

1 at a formal hearing on the Accusation, which hearing was to be
2 held in accordance with the provisions of the Administrative
3 Procedure Act (APA), shall instead and in place thereof be
4 submitted solely on the basis of the provisions of this
5 Stipulation and Agreement (hereinafter "Stipulation").

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

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

22 4. This Stipulation is based on the factual
23 allegations contained in the Accusation filed in this
24 proceeding. In the interest of expedience and economy,
25 Respondent chooses not to contest these factual allegations, but
26 to remain silent and understand that, as a result thereof, these
27 factual statements, will serve as a prima facie basis for the

1 disciplinary action stipulated to herein. The Real Estate
2 Commissioner shall not be required to provide further evidence
3 to prove such allegations.

4 5. This Stipulation and Respondent's decision not to
5 contest the Accusation are made for the purpose of reaching an
6 agreed disposition of this proceeding and are expressly limited
7 to this proceeding and any other proceeding or case in which the
8 Department of Real Estate, or another licensing agency of this
9 state, another state or if the federal government is involved
10 and otherwise shall not be admissible in any other criminal or
11 civil proceedings.

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

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

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DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions and waivers and solely for the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the following determination of issues shall be made:

The acts and omissions of Respondent BRIAN JASON MORALES, as set forth above, are in violation of Section 10159.2 of the Business and Professions Code and Section 2725, Title 10, Chapter 6, California Code of Regulations, and are grounds for the suspension or revocation of the licenses and license rights of Respondent BRIAN JASON MORALES pursuant to Section 10177(h) of the Business and Professions Code.

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

The real estate broker license of Respondent BRIAN JASON MORALES is hereby publicly reprovod.

DATED: 5/7/2013



LISSETTE GARCIA, Counsel for
the Complainant, the Department
of Real Estate

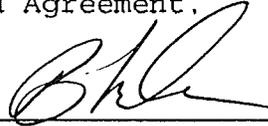
* * *

I have read the Stipulation and Agreement, have discussed it with my counsel, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506,

1 11508, 11509 and 11513 of the Government Code), and I willingly,
2 intelligently and voluntarily waive those rights, including the
3 right of requiring the Commissioner to prove the allegations in
4 the Accusation at a hearing at which I would have the right to
5 cross-examine witnesses against me and to present evidence in
6 defense and mitigation of the charges.

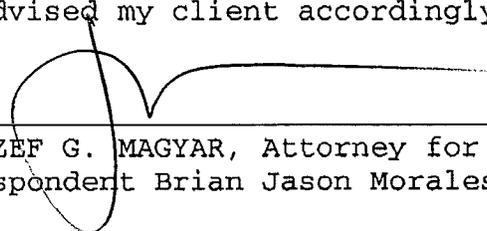
7 Respondent can signify acceptance and approval of the
8 terms and conditions of this Stipulation and Agreement by faxing
9 a copy of the signature page, as actually signed by Respondent,
10 to the Department at the following telephone/fax number: (213)
11 576-6917. Respondent agrees, acknowledges and understands that
12 by electronically sending to the Department a fax copy of his
13 actual signature as it appears on the Stipulation and Agreement,
14 that receipt of the faxed copy by the Department shall be as
15 binding on Respondent as if the Department had received the
16 original signed Stipulation and Agreement.

17 DATED: 4/25/13


18 BRIAN JASON MORALES
19 Respondent

20
21 I have reviewed the Stipulation and Agreement as to
22 form and content and have advised my client accordingly.

23 DATED: 4/30/13


24 JOZEF G. MAGYAR, Attorney for
25 Respondent Brian Jason Morales

26 ///

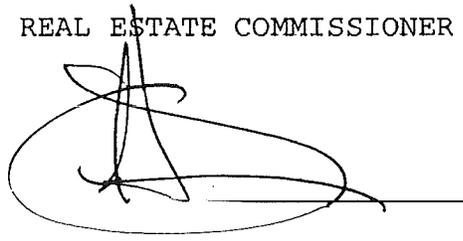
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* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision in this matter and shall become effective
at 12 o'clock noon on June 17, 2013.

