

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

FILED

NOV 21 2013

BUREAU OF REAL ESTATE

By Jean Bernick

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation No. H-38070 LA

AUTHORITY LENDING)
CORPORATION; and DERRICK)
ANTHONY JONES,)
individually, and as desig-)
nated officer for Authority)
Lending Corporation,)
)
Respondents.)
_____)

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On April 19, 2012, an Accusation was filed in this matter against Respondent Authority Lending Corporation.

On October 18, 2013, Respondent Authority Lending Corporation was deemed to have petitioned the Commissioner to voluntarily surrender its real estate broker license(s) pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent AUTHORITY LENDING CORPORATION's petition for voluntary surrender of its real estate broker license(s) is accepted as of the effective date of this Order as set forth below, based upon the understanding and

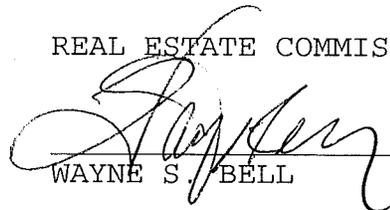
1 agreement expressed in the Proposed Decision of October 18, 2013,
2 in Case No. H-38070 LA. Respondent's license certificate(s),
3 pocket card(s) and any branch office license certificate(s) shall
4 be sent to the below listed address so that they reach the Bureau
5 on or before the effective date of this Order:

Bureau of Real Estate
Attn: Licensing Flag Section
P.O. Box 137013
Sacramento, CA 95813-7013

6
7
8
9
10 This Order shall become effective at 12 o'clock noon
11 on **DEC 12 2013**

12 DATED: 11/18/2013

13
14 REAL ESTATE COMMISSIONER

15 
16 WAYNE S. BELL

17
18
19
20
21
22
23
24
25
26
27

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

In the Matter of the Accusation Against:

AUTHORITY LENDING CORPORATION
and
DERRICK ANTHONY JONES, individually
and as designated officer for Authority
Lending Corporation,

Respondents.

Case No. H-38070 LA

OAH No. 2012050769

PROPOSED DECISION BASED ON SETTLEMENT AGREEMENT

This Proposed Decision is made after Administrative Law Judge (ALJ) Ralph B. Dash heard Complainant's Motion to Enforce Settlement Agreement (Motion) on October 16, 2013, in Los Angeles, California. The settlement agreement was placed on the record at a hearing held before ALJ Dash on November 15, 2012, at Los Angeles, California.

At all times, Cheryl D. Keily, Staff Counsel represented Complainant.

At all times, Derrick Anthony Jones (Respondent) represented himself and also represented Authority Lending Corporation (Authority).

FACTUAL FINDINGS

1. Maria Suarez, a Deputy Real Estate Commissioner of the State of California, filed an Accusation against Respondent and Authority in her official capacity on April 19, 2012.

2. Respondent has been a licensed real estate broker since July 9, 2002. His license has been renewed through July 8, 2014. The Department of Real Estate (now the Bureau of Real Estate) issued Authority a corporate license on March 3, 2006, with Respondent as the Designated Officer. That license has been renewed through March 2, 2014.

3. On May 7, 2012, Respondent filed a Notice of Defense to the Accusation on his own behalf, specifying his mailing address as 4391 Jasmine Hill Court, Chino Hills,

California, which is the same address on file for him in the Bureau's records. Authority did not file a Notice of Defense; however, Respondent represented himself and also represented Authority at the hearing on the Accusation which was held on November 15, 2012 (hearing) before ALJ Dash in Los Angeles, California.

4. The hearing commenced at 9:00 a.m. and proceeded for several hours. During a recess of the hearing, Ms. Keily, on behalf of Complainant, and Respondent on his own behalf and on behalf of Authority, reached a settlement of all issues raised in the Accusation. The settlement terms were placed on the record. Respondent's broker's license was to be revoked, but a restricted salesperson's license would be issued to him. The terms of the restrictions are all set forth in Exhibit 12. Authority's license was to be surrendered. The ALJ admonished the parties that, even though they contemplated executing a written agreement, once the settlement terms were placed on the record and agreed to, both parties were bound thereby until the agreement was acted upon by the Real Estate Commissioner. The parties placed all terms of the settlement on the record.

5. The ALJ's admonishment was, in part, as follows (verbatim from Transcript, page 105, line 14 through page 107, line 22:

ALJ: I explained to the Respondent while we were off the record the ramifications of his agreeing to the terms of this settlement. And I told him I will say the same things on the record.

And once I have Respondent's affirmation of the terms of the settlement, both he and Complainant are bound thereby.

