitation is attached hereto. If and when a petition
9 application is made for reinstatement of a surrendered license
10 or endorsement, the Real Estate Commissioner will consider as
11 one of the criteria of rehabilitation, whether or not
12 restitution has been made to any person who has suffered
13 monetary losses through "substantially related" acts or
14 omissions of Respondent, whether or not such persons are named
15 in the investigation file in this case.

16 I declare under penalty of perjury under the laws of
17 the State of California that the above is true and correct and
18 that this declaration was executed on April 4th, 2012,
19 at Fontana, CA, (State).

20 Mable Rose Hernandez
21 MABLE ROSE HERNANDEZ
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SAC ✓

FILED

JUN 19 2012

1 LISSETE GARCIA, Counsel (SBN 211552)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone:(213) 576-6982
6 (Direct) (213) 576-6914

DEPARTMENT OF REAL ESTATE
BY: CS

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of	)	DRE No. H-37691 LA
	)	OAH No. 2012010445
12 EXECUTIVE ONE REAL ESTATE AND)	
13 MORTGAGE CORPORATION;	)	<u>FIRST AMENDED</u>
14 GERALD FRANKLIN GEORGE;	)	<u>ACCUSATION</u>
15 individually and as designated)	
16 officer of Executive One Real)	
17 Estate and Mortgage Corporation; and)	
18 CHRISTOPHER PAUL GEORGE,)	
19 individually and as former)	
20 designated officer of)	
21 Executive One Real Estate and)	
22 Mortgage Corporation,)	
)	
23 Respondents.)	

21
22 This First Amended Accusation amends the Accusation filed on November 22,
23 2011. The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of
24 California, for cause of Accusation against EXECUTIVE ONE REAL ESTATE AND
25 MORTGAGE CORPORATION; GERALD FRANKLIN GEORGE, individually and as officer
26 of Executive One Real Estate and Mortgage Corporation; and CHRISTOPHER PAUL
27 GEORGE, individually and as former officer of Executive One Real Estate and Mortgage
28 Corporation, (collectively "Respondents") is informed and alleges as follows:

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1.

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

2.

At all times herein mentioned, Respondents were licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

3.

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.

4.

From May 20, 2004, through May 19, 2012; EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION ("EXECUTIVE ONE") was licensed as a corporate real estate broker, License No. 01431726. EXECUTIVE ONE's license expired on May 19, 2012. Respondent has renewal rights under Code Section 10201. The Department retains jurisdiction pursuant Code Section 10103. From May 20, 2004, through January 30, 2005, EXECUTIVE ONE was licensed to act by and through Respondent CHRISTOPHER PAUL GEORGE as its officer pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

5.

From May 20, 2004, through May 19, 2012, Respondent EXECUTIVE ONE was licensed to act by and through Respondent GERALD FRANKLIN GEORGE as its officer pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

6.

From November 6, 2004, through the present, Respondent GERALD FRANKLIN GEORGE has been licensed as a real estate broker, License No. 01354433. During all times relevant herein, Respondent GERALD FRANKLIN GEORGE was an officer, director, and

1 owned or controlled ten percent or more of EXECUTIVE ONE's stock.

2 7.

3 From April 22, 2003, through the present, Respondent CHRISTOPHER PAUL
4 GEORGE has been licensed as a real estate broker, License No. 01262125.

5 8.

6 From October 19, 2005, through May 21, 2012, Mable Rose Hernandez
7 ("Hernandez") was licensed as a restricted real estate salesperson, License No. 01462457. From
8 May 14, 2008, through May 17, 2009, Hernandez was licensed under the employ of Respondent
9 EXECUTIVE ONE. Hernandez voluntarily surrendered her license effective as of June 13,
10 2012.

11 FIRST CAUSE OF ACCUSATION

12 (Dissolved Corporation)

13 (Failure To Supervise – Respondent GERALD FRANKLIN GEORGE)

14 9.

15 Regulation 2743, subdivision (c) states: "[A] corporation licensed under Section
16 10211 of the Code shall not engage in the business of a real estate broker while not in good legal
17 standing with the Office of the Secretary of State."

18 10.

19 On November 6, 2008, Respondent EXECUTIVE ONE was dissolved as a
20 corporation with the California Secretary of State. No notice of the change in corporate status
21 was provided to the Department by either Respondent EXECUTIVE ONE or Respondent
22 GERALD FRANKLIN GEORGE.

23 11.

24 The dissolution of Respondent EXECUTIVE ONE's corporate status is in
25 violation of Regulation 2742, subdivision (c) and constitutes grounds to suspend or revoke
26 Respondent EXECUTIVE ONE's corporate real estate broker license pursuant to Code Sections
27 10177(d) and/or 10177(g).

28

1 12.

2 The conduct, acts and/or omissions of Respondent GERALD FRANKLIN
3 GEORGE as set forth in Paragraphs 9 through 11, above, in failing to adequately supervise the
4 activities of Respondent EXECUTIVE ONE to ensure compliance with the Real Estate Law, is
5 in violation of Section 10159.2 of the Code and constitutes grounds to discipline the license
6 and/or license rights of Respondent GERALD FRANKLIN GEORGE pursuant to Code
7 Sections 10177(h), 10177(d) and/or 10177(g).