IT IS SO ORDERED May 16, 2013.

REAL ESTATE COMMISSIONER


By: Jeffrey Mason
Chief Deputy Commissioner

1 3.

2 From November 1, 2010, through the present, Respondent
3 ZAHERA YOUSOFZOY ("YOUSOFZOY") has been licensed by the
4 Department as a real estate salesperson, License ID 01890000.
5 From November 1, 2010, through February 19, 2013, Respondent
6 YOUSOFZOY was licensed under the employment of broker Malibu
7 Funding, Inc.

8 4.

9 From March 10, 2010, through March 4, 2013, Simplicity
10 Realty 1 ("Simplicity") was licensed by the Department of Real
11 Estate ("Department") as a corporate real estate broker, License
12 ID 01876367. The Department revoked Simplicity's corporate real
13 estate broker license on March 5, 2013.

14 5.

15 From September 12, 2006, through the present, Brian
16 Jason Morales ("Morales") has been licensed by the Department as
17 a real estate broker, License ID 01441520.

18 6.

19 From March 10, 2010, through March 15, 2011, Simplicity
20 was authorized to act by and through Morales as its broker
21 designated pursuant to Code Section 10159.2 to be responsible for
22 ensuring compliance with the Real Estate Law. Morales cancelled
23 his designation as officer for Simplicity with the Department as
24 of March 15, 2011.

25 7.

26 From March 23, 2005, through March 4, 2013, Reinhard
27 Schoenhoefer ("Schoenhoefer") was licensed by the Department as a
28 real estate salesperson, License ID 01473232. From January 22,

1 2010 through December 29, 2010, Schoenhoefer was licensed under
2 the employment of Morales. The Department revoked Schoenhoefer's
3 real estate salesperson license on March 5, 2013.

4 CAUSE OF ACCUSATION

5 (Unlicensed Activity/Unlawful Compensation)

6 8.

7 Code Section 10132 defines a real estate salesperson as
8 a person who, for compensation or in expectation of a
9 compensation, is employed by a licensed real estate broker to do
10 one or more of the acts set forth in Code Sections 10131,
11 10131.1, 10131.2, 10131.3, 10131.4, and 10131.6. Code Section
12 10131 defines a real estate broker as a person who: (d) solicits
13 borrowers, negotiates loans, collects payments or performs
14 services for borrowers in connection with loans secured directly
15 or collaterally by liens on real property.

16 9.

17 Code Section 10137 states that is unlawful for any
18 licensed real estate broker to employ or compensate, directly or
19 indirectly, any person for performing acts requiring a real
20 estate license, who is not a real estate salesperson licensed
21 under the broker employing or compensating him or her. No real
22 estate salesperson shall be employed by or accept compensation
23 from any person other than the broker under whom he or she is at
24 the time licensed.

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1 10.

2 Secure Doc Prep Corp, Dain Turner ("Turner"), Carlo
3 Longo ("Longo"), Ruben Corona ("Corona"), and Robert (NMN)
4 Marquez ("Marquez") are not licensed in any capacity by the
5 Department.

6 11.

7 Secure Doc Prep Corp is a California corporation formed
8 on or about March 14, 2009. Schoenhoefer, Longo, and Turner were
9 former officers and directors of Secure Doc Prep Corp. Corona is
10 currently an officer and director of Secure Doc Prep Corp.

11 12.

12 On or about June 24, 2009, Respondent YOUSOFZOY and
13 Schoenhoefer opened a business checking account on behalf of
14 Secure Doc Prep with Wells Fargo Bank in Irvine, California.
15 Respondent YOUSOFZOY and Schoenhoefer were authorized signers on
16 the account. The bank business account application lists
17 Schoenhoefer as the owner and YOUSOFZOY as a partner of Secure
18 Doc Prep. The mailing and business address listed for Secure Doc
19 Prep is 2450 White Road #250, Irvine, California 92614.