And sir, if you get buyer's remorse - -

Mr. Jones: Too bad.

ALJ: - - one minute after you say yes - -

Mr. Jones: It's too bad.

ALJ: It's too late.

For whatever reason you don't comply with the terms of the settlement, Counsel may apply to the Office of Administrative Hearings for a default judgment based on the terms of the settlement.

Because all of the terms of the settlement are in the records with Exhibit 12.

Do you understand that?

Mr. Jones: Yes.

ALJ: Now, by entering into the settlement, do you understand that you are giving up the right to complete this trial?

Mr. Jones: Yes, sir.

ALJ: And you understand you're giving up your right to complete cross-examination and to present your own evidence?

Mr. Jones: Yes, sir.

ALJ: You understand that by agreeing to the terms of this settlement, the corporate broker's license will be surrendered, meaning it will become inactive as of the date of this settlement agreement?

Mr. Jones: Yes, sir.

ALJ: And that your broker's license will be revoked. But in place thereof, you will have the right to apply for and receive a sales person's license.

But as it says, you have to make application for that sales person's license to the Department.

But under the terms of this agreement, it will be issued with the conditions that are set forth on page 345 [of Exhibit 12].

Do you understand that?

Mr. Jones: Yes, sir.

ALJ: And you're willing to give up your rights to present your evidence in defense of the allegations?

Mr. Jones: Yes, sir.

ALJ: And you agree to be bound by all of the terms of the settlement?

Mr. Jones: Yes.

ALJ: All right. Then we have a final and complete settlement. I congratulate the parties.

6. After the settlement was placed on the record, Ms. Keily prepared the written agreement and mailed it to Respondent on December 4, 2012, at the address he put on his

Notice of Defense. After not hearing from Respondent, Ms. Keily called him and he said he had not received it. She mailed it to him again on March 28, 2013.

7. Respondent called Ms. Keily in May 2013 to discuss the terms of the agreement. Specifically, he wanted to know what continuing education classes he would be required to take. He told Ms. Keily that he had not received the written agreement, but that he had moved and he gave her his new address. He also asked Ms. Keily to send him a copy of the agreement by facsimile transfer and Ms. Keily did so.

8. At the hearing on the motion, Respondent admitted he received the settlement agreement, but he refused to sign it for the following reasons: He stated that, at the time he entered into the agreement at the hearing, he felt "intimidated." He also felt that he had "lost a year" by not having finalized the settlement up until the date of the hearing on the Motion. However, Respondent acknowledged that he never advised the Bureau, in writing, that he had changed his address. Finally, Respondent stated that because he had a family to support, he was not willing to accept a restricted salesperson's license. Rather, he wanted a probationary broker's license. Ms. Keily refused to agree to a modification of the terms of the settlement.

9. Respondent failed and refused, and still fails and refuses, without good cause, to sign the written settlement agreement. Accordingly, the Motion is granted and this Proposed Decision is issued based on the settlement that was placed on the record on November 15, 2012.

LEGAL CONCLUSIONS

1. In an administrative disciplinary proceeding, once a respondent expressly accepts a stipulation of settlement without condition or qualification, and that settlement is placed on the record, he cannot thereafter withdraw his assent before the final decision maker, whether it be a Board, Bureau, Department or Agency Commissioner, has an opportunity to accept or reject it. (*Frankel v. Board of Dental Examiners* (1996) 46 Cal.App.4th 534.)

2. "[H]aving expressly accepted the stipulation 'without condition or qualification,' . . . [a Respondent] could not thereafter, at his pleasure, withdraw his assent to the stipulation before the Board had a reasonable opportunity to act on it." (Ibid at page 548.)

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

All licenses and licensing rights of Respondent Derrick Anthony Jones individually and as the designated officer of Authority Lending Corporation under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondent pursuant to Section 10156.5 of the Business and Professions Code if Respondent

makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

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

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

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

4. Respondent shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Bureau of Real Estate which shall certify:

(a) That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and

(b) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

5. Respondent shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

6. Respondent shall, within six months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Bureau

including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of Respondent's license until Respondent passes the examination.

7. Within six months of the effective date of this Decision, Respondent shall pay \$7,501 to the persons named in the Accusation as directed by the Commissioner with credit for amounts already paid. Respondent's failure to pay result in the suspension of the license.