8
9 SECOND CAUSE OF ACCUSATION

10 (Advance Fee Violations/Misrepresentations/Dishonest Dealing)

11 13.

12 There is hereby incorporated in this Second, separate Cause of Accusation, all of
13 the allegations contained in Paragraphs 1 through 12 above, with the same force and effect as if
14 herein fully set forth.

15 14.

16 21st Century Legal Services, Inc., also known as 21st Century Legal Services, and
17 Ruby Encina have never been licensed by the Department in any capacity. 21 Century Legal
18 Services operated out of multiple locations including 9507 Business Center Drive, Building 7,
19 Suite B, Rancho Cucamonga 91730, 9607 Business Center Drive, Building 13, Suite D, Rancho
20 Cucamonga 91730 and 9340 Baseline Road, Suite 104, Rancho Cucamonga, California 91701.

21 15.

22 21st Century Real Estate Investment Corporation was formerly licensed by the
23 Department as a corporate real estate broker, License No. 01835672. 21st Century Real Estate
24 Investment Corporation's license was revoked by the Department on June 28, 2011, in
25 Department Case No. H-36504 LA. 21st Century Real Estate Investment Corporation's main
26 office address from November 9, 2007, through January 16, 2009, was 9607 Business Center
27 Drive, Building 13, Suite D, Rancho Cucamonga, California 91730.

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16.

Mindy Sue Holt was formerly licensed as a real estate broker and as the designated officer for 21st Century Real Estate Investment Corporation. Mindy Sue Holt's real estate broker license was revoked on June 30, 2011, in Department Case No. H-36504 LA.

17.

Andrea Raquel Ramirez ("Ramirez") was formerly licensed as a real estate salesperson. From April 21, 2008, through January 15, 2009, Ramirez' employing broker was listed as 21st Century Real Estate Investment Corporation. Ramirez' real estate salesperson license was revoked on October 21, 2009, in Department Case No. H-35895 LA.

18.

For an unknown period of time beginning no later than November 26, 2008, and continuing to the present, Respondents, while using the fictitious business names 21st Century Legal Services, Inc., 21st Century Legal Services, 21st Century Real Estate & Investment Corp., or other fictitious business names not known at this time, 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 Code Sections 10131, subdivision (d) and 10131.2. Their activities included soliciting borrowers or lenders for and/or negotiating loans, collecting payments and/or performing services for borrowers or lenders in connection with loans secured by liens on real property. Their activities also included claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee within the meaning of Code Sections 10026 and 10085.

19.

Respondents engaged in the activities described in Paragraph 18, above, along with Hernandez, Ramirez, Ruby Encina, and Mindy Sue Holt. Respondents engaged in said activities from several locations including: 1) 9507 Business Center Drive, Building 7, Suite B, Rancho Cucamonga, California 91730; 2) 9607 Business Center Drive, Bldg. 13, Ste. D, Rancho Cucamonga, California 91730; 3) 9607 Business Center Drive, Building 13, Suite E, Rancho Cucamonga, California 91730; and 4) 9340 Baseline Road, Suite 105, Rancho Cucamonga,

1 California 91701.

2 20.

3 Jacqueline G.

4 In or around November, 2008, Hernandez solicited loan modification and
5 negotiation services in connection with loans secured by liens on real property to Jacqueline G.
6 Hernandez provided Jacqueline G. with a residential loan modification agreement between 21st
7 Century Real Estate & Investment Corp. and Jacqueline G. Hernandez made misrepresentations
8 to Jacqueline G. including that a licensed attorney would handle the loan modification and
9 negotiation with Jacqueline G.'s lender in order to induce Jacqueline G. to enter into the
10 agreement with 21st Century Real Estate, & Investment Corp. On November 26, 2008,
11 Jacqueline G. paid \$1,000 in advance fees to Hernandez for loan negotiation and modification
12 services. On December 30, 2008, Jacqueline G. paid \$1,000 in advance fees to Hernandez for
13 loan negotiation and modification services. On January 31, 2009, Jacqueline G. paid \$1,000 in
14 advance fees to Hernandez for loan negotiation and modification services. Jacqueline G. did not
15 obtain a loan modification through Respondents.

16 21.

17 On or about September 7, 2011, Hernandez provided a written statement to the
18 Department wherein Hernandez claimed that she conducted the loan modification and
19 negotiation services for Jacqueline G. while Hernandez was working under the direction of
20 Respondents CHRISTOPHER PAUL GEORGE and EXECUTIVE ONE.

21 22.

22 The residential loan modification agreement which charged a \$3,000 advance fee
23 to Jacqueline G. was not submitted to the Department prior to use as was required under Code
24 Section 10085 and Regulation Section 2970.

25 23.

26 The advance fees collected by Respondents were not deposited in a trust account
27 as required under Code Section 10146. Respondents did not provide an accounting to principals,
28 in violation of Code Section 10146 and Regulation Section 2972.

1 24.

2 The conduct, acts and/or omissions of Respondents EXECUTIVE ONE,
3 GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, as set forth above, in
4 collecting advance fees from prospective borrowers pursuant to a written fee agreement, which
5 agreement was not submitted to the Department for review prior to use, is in violation of Code
6 Section 10085 and Regulation Section 2970, and constitutes grounds for the suspension or
7 revocation of the licenses and license rights of Respondents EXECUTIVE ONE, GERALD
8 FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, pursuant to Code Sections
9 10177(d) or 10177(g).