20 13.

21 Simplicity is a California corporation formed on or
22 about September 11, 2009. Turner and Morales were former
23 officers and directors of Simplicity. Corona is currently an
24 officer and director of Simplicity.

25 14.

26 At all times relevant herein, Secure Doc Prep Corp and
27 Simplicity used the same office address of 2450 White Road, Suite
28 250, Irvine, California 92614. Secure Doc Prep Corp and

1 Simplicity also operated branch offices at 17748 Skypark Circle
2 Suite 260, Irvine, California 92606; 27702 Crown Valley Pkwy.
3 Suite D-4 228, Ladera Ranch, California 92694; and 2710 Alton
4 Pkwy. Suite 109-104, Irvine, CA 92606.

5 15.

6 On or about November 17, 2009, Morales submitted a
7 corporation license application on behalf of Simplicity with the
8 Department.

9 16.

10 On or about February 25, 2010, Morales submitted a copy
11 of the minutes and resolutions for Simplicity, in response to a
12 letter of inquiry from the Department concerning Simplicity's
13 original application for a corporation license application. On
14 the minutes and resolutions submitted by Morales, Dain Turner was
15 listed as the President, CEO, and Secretary of Simplicity;
16 Morales was listed as the Treasurer of Simplicity; and the
17 address for Simplicity was listed as 17748 Sky Park Circle,
18 Suite 260, Irvine, California 92614.

19 17.

20 Respondent YOUSOFZOY, while doing business as Secure
21 Doc Prep Corp and/or Simplicity, engaged in the business of a
22 real estate broker conducting activities requiring a real estate
23 license within the meaning of Code Section 10131(d) (solicit
24 borrowers for or negotiate loans or perform services for
25 borrowers in connection with loans secured by liens on real
26 property).

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1 18.

2 For compensation or in expectation of compensation and
3 for fees collected in advance, Respondent YOUSOFZOY, acting
4 through the officers, agents, employees, or independent
5 contractors of Secure Doc Prep and/or Simplicity, solicited
6 borrowers by offering to conduct loan negotiations and
7 modifications, foreclosure forbearance, mitigation, or
8 foreclosure consultant services in connection with loans secured
9 by liens on real property.

10 19.

11 On or about October 14, 2010, Respondent YOUSOFZOY,
12 through Marquez and other agents, employees, or independent
13 contractors of Secure Doc Prep and Simplicity, charged advance
14 fees of \$2,295 from borrower Eugene S. for mortgage loan
15 negotiation, modification or forbearance services. Secure Doc
16 Prep collected \$1,721.22 from Eugene S. for said services.
17 Respondent YOUSOFZOY and Secure Doc Prep failed to refund any
18 monies to Eugene S. after failing to provide the services that
19 had been promised.

20 20.

21 In aggravation, on or about September 22, 2009,
22 Respondent YOUSAFZOY, through Secure Doc Prep, Simplicity, and
23 their agents, employees, or independent contractors, charged and
24 collected advance fees totaling \$3,990 from borrowers Scott and
25 Barbara L. for mortgage loan negotiation, modification or
26 forbearance services. Respondent YOUSAFZOY and Secure Doc Prep
27 failed to refund any monies to Scott and Barbara L. after failing
28 to provide the services that had been promised.

21.

The conduct, acts and/or omissions of Respondent YOUSOFZOY as set forth in Paragraphs 10 through 19 above, in that she operated and received compensation through an unlicensed entity, Secure Doc Prep Corp, and used unlicensed agents to engage in activities requiring a real estate license under Code Section 10131(d), is in violation of Code Sections 10130 and 10137, and constitutes cause to suspend or revoke the real estate licenses and license rights of Respondent YOUSOFZOY under the provisions of Code Sections 10177(d) and/or 10177(g).

22.

