

**FILED**

JAN 9 0 2012

Department of Real Estate  
BY: [Signature]

1 DEPARTMENT OF REAL ESTATE  
2 P. O. Box 187007  
3 Sacramento, CA 95818-7007  
4 Telephone: (916) 227-0789

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) NO. H-2631 FR  
12 SIGNATURE FINANCIAL SERVICES, INC., a )  
13 California corporation, JOHN A. VILLANUEVA, ) STIPULATION AND AGREEMENT  
14 and JEREMY NOE RANGEL, )  
15 Respondents. )

16 It is hereby stipulated by and between Respondent SIGNATURE FINANCIAL  
17 SERVICES, INC., JOHN A. VILLANUEVA, and JEREMY NOE RANGEL (hereinafter  
18 "Respondents"), acting by and through their attorney, Steve Charles Vondran, and the  
19 Complainant, acting by and through Michael B. Rich, Counsel for the Department of Real  
20 Estate, as follows for the purpose of settling and disposing of the Accusation filed on May 11,  
21 2011, in this matter ("the Accusation"):

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

27 2. Respondents have received, read and understand the Statement to

1 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department  
2 of Real Estate in this proceeding.

3           3.     On May 31, 2011, Respondents filed a Notices of Defense pursuant to  
4 Section 11505 of the Government Code for the purpose of requesting a hearing on the  
5 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notices  
6 of Defense. Respondents acknowledge that they understand that by withdrawing said Notice of  
7 Defense Respondents will thereby waive Respondents' right to require the Commissioner to  
8 prove the allegations in the Accusation at a contested hearing held in accordance with the  
9 provisions of the APA and that Respondents will waive other rights afforded to Respondents in  
10 connection with the hearing such as the right to present evidence in defense of the allegations in  
11 the Accusation and the right to cross-examine witnesses.

12           4.     Respondents, pursuant to the limitations set forth below, hereby admit  
13 that the factual allegations in the Accusation pertaining to Respondents are true and correct and  
14 stipulate and agree that the Real Estate Commissioner shall not be required to provide further  
15 evidence of such allegations.

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

23           6.     This Stipulation and Agreement shall not constitute an estoppel, merger  
24 or bar to any further administrative or civil proceedings by the Department of Real Estate with  
25 respect to any matters which were not specifically alleged to be causes for accusation in this  
26 proceeding.

27 ///

1 DETERMINATION OF ISSUES

2 By reason of the foregoing stipulations, admissions and waivers and solely for  
3 the purpose of settlement of the pending Accusation without hearing, it is stipulated and agreed  
4 that the following Determination of Issues shall be made:

5 I

6 The acts and omissions of Respondent SIGNATURE FINANCIAL SERVICES,  
7 INC. and Respondent JOHN A. VILLANUEVA described in the Accusation are grounds for  
8 the suspension or revocation of the licenses and license rights of Respondents under the  
9 provisions of Sections 10085, 10085.5, 10146 and 10159.5 of the Business and Professions Code  
10 (hereinafter "the Code") and Sections 2731 and 2972 of Chapter 6, Title 10, California Code of  
11 Regulations (hereinafter "the Regulations") all in conjunction with Section 10177(d) of the  
12 Code, and 10176(a), 10176(b), 10176(i), and 10177(g).

13 II

14 The acts and omissions of Respondent JEREMY NOE RANGEL described in  
15 the Accusation are grounds for the suspension or revocation of the licenses and license rights of  
16 Respondent under the provisions of Section 10159.2 of the Code and Section 2725 of the  
17 Regulations all in conjunction with Section 10177(d) of the Code and Section 10177(h) of the  
18 Code.

19 ORDER

20 I

21 The corporate real estate broker licenses and all license rights of Respondent  
22 SIGNATURE FINANCIAL SERVICES, INC., under the Real Estate Law is revoked;  
23 provided, however, a restricted corporate real estate broker license shall be issued to  
24 Respondent SIGNATURE FINANCIAL SERVICES, INC., pursuant to Section 10156.5 of the  
25 Business and Professions Code if Respondent makes application therefor and pays to the  
26 Department of Real Estate the appropriate fee for the restricted license within ninety (90) days  
27 from the effective date of this Decision. The restricted license issued to Respondent

1 SIGNATURE FINANCIAL SERVICES, INC., (permitting Respondent to conduct all  
2 activities permitted by a broker license) shall be subject to all of the provisions of Section  
3 10156.7 of the Business and Professions Code and to the following limitations, conditions and  
4 restrictions imposed under authority of Section 10156.6 of that Code:

5 1. A restricted license shall not be issued to Respondent SIGNATURE  
6 FINANCIAL SERVICES, INC., unless Respondent submits with the  
7 application for said restricted license proof in the form of canceled  
8 checks, or written receipts or written acknowledgements signed,  
9 respectively, by Estela or Isidro Garcia and by Ruben Lara Garcia, that a  
10 refund of \$2,500.00 has been paid to Estela and Isidro Garcia and that a  
11 refund of \$2,000.00 has been paid to Ruben Lara Garcia by either  
12 Respondent SIGNATURE FINANCIAL SERVICES, INC., Respondent  
13 JEREMY NOE RANGEL, or by Respondent JOHN A. VILLANUEVA.