10 25.

11 The conduct, acts and/or omissions of Respondents EXECUTIVE ONE,
12 GERALD FRANKLIN GEORGE, and CHRISTOPHER PAUL GEORGE, as set forth above, in
13 collecting advance fees from prospective borrowers and failing to deposit the advance fees into a
14 trust account and provide an accounting to principals, is in violation of Code Section 10146 and
15 Regulation Section 2972, and constitutes grounds for the suspension or revocation of the licenses
16 and license rights of Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE, and
17 CHRISTOPHER PAUL GEORGE, pursuant to Code Sections 10177(d) or 10177(g).

18 THIRD CAUSE OF ACCUSATION

19 (Use of Unlicensed Fictitious Business Name)

20 26.

21 There is hereby incorporated in this Third, separate, Cause of Accusation, all of
22 the allegations contained in Paragraphs 1 through 25 above, with the same force and effect as if
23 herein fully set forth.

24 27.

25 Jean and Iris D.

26 On December 2, 2008, Jean and Iris D. received various mail solicitations from
27 21st Century Legal Services, Inc. also known as 21st Century Legal Services, with an address of
28 9607 Business Center Drive, Building 13#D, Rancho Cucamonga, California 91730. The

1 mailers offered loan modification and negotiation services and charged advance fees ranging
2 from \$2,181 to \$2,871.13. Andrea Ramirez is listed as the mortgage specialist for 21st Century
3 Legal Services.

4 28.

5 Laxlie and Jonie F.

6 On January 15 and 22, 2009, Laxlie and Jonie F. received mail solicitations from
7 21st Century Legal Services with an address of 9607 Business Center Drive, Building 13#D,
8 Rancho Cucamonga, California 91730. The mailers offered loan modification and negotiation
9 services and charged advance fees of \$3,612.

10 29.

11 Gary and Marcy L.

12 On January 26, 2009, Gary and Marcy L. received a mail solicitation from 21st
13 Century Legal Services with an address of 9607 Business Center Drive, Building 13#D, Rancho
14 Cucamonga, California 91730. The mailer offered loan modification and negotiation services
15 and charged an advance fee of \$3,500.

16 30.

17 9340 Baseline Road, Suite 105

18 On March 17, 2009, Respondent CHRISTOPHER PAUL GEORGE changed his
19 main office and mailing addresses listed with the Department to 9340 Baseline Road, Suite 105,
20 Rancho Cucamonga, California 91730. On April 17, 2009, Respondent CHRISTOPHER PAUL
21 GEORGE changed his main office and mailing addresses with the Department to 9340 Baseline
22 Road, Suite 104, Rancho Cucamonga, California 91730. The City of Rancho Cucamonga,
23 California uses both zip codes 91701 and 91730.

24 31.

25 Kerri B.

26 On March 21, 2009, Kerri J. received a mail solicitation from 21st Century Legal
27 Services, Inc. also known as 21st Century Legal Services, with an address of 9340 Baseline
28 Road, Suite 105, Rancho Cucamonga, California 91701. The mailer offered loan modification

1 and negotiation services and charged an advance fee of \$2,644.

2 32.

3 Kevin J.

4 On April 27, 2009, Kevin J. received multiple mailed solicitations from 21st
5 Century Legal Services with an address of 9340 Baseline Road, Suite 105, Rancho Cucamonga,
6 California 91701. The mailers offered loan modification and negotiation services and charged
7 advance fees ranging from \$1,523.82 to \$1,658.86.

8 33.

9 The activities described in Paragraphs 20 and 27 through 32, above, of soliciting
10 borrowers and offering to perform services for borrowers in connection with a loan secured
11 directly or collaterally by a lien on real property require a real estate license under Code Section
12 10131, subdivision (d). Use of a fictitious business name for activities requiring the issuance of
13 a real estate license requires the filing of an application for the use of such name with the
14 Department in accordance with the provisions of Code Section 10159.5 and Regulation 2731.

15 34.

16 Respondents acted without Department authorization in using the fictitious
17 business names 21st Century Legal Services, Inc., 21 Century Legal Services, and 21st Century
18 Real Estate & Investment Corp. to engage in activities requiring the issuance of a real estate
19 license.

20 35.

21 The conduct, acts and/or omissions of Respondents EXECUTIVE ONE,
22 GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, as set forth in
23 Paragraphs 18 through 30, above, violate Code Section 10159.5 and Regulation 2731, and is
24 cause for the suspension or revocation of the licenses and license rights of Respondents
25 EXECUTIVE ONE, GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE,
26 pursuant to Code Sections 10177, subdivision (d) and/or 10177, subdivision (g).

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and/or license rights of Respondents EXECUTIVE ONE REAL
4 ESTATE AND MORTGAGE CORPORATION, GERALD FRANKLIN GEORGE, individually
5 and as designated officer of Executive One Real Estate and Mortgage Corporation, and
6 CHRISTOPHER PAUL GEORGE, individually and as former designated officer of Executive
7 One Real Estate and Mortgage Corporation, under the Real Estate Law (Part 1 of Division 4 of
8 the Business and Professions Code), for the cost of investigation and enforcement as permitted
9 by law, and for such other and further relief as may be proper under other provisions of law.