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

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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 Respondent
5 ZAHERA YOUSOFZOY under the Real Estate Law (Part 1 of Division 4
6 of the Business and Professions Code), for the cost of
7 investigation and enforcement as permitted by law, and for such
8 other and further relief as may be proper under other provisions
9 of law.

10 Dated at Los Angeles, California
11 this 6 day of June, 2013.

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14 _____
15 ROBIN TRUJILLO
16 Deputy Real Estate Commissioner
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24 cc: Zahera Yousofzoy
25 Robin Trujillo
26 Sacto.
27 OAH
28

FILED

FEB 13 2013

DEPARTMENT OF REAL ESTATE

BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-38429 LA
)	
<u>SIMPLICITY REALTY 1,</u>)	
BRIAN JASON MORALES,)	
individually and as former)	
designated officer of)	
Simplicity Realty 1, and)	
<u>REINHARD SCHOENHOEFER,</u>)	
)	
Respondents.)	
)	

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on January 11, 2013, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On September 18, 2012, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, return receipt requested, to Respondents SIMPLICITY REALTY 1 and REINHARD SCHOENHOEFER.

On January 11, 2013, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents' default was entered herein.

2.

From March 10, 2010, through the present, Respondent SIMPLICITY REALTY 1 ("SIMPLICITY") has been licensed by the Department of Real Estate ("Department") as a corporate real estate broker, License ID 01876367.

3.

From March 23, 2005, through the present, Respondent REINHARD SCHOENHOEFER ("SCHOENHOEFER") has been licensed by the Department as a real estate salesperson, License ID 01473232. From August 25, 2009, through January 21, 2010, Respondent SCHOENHOEFER was licensed under the employment of broker Beachside Capital, Inc. From January 22, 2010 through December 29, 2010, Respondent SCHOENHOEFER was licensed under the employment of Respondent BRIAN JASON MORALES.

4.

Secure Doc Prep Corp, Dain Turner ("Turner"), Carlo Longo ("Longo"), Ruben (NMN) Corona ("Corona"), and Robert (NMN) Marquez ("Marquez") are not licensed in any capacity by the Department.

5.

Secure Doc Prep Corp is a California corporation formed on or about March 14, 2009. SCHOENHOEFER, Longo, and Turner were former officers and directors of Secure Doc Prep Corp. Corona is currently an officer and director of Secure Doc Prep Corp.

6.

SIMPLICITY is a California corporation formed on or about September 11, 2009. Corona is currently an officer and director of SIMPLICITY.

7.

At times relevant herein, Secure Doc Prep Corp and SIMPLICITY shared the same office address of 2450 White Road, Suite 250, Irvine, California 92614. Secure Doc Prep Corp and SIMPLICITY also operated branch offices at 17748 Skypark Circle Suite 260, Irvine, California 92606; 27702 Crown Valley Pkwy.

Suite D-4 228, Ladera Ranch, California 92694; and 2710 Alton Pkwy. Suite 109-104, Irvine, CA 92606.

8.

On or about September 22, 2009, Respondents SIMPLICITY and SCHOENHOEFER, while using their own names or other fictitious business names including Secure Doc Prep Corp and SIMPLICITY, and acting through their agents, employees, or independent contractors, charged and collected advance fees totaling \$3,990 from borrowers Scott and Barbara L. for mortgage loan negotiation, modification or forbearance services. Respondents failed to refund any monies to Scott and Barbara L. after failing to provide the services that had been promised.

9.

On or about October 14, 2010, Respondents SIMPLICITY and SCHOENHOEFER, while using their own names or other fictitious business names including Secure Doc Prep Corp and SIMPLICITY, and acting through Marquez and other agents, employees, or independent contractors, charged advance fees of \$2,295 from borrower Eugene S. for mortgage loan negotiation, modification or forbearance services. Respondents collected \$1,721.22 from Eugene S. for said services. Respondents failed to refund any monies to Eugene S. after failing to provide the services that had been promised.

10.