8. Authority is deemed to have filed a petition for voluntary surrender of its license under the provisions of Business and Professions Code section 10100.2

Date: 10-18-13



RALPH B. DASH
Administrative Law Judge
Office of Administrative Hearings

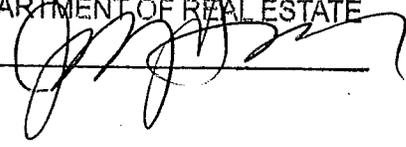
1 CHERYL D. KEILY, SBN# 94008
2 Department of Real Estate
3 320 West Fourth Street, Ste. 350
4 Los Angeles, California 90013

5 Telephone: (213) 576-6982
6 (Direct) (213) 576-6905

FILED

APR 19 2012

DEPARTMENT OF REAL ESTATE

BY: 

7
8
9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation

No. H-38070 LA

13 AUTHORITY LENDING)
14 CORPORATION; and DERRICK) ACCUSATION
15 ANTHONY JONES, individually,)
16 and as designated officer for)
17 Authority Lending)
18 Corporation,)
19 Respondents.)
20 _____)

21 The Complainant, Maria Suarez, a Deputy Real Estate
22 Commissioner of the State of California, for cause of Accusation
23 against AUTHORITY LENDING CORPORATION ("AUTHORITY") and DERRICK
24 ANTHONY JONES ("JONES"), individually, and as designated officer
25 for AUTHORITY, is informed and alleges as follows:

26 1.

27 The Complainant, Maria Suarez, a Deputy Real Estate
Commissioner of the State of California, makes this Accusation in

1 her official capacity.

2 2.

3 Respondent AUTHORITY is presently licensed and/or has
4 license rights under the Real Estate Law (Part 1 of Division 4 of
5 the Business and Professions Code, hereinafter "Code"), as a real
6 estate corporation.

7 3.

8 Respondent JONES is presently licensed and/or has
9 license rights under the Real Estate Law as a real estate broker.
10 At all times relevant herein JONES was the designated broker-
11 officer of Respondent AUTHORITY.

12 4.

13 JONES, as the officer designated by AUTHORITY pursuant
14 to Section 10211 of the Code, was responsible for the supervision
15 and control of the activities conducted on behalf of AUTHORITY by
16 its officers and employees as necessary to secure full compliance
17 with the Real Estate Law as set forth in Section 10159.2 of the
18 Code.
19

20 5.

21 At no time have Steven G. Rivera ("Rivera"), Kurt S.
22 Broom ("Broom"), or Carl Allen IV ("Allen") been licensed by the
23 Department in any capacity.

24 6.

25 In or around January, 2009, Respondents proposed to
26 engage in the business of advance fee brokerage within the
27 definition of Code Section 10131.2 by claiming, demanding,

1 charging, receiving, collecting or contracting for the collection
2 of an advance fee, within the meaning of Code Section 10026, in
3 connection with any employment undertaken to obtain or to modify
4 a loan or loans.

5 7.

6 On or about April 3, 2009, pursuant to the provisions
7 of Code Section 10085 and Section 2970, Title 10, Chapter 6, Code
8 of Regulations ("Regulations"), the Department issued a "No
9 Objection" letter to AUTHORITY authorizing the use of the
10 materials AUTHORITY proposed to use in obtaining the advance fee
11 agreements described in Paragraph 6, above.

12 8.

13 At all times mentioned herein Respondents engaged in
14 the business of soliciting borrowers and lenders and negotiating
15 the terms of loans secured by real property between borrowers and
16 third party lenders for or in expectation of compensation, within
17 the meaning of Code Section 10131(d).

18 9.

19 At all times mentioned herein Respondents engaged in
20 the business of advance fee brokerage within the definition of
21 Code Section 10131.2 by claiming, demanding, charging, receiving,
22 collecting or contracting for the collection of an advance fee,
23 within the meaning of Code Section 10026, in connection with any
24 employment undertaken to obtain a loan or loans.

25
26 ///

27 ///

FIRST CAUSE OF ACCUSATION

1 (Advance Fee Violations pursuant to Section 10085 of the Code)

2 10.

3 Respondents engaged in advance fee activities
4 including, but not limited to, the following activities with
5 respect to loans which were secured by liens on real property:

6 a. On or about September 9, 2009, Sandra Jeanette R.
7 was solicited by Allen, who was acting as an unlicensed
8 representative of AUTHORITY, to obtain a loan modification of
9 the loan on her real property. On or about September 9, 2009,
10 Sandra Jeanette R. paid an advance fee of \$2,876 to Respondent
11 AUTHORITY. The advance fee was collected pursuant to the
12 provisions of an agreement pertaining to loan solicitation,
13 negotiation, and modification services to be provided by
14 Respondent AUTHORITY with respect to the real property at 32145
15 Cedar Crest Court, Temecula, California 92592. At no time did
16 Respondent AUTHORITY obtain a loan modification of the real
17 estate loan.
18

19 11.