10 Dated at Los Angeles, California

11 this 7th day of June, 2012


MARIA SUAREZ
Deputy Real Estate Commissioner

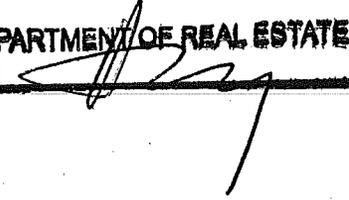
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23 cc: Executive One Real Estate and Mortgage Corporation
24 Gerald Franklin George
25 Christopher Paul George
26 Maria Suarez
27 Sacto.
28 OAH
John F. Mansour, Esq.

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FILED

MAY 11 2012

DEPARTMENT OF REAL ESTATE
BY: 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of	)	NO. H-36791 LA
)	
UNIKO HOLDINGS INC., doing business	)	L-2010110206
as Uniko Mortgage Services and)	
Uniko Real Estate Service; and)	
LEONEL ACEVES, individually and as)	
designated officer of)	
Uniko Holdings Inc.,)	
)	
)	
Respondents.)	
)	

ORDER NUNC PRO TUNC MODIFYING DECISION

It having been called to the attention of the Real Estate Commissioner that there is an error in the Decision by Stipulation and Agreement dated March 29, 2012, effective May 11, 2012, and good cause appearing therefor, the Stipulation and Agreement is amended as follows:

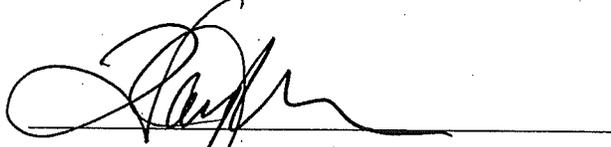
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Page 4, Paragraph II, Line 6, "0177(h)" is amended to read "10177(h)".

This Order, Nunc Pro Tunc to March 29, 2012, effective May 11, 2012, shall become effective immediately.

IT IS SO ORDERED May 6, 2012.

REAL ESTATE COMMISSIONER



By WAYNE S. BELL
Chief Counsel

Santo

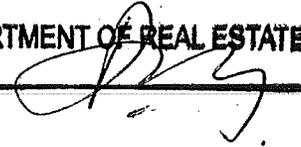
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ELLIOTT MAC LENNAN, Counsel (SBN 66674)
Department of Real Estate
320 W. 4TH Street, Suite 350
Los Angeles, CA 90013-1105

Telephone: (213) 576-6982 (Office)
-or- (213) 576-6911 (Direct)

FILED

APR 11 2012

DEPARTMENT OF REAL ESTATE
BY: 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of	)	No. H-36791 LA
	)	L-2010110206
UNIKO HOLDINGS INC.; doing business as)	
Uniko Mortgage Services and	)	<u>STIPULATION</u>
Uniko Real Estate Service;	)	<u>AND</u>
and, LEONEL ACEVES, individually	)	<u>AGREEMENT</u>
and as designated officer of)	
Uniko Holdings Inc.,)	
)	
Respondents.)	

It is hereby stipulated by and between Respondents UNIKO HOLDINGS INC. and LEONEL ACEVES, individually and as designated officer of Uniko Holdings Inc., (sometimes collectively referred to as "Respondents"), and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on September 3, 2010, in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement ("Stipulation").

1 2. Respondents have received, read and understand the Statement to Respondent,
2 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate
3 in this proceeding.

4 3. Respondents timely filed a Notice of Defense pursuant to Section 11506 of the
5 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
6 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents
7 acknowledge that they understand that by withdrawing said Notice of Defense they thereby waive
8 their right to require the Commissioner to prove the allegations in the Accusation at a contested
9 hearing held in accordance with the provisions of the APA and that they will waive other rights
10 afforded to them in connection with the hearing such as the right to present evidence in their
11 defense the right to cross-examine witnesses.

12 4. This Stipulation is based on the factual allegations contained in the Accusation.
13 In the interest of expedience and economy, Respondents choose not to contest these allegations,
14 but to remain silent and understand that, as a result thereof, these factual allegations, without
15 being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to
16 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove
17 said factual allegations.

18 5. This Stipulation is made for the purpose of reaching an agreed disposition of
19 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
20 which the Department of Real Estate ("Department"), or another licensing agency of this state,
21 another state or if the federal government is involved, and otherwise shall not be admissible in
22 any other criminal or civil proceeding.

23 6. It is understood by the parties that the Real Estate Commissioner may adopt
24 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
25 Respondents' real estate licenses and license rights as set forth in the below "Order". In the event
26 that the Commissioner in his discretion does not adopt the Stipulation, the Stipulation shall be
27 void and of no effect and Respondents shall retain the right to a hearing and proceeding on the

1 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver
2 made herein.

3 7. The Order or any subsequent Order of the Real Estate Commissioner made
4 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
5 administrative or civil proceedings by the Department of Real Estate with respect to any matters
6 which were not specifically alleged to be causes for accusation in this proceeding.

7 8. Respondents understand that by agreeing to this Stipulation, Respondents agree
8 to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit which led
9 to this disciplinary action. The amount of said cost is \$6,598.10.