Respondent SIMPLICITY acted without Department authorization in using unlicensed branch offices located at 17748 Skypark Circle Suite 260, Irvine, California 92606; 27702 Crown Valley Pkwy. Suite D-4 228, Ladera Ranch, California 92694; and 2710 Alton Pkwy. Suite 109-104, Irvine, California 92606, to engage in activities requiring the issuance of a real estate license.

11.

Respondent SIMPLICITY acted without Department authorization in using the unlicensed business name Secure Doc Prep Corp to engage in activities requiring the issuance of a real estate license.

DETERMINATION OF ISSUES

1.

The conduct, acts and/or omissions of Respondents SIMPLICITY and SCHOENHOEFER as set forth in Paragraphs 8 and 9 above, in that they used unauthorized advance fee agreements, charged or collected advance fees for soliciting borrowers or lenders, or promised to perform services for borrowers in connection with loans secured directly or collaterally by a lien on real property, is in violation of Business and Professions Code ("Code") Sections 10085, 10085.5, 10085.6, and Regulation 2970 and constitutes cause to suspend or revoke the real estate licenses and license rights of Respondents SIMPLICITY and SCHOENHOEFER under the provisions of Code Section 10177(d).

2.

The conduct, acts and/or omissions of Respondent SIMPLICITY as set forth in Paragraphs 8 and 9 above, in that it failed to comply with the requirements of Code Section 10146 constitutes cause to suspend or revoke the real estate license and license rights of Respondent SIMPLICITY under the provisions of Code Section 10177(d).

3.

The conduct, acts and/or omissions of Respondents SIMPLICITY and SCHOENHOEFER as set forth in Paragraphs 8 and 9 above, in that they operated an unlicensed entity, Secure Doc Prep Corp, and used unlicensed agents to engage in activities requiring a real estate license under Code Section 10131(d), constitutes cause to suspend or revoke the real estate licenses and license rights of Respondents SIMPLICITY and SCHOENHOEFER under the provisions of Code Section 10176(a) and 10176(i).

4.

The conduct, acts and/or omissions of Respondents SIMPLICITY and SCHOENHOEFER, as set forth in Paragraphs 8 and 9 above, in that SIMPLICITY employed or compensated persons for performing acts requiring a real estate license when they were not licensed under SIMPLICITY, and Respondent SCHOENHOEFER accepted compensation from a person other than the broker under whom he was licensed at the time, is in violation of Code Section 10137. Respondents SIMPLICITY and SCHOENHOEFER's conduct constitutes cause to suspend or revoke the real estate

licenses and license rights of Respondents SIMPLICITY and SHOENHOEFER under the provisions of Code Sections 10137 and 10177(d).

5.

The conduct, acts and/or omissions of Respondents SIMPLICITY and SHOENHOEFER, and their employees, agents and/or independent contractors including Turner, Marquez, Longo, and Corona, as set forth in Paragraphs 8 and 9, above, constitute grounds for the suspension or revocation of the licenses and license rights of Respondents SIMPLICITY and SHOENHOEFER pursuant to Code Sections 10176(a) (making any substantial misrepresentation), 10176(b) (making any false promises of a character likely to influence, persuade or induce), and 10176(i) (fraud or dishonest dealing).

6.

The conduct, acts and/or omissions of Respondent SIMPLICITY as set forth in Paragraph 10, above, violate Code Section 10163 and Regulation 2715 and are cause for the suspension or revocation of the license and license rights of Respondent SIMPLICITY pursuant to Code Section 10177(d).

7.

The conduct, acts and/or omissions of Respondent SIMPLICITY as set forth in Paragraph 11, above, violate Code Section 10159.5 and Regulation 2731 and are cause for the suspension or revocation of the license and license rights of Respondent SIMPLICITY pursuant to Code Section 10177(d).

8.

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

ORDER

The licenses and license rights of Respondents
SIMPLICITY REALTY 1 and REINHARD SCHOENHOEFER, under the
provisions of Part I of Division 4 of the Business and
Professions Code are revoked.