14 2. The restricted license issued to Respondent SIGNATURE FINANCIAL  
15 SERVICES, INC., may be suspended prior to hearing by Order of the  
16 Real Estate Commissioner in the event of Respondent's conviction or  
17 plea of nolo contendere to a crime which is substantially related to  
18 Respondent's fitness or capacity as a real estate licensee.

19 3. The restricted license issued to Respondent SIGNATURE FINANCIAL  
20 SERVICES, INC., may be suspended prior to hearing by Order of the  
21 Real Estate Commissioner on evidence satisfactory to the Commissioner  
22 that Respondent has violated provisions of the California Real Estate  
23 Law, the Subdivided Lands Law, Regulations of the Real Estate  
24 Commissioner or conditions attaching to the restricted license.

25 4. Respondent SIGNATURE FINANCIAL SERVICES, INC., shall not be  
26 eligible to apply for the issuance of an unrestricted real estate license nor  
27 for the removal of any of the conditions, limitations, or restrictions of a

1 restricted license until three (3) years have elapsed from the effective  
2 date of this Decision.

3 5. Any restricted real estate broker license issued to Respondent  
4 SIGNATURE FINANCIAL SERVICES, INC., may be suspended or  
5 revoked for a violation by Respondent of any of the conditions attaching  
6 to the restricted license.

7 6. The restricted license issued to Respondent SIGNATURE FINANCIAL  
8 SERVICES, INC., under the Real Estate Law is suspended for a period of  
9 sixty (60) days from the effective date of this Decision; provided,  
10 however, that sixty (60) days of said suspension shall be stayed for three  
11 (3) years upon the following terms and conditions:

12 a. Respondent shall obey all laws, rules and regulations governing  
13 the rights, duties and responsibilities of a real estate licensee in  
14 the State of California; and,

15 b. That no final subsequent determination be made, after hearing or  
16 upon stipulation, that cause for disciplinary action occurred within  
17 three (3) years of the effective date of this Decision. Should such  
18 a determination be made, the Commissioner may, in his  
19 discretion, vacate and set aside the stay order and re-impose all or  
20 a portion of the stayed suspension. Should no such determination  
21 be made, the stay imposed herein shall become permanent.

22 II

23 All licenses and licensing rights of Respondent JEREMY NOE RANGEL under  
24 the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall  
25 be issued to said Respondent pursuant to Section 10156.5 of the Business and Professions Code  
26 if, within 90 days from the effective date of the Decision entered pursuant to this Order,  
27 Respondent makes application for the restricted license and pays to the Department of Real

1 Estate the appropriate fee therefor.

2 The restricted license issued to Respondent shall be subject to all of the  
3 provisions of Section 10156.7 of the Business and Professions Code and to the following  
4 limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

5 1. A restricted license shall not be issued to Respondent JEREMY NOE  
6 RANGEL unless Respondent submits with the application for said  
7 restricted license proof in the form of canceled checks, or written receipts  
8 or written acknowledgements signed, respectively, by Estela or Isidro  
9 Garcia and by Ruben Lara Garcia, that a refund of \$2,500.00 has been  
10 paid to Estela and Isidro Garcia and that a refund of \$2,000.00 has been  
11 paid to Ruben Lara Garcia by either Respondent SIGNATURE  
12 FINANCIAL SERVICES, INC., Respondent JEREMY NOE RANGEL,  
13 or by Respondent JOHN A. VILLANUEVA.

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

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

25 4. Respondent JEREMY NOE RANGEL shall not be eligible to apply for  
26 the issuance of an unrestricted real estate license nor for the removal of  
27 any of the conditions, limitations or restrictions of a restricted license

1 until three (3) years have elapsed from the effective date of this Decision.