10 9. Respondents have received, read, and understand the "Notice Concerning
11 Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation,
12 the findings set forth below in the Determination of Issues become final, and the Commissioner
13 may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and
14 Professions Code Section 10148 to determine if the violations have been corrected. The
15 maximum cost of the subsequent audit will not exceed \$6,598.10.

16 DETERMINATION OF ISSUES

17 By reason of the foregoing, it is stipulated and agreed that the following
18 determination of issues shall be made:

19 I.

20 The conduct of UNIKO HOLDINGS INC. as described in Paragraph 4, above, is
21 in violation of Sections 10085, 10145, 10146 and 10176(e) of the Business and Professions Code
22 ("Code") and Sections 2831, 2831.1, 2831.2, 2970 and 2972 of Title 10, Chapter 6 of the
23 California Code of Regulations ("Regulations") and is a basis for the suspension or revocation of
24 Respondent's license and license rights as a violation of the Real Estate Law pursuant to Code
25 Sections 10177(d).

26 ///

27 ///

1 II.

2 The conduct of LEONEL ACEVES, as described in Paragraph 4, above,
3 constitutes a failure to keep Uniko Holdings Inc. in compliance with the Real Estate Law during
4 the time that he was the officer designated by a corporate broker licensee in violation of Section
5 10159.2 of the Code. This conduct is a basis for the suspension or revocation of Respondent's
6 license pursuant to Code Sections 10177(d), 10177(g) and 0177(h).

7 ORDER

8 WHEREFORE, THE FOLLOWING ORDER is hereby made:

9 I.

10 All licenses and licensing rights of Respondents UNIKO HOLDINGS INC. and
11 LEONEL ACEVES, under the Real Estate Law are revoked; provided, however, restricted real
12 estate broker licenses shall be issued to said Respondents, pursuant to Section 10156.5 of the
13 Business and Professions Code if Respondents:

14 (A) Make application thereof and pays to the Department of Real Estate the
15 appropriate fee for the restricted license within ninety (90) days from the effective date of this
16 Decision.

17 (B) Provide, prior to the issuance of any restricted license, evidence satisfactory to
18 the Commissioner that the trust fund deficit set forth in the Accusation in audit report
19 SD080041/SD080050, in amount of \$11,176.03, as of April 30, 2009, has been cured, including
20 the identity of the source of funds used to cure them.

21 (C) Respondent LEONEL ACEVES shall, prior to and as a condition of the
22 issuance of the restricted license, submit proof satisfactory to the Commissioner of having taken
23 and successfully completed the continuing education course on trust fund accounting and
24 handling specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Business and
25 Professions Code. Proof of satisfaction of this requirement includes evidence that Respondent
26 has successfully completed the trust fund account and handling continuing education course
27 within 120 days prior to the effective date of the Decision in this matter.

1 The restricted licenses issued to Respondents shall be subject to all of the
2 provisions of Section 10156.7 of the Business and Professions Code and to the followings
3 limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

4 1. The restricted license issued to Respondents may be suspended prior to hearing
5 by Order of the Real Estate Commissioner in the event of a Respondent's conviction or plea of
6 nolo contendere to a crime which is substantially related to a Respondent's fitness or capacity as a
7 real estate licensee.

8 2. The restricted licenses issued to Respondents may be suspended prior to
9 hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner
10 that a Respondent has violated provisions of the California Real Estate Law, the Subdivided
11 Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted
12 license.

13 3. Respondents shall not be eligible to apply for the issuance of an unrestricted
14 real estate license nor for the removal of any of the conditions, limitations or restrictions of a
15 restricted license until two (2) years have elapsed from the effective date of this Decision.

16 4. Respondent LEONEL ACEVES shall within six (6) months from the effective
17 date of the restricted license, take and pass the Professional Responsibility Examination
18 administered by the Department including the payment of the appropriate examination fee. If
19 Respondent fails to satisfy this condition, the Commissioner may order suspension of the
20 restricted license until respondent passes the examination.

21 5. Respondent LEONEL ACEVES shall, within nine (9) months from the
22 effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner
23 that Respondent has, since the most recent issuance of an original or renewal real estate license,
24 taken and successfully completed the continuing education requirements of Article 2.5 of
25 Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to
26 satisfy this condition, the Commissioner may order the suspension of his license until the
27 Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity

1 for a hearing pursuant to the Administrative Procedure Act to present such evidence.

2 6. During the time Respondent LEONEL ACEVES is licensed as a restricted real
3 estate broker, Respondent shall not serve as the designated broker at any corporate real estate
4 broker unless and until Respondent is the sole owner of record of the shares of the licensed real
5 estate corporation.

6 III.

7 Pursuant to Section 10148 of the Business and Professions Code, Respondents
8 shall pay the Commissioner's reasonable cost for (a) the audits which led to this disciplinary
9 action and (b) a subsequent audits to determine if Respondents UNIKO HOLDINGS INC. and
10 LEONEL ACEVES are now in compliance with the Real Estate Law. The cost of the audit
11 which led to this disciplinary action is \$6,598.10. In calculating the amount of the
12 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary
13 for all persons performing audits of real estate brokers, and shall include an allocation for travel
14 time to and from the auditor's place of work. Said amount for the prior and subsequent audits
15 shall not exceed \$13,196.20. Respondents are jointly and severally liable for the cost of the
16 audits.