This Decision shall become effective at 12 o'clock
noon on March 5, 2013.

DATED:

2/6/13

REAL ESTATE COMMISSIONER



By AWET P. KIDANE
Chief Deputy Commissioner

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

Telephone: (213) 576-6982
Direct: (213) 576-6914
Fax: (213) 576-6917

FILED

SEP 20 2012

DEPARTMENT OF REAL ESTATE
BY: ca

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-38429 LA
)	
SIMPLICITY REALTY 1,)	<u>A C C U S A T I O N</u>
BRIAN JASON MORALES,)	
individually and as former)	
designated officer of)	
Simplicity Realty 1, and)	
REINHARD SCHOENHOEFER,)	
)	
Respondents.)	
)	

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against SIMPLICITY REALTY 1, BRIAN JASON MORALES, individually and as former designated officer of Simplicity Realty 1, and REINHARD SCHOENHOEFER (collectively "Respondents"), is informed and alleges as follows:

1.

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

1 2.

2 Respondents are presently licensed and/or have license
3 rights under the Real Estate Law (Part 1 of Division 4 of the
4 California Business and Professions Code, "Code").

5 3.

6 From March 10, 2010, through the present, Respondent
7 SIMPLICITY REALTY 1 ("SIMPLICITY") has been licensed by the
8 Department of Real Estate ("Department") as a corporate real
9 estate broker, License ID 01876367.

10 4.

11 From September 12, 2006, through the present,
12 Respondent BRIAN JASON MORALES ("MORALES") has been licensed by
13 the Department as a real estate broker, License ID 01441520.

14 5.

15 From March 10, 2010, through March 15, 2011, Respondent
16 SIMPLICITY was authorized to act by and through Respondent
17 MORALES as its broker designated pursuant to Code Section 10159.2
18 to be responsible for ensuring compliance with the Real Estate
19 Law.

20 6.

21 From March 23, 2005, through the present, Respondent
22 REINHARD SCHOENHOEFER ("SCHOENHOEFER") has been licensed by the
23 Department as a real estate salesperson, License ID 01473232.

24 From August 25, 2009, through January 21, 2010, Respondent
25 SCHOENHOEFER was licensed under the employment of broker
26 Beachside Capital, Inc. From January 22, 2010 through December
27 29, 2010, Respondent SCHOENHOEFER was licensed under the
28 employment of Respondent MORALES.

1 7.

2 All further references to "Respondents" include the
3 parties listed in Paragraphs 3 through 6, above, as well as the
4 officers, agents and employees of the parties listed in
5 Paragraphs 3 through 6, above.

6 FIRST CAUSE OF ACCUSATION

7 (Unlicensed Activity/Unlawful Compensation)

8 8.

9 Code Section 10132 defines a real estate salesperson as
10 a person who, for compensation or in expectation of compensation,
11 is employed by a licensed real estate broker to do one or more of
12 the acts set forth in Code Sections 10131, 10131.1, 10131.2,
13 10131.3, 10131.4, and 10131.6. Code Section 10131 defines a real
14 estate broker as a person who: (d) solicits borrowers, negotiates
15 loans, collects payments or performs services for borrowers in
16 connection with loans secured directly or collaterally by liens
17 on real property.

18 9.

19 Code Section 10137 states that is unlawful for any
20 licensed real estate broker to employ or compensate, directly or
21 indirectly, any person for performing acts requiring a real
22 estate license, who is not a real estate salesperson licensed
23 under the broker employing or compensating him or her. No real
24 estate salesperson shall be employed by or accept compensation
25 from any person other than the broker under whom he or she is at
26 the time licensed.

1 10.

2 Code Sections 10085.5 and 10085.6 prohibit claiming,
3 demanding, charging or collecting advance fees for attempts to
4 negotiate or perform mortgage loan modification or forbearance
5 services. Prior to October 11, 2009, licensed real estate
6 brokers could charge or collect advance fees *if* they complied
7 with the statutory requirements of Code Sections 10085, 10146 and
8 Regulation 2970 of the California Code of Regulations, Title 10,
9 Chapter 6 ("Regulations").