2 5. Respondent JEREMY NOE RANGEL shall, within nine (9) months from  
3 the effective date of the Decision, present evidence satisfactory to the  
4 Real Estate Commissioner that Respondent has, since the most recent  
5 issuance of an original or renewal real estate license, taken and  
6 successfully completed the continuing education requirements of Article  
7 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate  
8 license. If Respondent fails to satisfy this condition, the Commissioner  
9 may order the suspension of the restricted license until the Respondent  
10 presents such evidence. The Commissioner shall afford Respondent the  
11 opportunity for a hearing pursuant to the Administrative Procedure Act to  
12 present such evidence.

13 6. Respondent JEREMY NOE RANGEL shall, within six (6) months from  
14 the effective date of this Decision, take and pass the Professional  
15 Responsibility Examination administered by the Department including  
16 the payment of the appropriate examination fee. If Respondent fails to  
17 satisfy this condition, the Commissioner may order suspension of  
18 Respondent's license until Respondent passes the examination.

19 7. The restricted license issued to Respondent JEREMY NOE RANGEL is  
20 suspended for a period of sixty (60) days from the date of issuance of  
21 said restricted license; provided, however, that if Respondent petitions,  
22 thirty (30) days of said suspension (or a portion thereof) shall be stayed  
23 upon condition that:

24 (a.) Respondent pays a monetary penalty pursuant to Section 10175.2  
25 of the Business and Professions Code at the rate of \$100.00 for  
26 each day of the suspension for a total monetary penalty of  
27 \$3,000.00.

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(b.) Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be delivered to the Department prior to the effective date of the Decision in this matter.

(c.) No further cause for disciplinary action against the real estate license of Respondent occurs within three (3) years from the effective date of the Decision in this matter.

(d.) If Respondent fails to pay the monetary penalty in accordance with the terms and conditions of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

(e.) If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Respondent occurs within three (3) years from the effective date of the Decision, the stay hereby granted shall become permanent.

8. Thirty (30) days of said sixty (60) day suspension shall be stayed upon condition that:

(a) No final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action against Respondent occurred within three (3) years of the effective date of the Decision herein.

(b) Should such a determination be made, the Commissioner may, in his or her discretion, vacate and set aside the stay order, and order



1 the execution of all or any part of the stayed suspension, in which  
2 event the Respondent shall not be entitled to any repayment nor  
3 credit, prorated or otherwise, for money paid to the Department  
4 under the terms of this Decision.

5 (c) If no order vacating the stay is issued, and if no further cause for  
6 disciplinary action against the real estate license of Respondent  
7 occurs within three (3) years from the effective date of the  
8 Decision, then the stay hereby granted shall become permanent.

9 III

10 All licenses and licensing rights of Respondent JOHN A. VILLANUEVA under  
11 the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license  
12 shall be issued to said Respondent pursuant to Section 10156.5 of the Business and Professions  
13 Code if, within 90 days from the effective date of the Decision entered pursuant to this Order,  
14 Respondent makes application for the restricted license and pays to the Department of Real  
15 Estate the appropriate fee therefor.

16 The restricted license issued to Respondent JOHN A. VILLANUEVA shall be  
17 subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to  
18 the following limitations, conditions and restrictions imposed under authority of Section 10156.6  
19 of that Code:

20 1. A restricted license shall not be issued to Respondent JOHN A.

21 VILLANUEVA unless Respondent submits with the application for said  
22 restricted license proof in the form of canceled checks, or written  
23 receipts or written acknowledgements signed, respectively, by Estela or  
24 Isidro Garcia and by Ruben Lara Garcia, that a refund of \$2,500.00 has  
25 been paid to Estela and Isidro Garcia and that a refund of \$2,000.00 has  
26 been paid to Ruben Lara Garcia by either Respondent SIGNATURE

1 FINANCIAL SERVICES, INC., Respondent JEREMY NOE RANGEL,  
2 or by Respondent JOHN A. VILLANUEVA.

3 2. The restricted license issued to Respondent JOHN A. VILLANUEVA

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

9 2. The restricted license issued to Respondent JOHN A. VILLANUEVA

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

14 3. Respondent JOHN A. VILLANUEVA shall not be eligible to apply for

15 the issuance of an unrestricted real estate license nor for the removal of  
16 any of the conditions, limitations or restrictions of a restricted license  
17 until three (3) years have elapsed from the effective date of this Decision.