17 Respondents shall pay such cost within 60 days of receiving an invoice from the
18 Commissioner detailing the activities performed during the audit and the amount of time spent
19 performing those activities.

20 The Commissioner may suspend the license of Respondents pending a hearing
21 held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely
22 made as provided for herein, or as provided for in a subsequent agreement between the
23 Respondents and the Commissioner. The suspension shall remain in effect until payment is
24 made in full or until a Respondent enters into an agreement satisfactory to the Commissioner to
25 provide for payment, or until a decision providing otherwise is adopted following a hearing held
26 pursuant to this condition.

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DATED: 3-7-12

EL
ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

EXECUTION OF THE STIPULATION

We have read the Stipulation. Its terms are understood by us and are agreeable and acceptable to us. We understand that we are waiving rights given to us by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and we 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 we would have the right to cross-examine witnesses against us and to present evidence in defense and mitigation of the charges.

FACSIMILE

Respondents can signify acceptance and approval of the terms and conditions of this Stipulation by faxing a copy of its signature page, as actually signed by Respondents, to the Department at the following facsimile number: Elliott Mac Lennan at (213) 576-6917. Respondents agree, acknowledge and understand that by electronically sending to the Department a fax copy of Respondents' actual signature as they appear on the Stipulation, that receipt of the faxed copy by the Department shall be as binding on Respondents as if the Department had received the original signed Stipulation.

DATED: 3/7/12

Leonel Aceves
UNIKO HOLDINGS INC.,
BY: LEONEL ACEVES,
Respondent

DATED: 3/7/12

Leonel Aceves
LEONEL ACEVES, individually and as designated
officer of Uniko Holdings Inc., Respondent

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* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents UNIKO HOLDINGS INC. and LEONEL ACEVES, individually and as designated officer of Uniko Holdings Inc. and shall become effective at 12 o'clock noon on May 11, 2012.

IT IS SO ORDERED March 29, 2012.

Real Estate Commissioner


By WAYNE S. BELL
Chief Counsel

SAC

1 LISSETE GARCIA, Counsel (SBN 211552)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6982
6 (Direct) (213) 576-6914

FILED
NOV 22 2011
DEPARTMENT OF REAL ESTATE
By C.R.

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) NO. H-37691 LA
12 EXECUTIVE ONE REAL ESTATE AND) A C C U S A T I O N
13 MORTGAGE CORPORATION,)
14 GERALD FRANKLIN GEORGE,)
15 individually and as designated)
16 officer of Executive One Real)
17 Estate and Mortgage Corporation,)
18 CHRISTOPHER PAUL GEORGE,)
19 individually and as former)
20 designated officer of)
21 Executive One Real Estate and)
22 Mortgage Corporation, and)
23 MABLE ROSE HERNANDEZ,)
24 Respondents.)

22 The Complainant, Maria Suarez, a Deputy Real Estate
23 Commissioner of the State of California, for cause of Accusation
24 against EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION,
25 GERALD FRANKLIN GEORGE, individually and as officer of Executive
26 One Real Estate and Mortgage Corporation, CHRISTOPHER PAUL
27 GEORGE, individually and as former officer of Executive One Real
28

1 Estate and Mortgage Corporation, and MABLE ROSE HERNANDEZ
2 (collectively "Respondents") is informed and alleges as follows:

3 1.

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

7 2.

8 At all times herein mentioned, Respondents were
9 licensed and/or have license rights under the Real Estate Law
10 (Part 1 of Division 4 of the California Business and Professions
11 Code).

12 3.

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

17 4.

18 From May 20, 2004, through the present, EXECUTIVE ONE
19 REAL ESTATE AND MORTGAGE CORPORATION ("EXECUTIVE ONE") was
20 licensed as a corporate real estate broker, License No.
21 01431726. From May 20, 2004, through May 19, 2008, Respondent
22 EXECUTIVE ONE was licensed to act by and through Respondent
23 CHRISTOPHER PAUL GEORGE as its officer pursuant to Code Section
24 10159.2 to be responsible for ensuring compliance with the Real
25 Estate Law. From May 20, 2008, through the present, Respondent
26 EXECUTIVE ONE has been acting by and through Respondent GERALD
27 FRANKLIN GEORGE as its officer pursuant to Code Section 10159.2
28

1 to be responsible for ensuring compliance with the Real Estate
2 Law.

3 5.

4 From November 6, 2004, through the present, Respondent
5 GERALD FRANKLIN GEORGE has been licensed as a real estate
6 broker, License No. 01354433. During all times relevant herein,
7 Respondent GERALD FRANKLIN GEORGE was an officer, director, and
8 owned or controlled ten percent or more of EXECUTIVE ONE's
9 stock.
10

11 6.

12 From April 22, 2003, through the present, Respondent
13 CHRISTOPHER PAUL GEORGE has been licensed as a real estate
14 broker, License No. 01262125. During all times relevant herein,
15 Respondent CHRISTOPHER PAUL GEORGE was an officer, director, and
16 owned or controlled ten percent or more of EXECUTIVE ONE's
17 stock.

18 7.

19 From October 19, 2005, through the present, Respondent
20 MABLE ROSE HERNANDEZ ("HERNANDEZ") has been licensed as a
21 restricted real estatesalesperson, License No. 01462457. From
22 May 14, 2008, through May 17, 2009, Respondent HERNANDEZ was
23 licensed under the employ of Respondent EXECUTIVE ONE.