10 11.

11 Secure Doc Prep Corp, Dain Turner ("Turner"), Carlo
12 Longo ("Longo"), Ruben Corona ("Corona"), and Robert (NMN)
13 Marquez ("Marquez") are not licensed in any capacity by the
14 Department.

15 12.

16 Secure Doc Prep Corp is a California corporation formed
17 on or about March 14, 2009. SCHOENHOEFER, Longo, and Turner were
18 former officers and directors of Secure Doc Prep Corp. Corona is
19 currently an officer and director of Secure Doc Prep Corp.

20 13.

21 SIMPLICITY is a California corporation formed on or
22 about September 11, 2009. Turner and MORALES were former
23 officers and directors of SIMPLICITY. MORALES cancelled his
24 designation as officer for SIMPLICITY on or about March 15, 2011.
25 Corona is currently an officer and director of SIMPLICITY.

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1 14.

2 At times relevant herein, Secure Doc Prep Corp and
3 SIMPLICITY shared the same office address of 2450 White Road,
4 Suite 250, Irvine, California 92614. Secure Doc Prep Corp and
5 SIMPLICITY also operated branch offices at 17748 Skypark Circle
6 Suite 260, Irvine, California 92606; 27702 Crown Valley Pkwy.
7 Suite D-4 228, Ladera Ranch, California 92694; and 2710 Alton
8 Pkwy. Suite 109-104, Irvine, CA 92606.

9 15.

10 Within the three year period from the filing of this
11 Accusation, in the State of California, Respondents, while using
12 their own names or other fictitious business names including
13 Secure Doc Prep Corp and SIMPLICITY, engaged in the business of a
14 real estate broker conducting activities requiring a real estate
15 license within the meaning of Code Section 10131(d) (solicit
16 borrowers for or negotiate loans or perform services for
17 borrowers in connection with loans secured by liens on real
18 property).

19 16.

20 For compensation or in expectation of compensation and
21 for fees collected in advance, Respondents, through their agents,
22 employees, or independent contractors, solicited borrowers by
23 offering to conduct loan negotiations and modifications,
24 foreclosure forbearance, mitigation, or foreclosure consultant
25 services in connection with loans secured by liens on real
26 property.

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1 17.

2 On or about September 22, 2009, Respondents, through
3 their agents, employees, or independent contractors, charged and
4 collected advance fees totaling \$3,990 from borrowers Scott and
5 Barbara L. for mortgage loan negotiation, modification or
6 forbearance services. Respondents failed to refund any monies to
7 Scott and Barbara L. after failing to provide the services that
8 had been promised.

9 18.

10 On or about October 14, 2010, Respondents, through
11 Marquez and other agents, employees, or independent contractors,
12 charged advance fees of \$2,295 from borrower Eugene S. for
13 mortgage loan negotiation, modification or forbearance services.
14 Respondents collected \$1,721.22 from Eugene S. for said services.
15 Respondents failed to refund any monies to Eugene S. after
16 failing to provide the services that had been promised.

17 19.

18 The conduct, acts and/or omissions of Respondents as
19 set forth in Paragraphs 11 through 18 above, in that they used
20 unauthorized advance fee agreements, charged or collected advance
21 fees for soliciting borrowers or lenders, or promised to perform
22 services for borrowers in connection with loans secured directly
23 or collaterally by a lien on real property, is in violation of
24 Code Sections 10085, 10085.5, 10085.6, 10146 and Regulation 2970
25 and constitutes cause to suspend or revoke the real estate
26 licenses and license rights of Respondents SIMPLICITY, MORALES,
27 and SHOENHOEFER under the provisions of Code Sections 10177(d)
28 and/or 10177(g).

1 20.