20 Respondents collected the advance fee described in
21 Paragraph 10, above, pursuant to the provisions of an agreement
22 which constitutes an advance fee agreement within the meaning of
23 Code Sections 10026 and 10085.
24

25 12.

26 Respondents failed to submit the entirety of the
27 agreement referred to in Paragraph 10, above, to the Commissioner

1 ten days before using it in violation of Code Section 10085 and
2 Section 2970 of the Regulations.

3 13.

4 The conduct, acts and/or omissions of Respondents, as
5 set forth above, are cause for the suspension or revocation of
6 the licenses and license rights of Respondents pursuant to Code
7 Sections 10085, 10177(d) and/or 10177(g).

8 SECOND CAUSE OF ACCUSATION
9 (Violation of Code Section 10085.6)

10 14.

11 Complainant hereby incorporates by reference the
12 allegations set forth in Paragraphs 1 through 13, above.

13 15.

14 On October 11, 2009, Code Section 10085.6 went into
15 effect. By its terms Section 10085.6 prohibits any real estate
16 licensee who negotiates, attempts to negotiate, arranges,
17 attempts to arrange, or otherwise offers to perform a loan
18 modification with respect to residential property to "claim,
19 demand, charge, collect, or receive any compensation until after
20 the licensee has fully performed each and every service the
21 licensee contracted to perform or represented that he, she, or it
22 would perform."

23 16.

24 Respondents engaged in advance fee activities
25 including, but not limited to, the following activities with
26 respect to loans which were secured by liens on real property in
27

violation of Code Section 10085.6:

1
2 (a) On or about November 17, 2010, James Newton F. was
3 solicited by Broom, who was acting as an unlicensed
4 representative of AUTHORITY, to obtain a loan modification of the
5 loan on his real property. On or about November 17, 2010, James
6 Newton F. paid an advance fee of \$925 to Respondent AUTHORITY.
7 The advance fee was collected pursuant to the provisions of an
8 agreement providing for payment in the amount of \$1,950 and
9 pertaining to loan solicitation, negotiation, and modification
10 services to be provided by Respondent AUTHORITY with respect to
11 the real property at 32145 Cedar Crest Court, Temecula,
12 California 92592. At no time did Respondent AUTHORITY obtain the
13 loan modification or refund any portion of the payment made.

14 (b) On or about December 3, 2010, Luis G. was solicited
15 by Rivera, who was acting as an unlicensed representative of
16 AUTHORITY, to obtain a loan modification of the loan on his real
17 property. On or about December 3, 2010, Luis G. paid an advance
18 fee of \$1,850 to Respondent AUTHORITY. The advance fee was
19 collected pursuant to the provisions of an agreement pertaining
20 to loan solicitation, negotiation, and modification services to
21 be provided by Respondent AUTHORITY with respect to the real
22 property at 16255 Blossom Time Court, Riverside, California
23 92503. At no time did Respondent AUTHORITY obtain the loan
24 modification or refund any portion of the payment made.

25
26 ///

1 (c) On or about December 4, 2010, Jolyn and Jeffrey H.
2 were solicited by mail to obtain a loan modification of the loan
3 on their real property. On or about December 4, 2010, Jolyn and
4 Jeffrey H. paid an advance fee of \$1,850 to Respondent AUTHORITY.
5 The advance fee was collected pursuant to the provisions of an
6 agreement pertaining to loan solicitation, negotiation, and
7 modification services to be provided by Respondent AUTHORITY with
8 respect to the real property at 12214 Jamestown Place, Chino,
9 California 91710. At no time did Respondent AUTHORITY obtain the
10 loan modification or refund any portion of the payment made.

11 17.

12 The conduct, acts and/or omissions of Respondents, as
13 set forth above, is cause for the suspension or revocation of the
14 licenses and license rights of Respondents pursuant to Code
15 Sections 10177(d) and/or 10177(g).

16
17 THIRD CAUSE OF ACCUSATION
18 (Unlicensed Activity)

19 18.

20 Complainant hereby incorporates by reference the
21 allegations set forth in Paragraphs 1 through 17, above.

22 19.

23 The activities described in Paragraphs 10 and 16,
24 supra, require a real estate license under Sections 10131(d) and
25 10131.2 of the Code. Respondents violated Section 10137 of the
26 Code by employing and/or compensating individuals who were not
27

1 licensed as a real estate salesperson or as a broker to perform
2 activities requiring a license as follows:

3 a. Respondents employed and/or compensated Allen to
4 perform some or all of the services alleged in Paragraph 10,
5 subsection (a), above, though he was not licensed as a real
6 estate salesperson or broker.