24 ///

25 ///

26 ///

27 ///

28 ///

FIRST CAUSE OF ACCUSATION

(Dissolved Corporation)

(FAILURE TO SUPERVISE - Respondent GERALD FRANKLIN GEORGE

8.

Regulation 2743, subdivision (c) states: "[A] corporation licensed under Section 10211 of the Code shall not engage in the business of a real estate broker while not in good legal standing with the Office of the Secretary of State."

9.

Respondent EXECUTIVE ONE was dissolved as a corporation with the California Secretary of State. No notice of the change in corporate status was provided to the Department by either Respondent EXECUTIVE ONE or Respondent GERALD FRANKLIN GEORGE.

10.

The dissolution of Respondent EXECUTIVE ONE's corporate status is in violation of Regulation 2742, subdivision (c) and constitutes grounds to suspend or revoke Respondent EXECUTIVE ONE's corporate real estate broker license pursuant to Code Sections 10177(d) and/or 10177(g).

11.

The conduct, acts and/or omissions of Respondent GERALD FRANKLIN GEORGE as set forth in Paragraph 9, above, in failing to adequately supervise the activities of Respondent EXECUTIVE ONE to ensure compliance with the Real Estate Law, is in violation of Section 10159.2 of the Code and constitutes grounds to discipline the license and/or license rights of

1 Respondent GERALD FRANKLIN GEORGE pursuant to Code Sections
2 10177(h), 10177(d) and/or 10177(g).

3
4 SECOND CAUSE OF ACCUSATION
5 ADVANCE FEE VIOLATIONS/MISREPRESENTATIONS/DISHONEST DEALING
6 (Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE, CHRISTOPHER
7 PAUL GEORGE, and MABLE ROSE HERNANDEZ)

8 12.

9 There is hereby incorporated in this Second, separate
10 Cause of Accusation, all of the allegations contained in
11 Paragraphs 1 through 11 above, with the same force and effect as
12 if herein fully set forth.

13 13.

14 21st Century Legal Services, Inc. has never been
15 licensed by the Department in any capacity.

16 14.

17 21st Century Real Estate Investment Corporation was
18 formerly licensed by the Department as a corporate real estate
19 broker, License No. 01835672. 21st Century Real Estate
20 Investment Corporation's license was revoked by the Department
21 on June 28, 2011, in Department Case No. H-36504 LA.

22 15.

23 For an unknown period of time beginning no later than
24 November 26, 2008, and continuing to the present, Respondents
25 while using the fictitious business names 21st Century Real
26 Estate Investment Corporation, 21st Century Real Estate &
27 Investment Corp., or other fictitious business names not known
28 at this time, engaged in the business of, acted in the capacity
of, advertised or assumed to act as real estate brokers in the

1 State of California within the meaning of Code Sections 10131,
2 subdivision (d) and 10131.2. Their activities included
3 soliciting borrowers or lenders for and/or negotiating loans,
4 collecting payments and/or performing services for borrowers or
5 lenders in connection with loans secured by liens on real
6 property. Their activities also included claiming, demanding,
7 charging, receiving, collecting or contracting for the
8 collection of an advance fee within the meaning of Code Sections
9 10026 and 10085.

10
11 16.

12 In or around November, 2008, HERNANDEZ solicited loan
13 modification and negotiation services in connection with loans
14 secured by liens on real property to Jacqueline Ann Gano
15 ("Gano"). HERNANDEZ provided Gano with a residential loan
16 modification agreement between 21st Century Real Estate &
17 Investment Corp. and Gano. Respondent HERNANDEZ made
18 misrepresentations to Gano including that a licensed attorney
19 would handle the loan modification and negotiation with Gano's
20 lender in order to induce Gano to enter into the agreement with
21 21st Century Real Estate & Investment Corp. On November 26,
22 2008, Gano paid \$1,000 in advance fees to HERNANDEZ for loan
23 negotiation and modification services. On December 30, 2008,
24 Gano paid \$1,000 in advance fees to HERNANDEZ for loan
25 negotiation and modification services. On January 31, 2009,
26 Gano paid \$1,000 in advance fees to HERNANDEZ for loan
27 negotiation and modification services. Gano did not obtain a
28 loan modification through Respondents.

1 17.

2 The residential loan modification agreement which
3 charged a \$3,000 advance fee to Gano was not submitted to the
4 Department prior to use as was required under Code Section 10085
5 and Regulation Section 2970.

6 18.

7 The advance fees collected by Respondents were not
8 deposited in a trust account as required under Code Section
9 10146. Respondents did not provide an accounting to principals,
10 in violation of Code Section 10146 and Regulation Section 2972.
11

12 19.

13 On or about September 7, 2011, Respondent HERNANDEZ
14 provided a written statement to the Department wherein HERNANDEZ
15 claimed she conducted the loan modification and negotiation
16 services for Gano while HERNANDEZ was working under the
17 direction of Respondents CHRISTOPHER PAUL GEORGE and EXECUTIVE
18 ONE.

19 20.