2 The conduct, acts and/or omissions of Respondents as
3 set forth in Paragraphs 11 through 18 above, in that they
4 operated an unlicensed entity, Secure Doc Prep Corp, and used
5 unlicensed agents to engage in activities requiring a real estate
6 license under Code Section 10131(d), is in violation of Code
7 Section 10130 and constitutes cause to suspend or revoke the real
8 estate licenses and license rights of Respondents SIMPLICITY,
9 MORALES, and SHOENHOEFER under the provisions of Code Sections
10 10177(d) and/or 10177(g).

11 21.

12 The conduct, acts and/or omissions of Respondents, as
13 set forth in Paragraphs 11 through 18 above, in that SIMPLICITY
14 and MORALES employed or compensated persons for performing acts
15 requiring a real estate license when they were not licensed under
16 them, and Respondent SCHOENHOEFER accepted compensation from a
17 person other than the broker under whom he was licensed at the
18 time, is in violation of Code Section 10137. Respondents'
19 conduct constitutes cause to suspend or revoke the real estate
20 licenses and license rights of Respondents SIMPLICITY, MORALES,
21 and SHOENHOEFER under the provisions of Code Sections 10137,
22 10177(d) and/or 10177(g).

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1 25.

2 Code Section 10163 requires that a real estate broker
3 apply for and procure an additional license for each branch
4 office maintained by the broker. Regulation Section 2715
5 requires that a real estate broker notify the Department of any
6 change in the location of a branch office within one business day
7 following the change.

8 26.

9 Respondents SIMPLICITY and MORALES acted without
10 Department authorization in using unlicensed branch offices
11 located at 17748 Skypark Circle Suite 260, Irvine, California
12 92606; 27702 Crown Valley Pkwy. Suite D-4 228, Ladera Ranch,
13 California 92694; and 2710 Alton Pkwy. Suite 109-104, Irvine,
14 California 92606, to engage in activities requiring the issuance
15 of a real estate license.

16 27.

17 The conduct, acts and/or omissions of Respondents
18 SIMPLICITY and MORALES as set forth in Paragraph 26, above,
19 violate Code Section 10163 and Regulation 2715 and are cause for
20 the suspension or revocation of the licenses and license rights
21 of Respondents SIMPLICITY and MORALES pursuant to Code Sections
22 10177(d) and/or 10177(g).

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1 FIFTH CAUSE OF ACCUSATION

2 (Failure to Supervise)

3 32.

4 There is hereby incorporated in this Fifth, separate
5 Cause of Accusation, all of the allegations contained in
6 Paragraphs 1 through 31, above, with the same force and effect as
7 if herein fully set forth.

8 33.

9 The conduct, acts and/or omissions of Respondent
10 MORALES, in allowing Respondent SIMPLICITY and SCHOENHOEFER to
11 violate the Real Estate Law, as set forth above, constitutes a
12 failure by Respondent MORALES to exercise the supervision and
13 control over the activities of Respondents SIMPLICITY and
14 SCHOENHOEFER as required by Code Section 10159.2 and Regulation
15 2725, and are cause to suspend or revoke the real estate license
16 and license rights of Respondent MORALES under Code Sections
17 10177(h), 10177(d) and/or 10177(g).

18 34.

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

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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 SIMPLICITY REALTY 1, BRIAN JASON MORALES, individually and as
6 former designated officer of Simplicity Realty 1, and REINHARD
7 SCHOENHOEFER under the Real Estate Law (Part 1 of Division 4 of
8 the Business and Professions Code), for the cost of investigation
9 and enforcement as permitted by law, and for such other and
10 further relief as may be proper under other provisions of law.

11 Dated at Los Angeles, California
12 this 18 day of September 2012.

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15 ROBIN TRUJILLO
16 Deputy Real Estate Commissioner
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23 cc: Simplicity Realty 1
24 Brian Jason Morales
25 Reinhard Schoenhoefer
26 Robin Trujillo
27 Sacto.
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