7 b. Respondents employed and/or compensated Broom to
8 perform some or all of the services alleged in Paragraph 16,
9 subsection (a), above, though he was not at the time licensed as
10 a real estate salesperson or broker.

11 c. Respondents employed and/or compensated Rivera to
12 perform some or all of the services alleged in Paragraph 16,
13 subsection (b), above, though he was not licensed as a real
14 estate salesperson or broker.

15
16 20.

17 The conduct, acts and/or omissions of Respondents as
18 set forth above violate Code Section 10137, and is cause for the
19 suspension or revocation of the licenses and license rights of
20 Respondents pursuant to Code Sections 10137, 10177(d) and/or
21 10177(g).

22 FOURTH CAUSE OF ACCUSATION
23 (Use of Unauthorized Fictitious Business Name)

24 21.

25 Complainant hereby incorporates by reference the
26 allegations set forth in Paragraphs 1 through 20, above.

27 ///

22.

1 Use of a fictitious business name for activities
2 requiring the issuance of a real estate license requires the
3 filing of an application for the use of such name with the
4 Department in accordance with the provisions of Code Section
5 10159.5.
6

7 23.

8 Respondents acted without Department authorization in
9 using the fictitious business name "Authority Lending" to engage
10 in activities requiring the issuance of a real estate license.
11

12 24.

13 The conduct, acts and/or omissions of Respondents, as
14 set forth in Paragraph 25, above, violates Code Section 10159.5
15 and Section 2731 of the Regulations, and is cause for the
16 suspension or revocation of the licenses and license rights of
17 Respondents pursuant to Code Sections 10177(d) and/or 10177(g).
18

19 FIFTH CAUSE OF ACTION

20 (Corporate Suspension of Respondent AUTHORITY)

21 25.

22 Complainant hereby incorporates by reference the
23 allegations set forth in Paragraphs 1 through 24, above.
24

25 26.

26 On or about May 20, 2011, the Franchise Tax Board of
27 the State of California suspended the powers, rights and
privileges of Respondent AUTHORITY pursuant to the provisions of
the California Revenue and Taxation Code. The corporate powers,

1 rights and privileges of Respondent AUTHORITY remain suspended to
2 date.

3 27.

4 The conduct of Respondent AUTHORITY, as alleged above,
5 is in violation of Section 2742(c) of the Regulations, and
6 subjects its real estate license and license rights to suspension
7 or revocation pursuant to Code Section 10177(d), (f) and (g).

8 SIXTH CAUSE OF ACCUSATION
9 (Failure to Supervise)

10 28.

11 Complainant hereby incorporates by reference the
12 allegations set forth in Paragraphs 1 through 27, above.

13 29.

14 Respondent JONES ordered, caused, authorized or
15 participated in the conduct of Respondent AUTHORITY, as is
16 alleged in this Accusation.

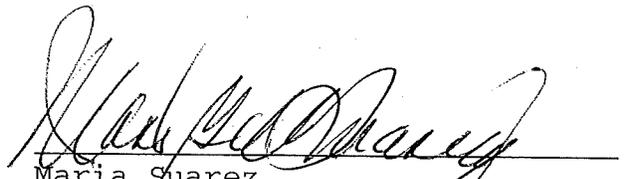
17 30.

18 The conduct, acts and/or omissions, of Respondent JONES
19 in allowing Respondent AUTHORITY to violate the Real Estate Law,
20 as set forth above, constitutes a failure by Respondent JONES, as
21 the officer designated by a corporate broker licensee, to
22 exercise the supervision and control over the activities of
23 Respondent AUTHORITY, as required by Code Section 10159.2, and is
24 cause to suspend or revoke the real estate licenses and license
25 rights of Respondent JONES under Code Sections 10177(d), 10177(g)
26 and/or 10177(h).
27

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 the licenses and license rights of Respondents
5 AUTHORITY LENDING CORPORATION and DERRICK ANTHONY JONES under the
6 Real Estate Law (Part 1 of Division 4 of the Business and
7 Professions Code), for the costs of investigation and enforcement
8 as permitted by law, and for such other and further relief as may
9 be proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 11th day of April, 2012.

12
13
14
15 
16 Maria Suarez
17 Deputy Real Estate Commissioner
18
19
20
21
22
23
24

25 cc: AUTHORITY LENDING CORPORATION
26 DERRICK ANTHONY JONES
27 Maria Suarez
Sacto.