20 The conduct, acts and/or omissions of Respondents
21 EXECUTIVE ONE, GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL
22 GEORGE, as set forth above, in collecting advance fees from
23 prospective borrowers pursuant to a written fee agreement, which
24 agreement was not submitted to the Department for review prior
25 to use, is in violation of Code Section 10085 and Regulation
26 Section 2970, and constitutes grounds for the suspension or
27 revocation of the licenses and license rights of Respondents
28 EXECUTIVE ONE, GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL

1 GEORGE, pursuant to Code Sections 10177(d) or 10177(g).

2 21.

3 The conduct, acts and/or omissions of Respondents
4 EXECUTIVE ONE, GERALD FRANKLIN GEORGE, and CHRISTOPHER PAUL
5 GEORGE, as set forth above, in collecting advance fees from
6 prospective borrowers and failing to deposit the advance fees
7 into a trust account and provide an accounting to principals, is
8 in violation of Code Section 10146 and Regulation Section 2972,
9 and constitutes grounds for the suspension or revocation of the
10 licenses and license rights of Respondents EXECUTIVE ONE, GERALD
11 FRANKLIN GEORGE, CHRISTOPHER PAUL GEORGE, and HERNANDEZ pursuant
12 to Code Sections 10177(d) or 10177(g).

13 22.

14 The conduct, acts and/or omissions of Respondent
15 HERNANDEZ as set forth above, in making misrepresentations and
16 engaging in dishonest dealing in order to induce Gano to enter
17 into an advance fee agreement, constitutes grounds for the
18 suspension or revocation of the license and license rights of
19 Respondent HERNANDEZ pursuant to Code Sections 10137, 10145,
20 subdivision (c), 10176, subdivision (a), 10176, subdivision (b),
21 and 10176, subdivision (i).

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24 ///

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26 ///

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28 ///

THIRD CAUSE OF ACCUSATION
(Use of Unlicensed Fictitious Business Name)

23.

There is hereby incorporated in this Third, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 22 above, with the same force and effect as if herein fully set forth.

24.

The activities described in Paragraphs 15 and 16, above, require a real estate license under Code Section 10131, subdivision (d). Use of a fictitious business name for activities requiring the issuance of a real estate license requires the filing of an application for the use of such name with the Department in accordance with the provisions of Code Section 10159.5 and Regulation 2731.

25.

Respondents acted without Department authorization in using the fictitious business names 21st Century Real Estate Investment Corporation and/or 21st Century Real Estate & Investment Corp. to engage in activities requiring the issuance of a real estate license.

26.

The conduct, acts and/or omissions of Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE and CHRISTOPHER PAUL GEORGE, as set forth in Paragraphs 24 and 25 above, violate Code Section 10159.5 and Regulation 2731, and is cause for the suspension or revocation of the licenses and license rights of

1 Respondents EXECUTIVE ONE, GERALD FRANKLIN GEORGE and
2 CHRISTOPHER PAUL GEORGE, pursuant to Code Sections 10177,
3 subdivision (d) and/or 10177, subdivision (g).
4

5 FOURTH CAUSE OF ACCUSATION
6 (Failure to Supervise)

7 27.

8 There is hereby incorporated in this Fourth, separate
9 Cause of Accusation, all of the allegations contained in
10 Paragraphs 1 through 26, above, with the same force and effect
11 as if herein fully set forth.

12 28.

13 Respondent GERALD FRANKLIN GEORGE's failure to
14 supervise the activities of Respondent EXECUTIVE ONE and its
15 employees to ensure compliance with the Real Estate Law, is in
16 violation of Code Section 10159.2 and Regulation 2725, which
17 constitutes grounds to suspend or revoke Respondent GERALD
18 FRANKLIN GEORGE's license and license rights pursuant to Code
19 Sections 10177, subdivision (h), 10177, subdivision (d) or
20 10177, subdivision (g).
21

22 ///

23 ///

24 ///

25 ///

26 ///

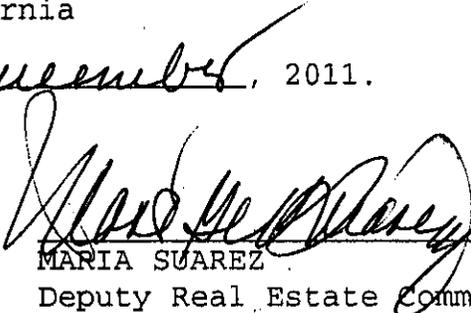
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28 ///

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondents
5 EXECUTIVE ONE REAL ESTATE AND MORTGAGE CORPORATION, GERALD
6 FRANKLIN GEORGE, individually and as officer of Executive One
7 Real Estate and Mortgage Corporation, CHRISTOPHER PAUL GEORGE,
8 individually and as former officer of Executive One Real Estate
9 and Mortgage Corporation, and MABLE ROSE HERNANDEZ, under the
10 Real Estate Law (Part 1 of Division 4 of the Business and
11 Professions Code) and for such other and further relief as may
12 be proper under other applicable provisions of law.
13

14 Dated at Los Angeles, California

15 this 21st day of November, 2011.

16
17 
18 MARIA SUAREZ
19 Deputy Real Estate Commissioner
20
21
22

23 cc: Executive One Real Estate and Mortgage Corporation
24 Gerald Franklin George
25 Christopher Paul George
26 Mable Rose Hernandez
27 Maria Suarez
28 Sacto.