18 4. Respondent JOHN A. VILLANUEVA shall submit with any application

19 for license under an employing broker, or any application for transfer to a  
20 new employing broker, a statement signed by the prospective employing  
21 real estate broker on a form approved by the Department of Real Estate  
22 which shall certify:

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

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

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5. Respondent JOHN A. VILLANUEVA shall, within nine (9) months from  
the effective date of the 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 JOHN A. VILLANUEVA shall, within six (6) months from  
the effective date of this Decision, take and pass the Professional  
Responsibility Examination administered by the Department 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. The restricted license issued to Respondent JOHN A. VILLANUEVA is  
suspended for a period of sixty (60) days from the date of issuance of  
said restricted license; provided, however, that if Respondent petitions,  
thirty (30) days of said suspension (or a portion thereof) shall be stayed  
upon condition that:

(a.) Respondent pays a monetary penalty pursuant to Section 10175.2  
of the Business and Professions Code at the rate of \$100.00 for  
each day of the suspension for a total monetary penalty of  
\$3,000.00.

(b.) Said payment shall be in the form of a cashier's check or

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certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be delivered to the Department prior to the effective date of the Decision in this matter.

(c.) No further cause for disciplinary action against the real estate license of Respondent occurs within three (3) years from the effective date of the Decision in this matter.

(d.) If Respondent fails to pay the monetary penalty in accordance with the terms and conditions of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

(e.) If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Respondent occurs within three (3) years from the effective date of the Decision, the stay hereby granted shall become permanent.

8. Thirty (30) days of said sixty (60) day suspension shall be stayed upon condition that:

(a) No final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action against Respondent occurred within three (3) years of the effective date of the Decision herein.

(b) Should such a determination be made, the Commissioner may, in his or her discretion, vacate and set aside the stay order, and order the execution of all or any part of the stayed suspension, in which

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event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

(c) If no order vacating the stay is issued, and if no further cause for disciplinary action against the real estate license of Respondent occurs within three (3) years from the effective date of the Decision, then the stay hereby granted shall become permanent.

December 29, 2011  
DATED

Michael B. Rich  
MICHAEL B. RICH, Counsel  
Department of Real Estate

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I have read the Stipulation and Agreement 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, 11508, 11509, and 11513 of the Government Code), and I 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 I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

SIGNATURE FINANCIAL SERVICES, INC.,  
Respondent

12/15/11  
DATED

By: [Signature]  
JEREMY NOE RANGEL  
Title: President

12/15/11  
DATED

[Signature]  
JEREMY NOE RANGEL, Respondent


12-15-11  
DATED

[Signature]  
JOHN AVILLANUEVA, Respondent

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Approved as to form and content by counsel for Respondents.

12/15/11  
DATED

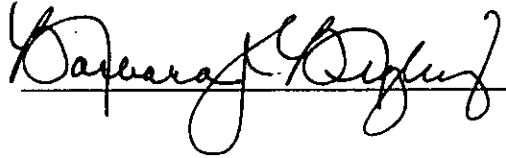
  
STEVE CHARLES VONDRAN  
Attorney for Respondents

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The foregoing Stipulation and Agreement is hereby adopted by me as my  
Decision in this matter as to Respondent SIGNATURE FINANCIAL SERVICES, INC.,  
Respondent JOHN A. VILLANUEVA, and Respondent JEREMY NOE RANGEL, and shall  
become effective at 12 o'clock noon on FEB 20 2012, 20  .

IT IS SO ORDERED 1/19, 2012.

BARBARA BIGBY  
Acting Real Estate Commissioner

  
\_\_\_\_\_

1 MICHAEL B. RICH, Counsel  
2 State Bar No. 84257  
3 Department of Real Estate  
4 P. O. Box 187000  
5 Sacramento, CA 95818-7000  
6  
7 Telephone: (916) 227-1126 Direct  
8 (916)-227-0789 Legal

**FILED**

**May 11, 2011**

DEPARTMENT OF REAL ESTATE



8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) NO. H-2631 FR  
12 )  
13 SIGNATURE FINANCIAL SERVICES, INC., a ) ACCUSATION  
14 California corporation, JOHN A. VILLANUEVA, )  
15 and JEREMY NOE RANGEL, )  
16 Respondents. )

17 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner  
18 of the State of California, for Accusation against Respondent SIGNATURE FINANCIAL  
19 SERVICES, INC., a California corporation, doing business under the fictitious name of  
20 CALIFORNIA HOMEOWNERS ASSISTANCE, JOHN A. VILLANUEVA, and JEREMY  
21 NOE RANGEL, is informed and alleges as follows:

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23 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner  
24 of the State of California, makes this Accusation against Respondents in her official capacity.

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Respondent SIGNATURE FINANCIAL SERVICES, INC., (hereinafter "Respondent SFS"), Respondent JOHN A. VILLANUEVA (hereinafter "Respondent VILLANUEVA"), and Respondent JEREMY NOE RANGEL (hereinafter "Respondent RANGEL" was and is licensed and/or presently has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereafter "the Code").

3

At all times herein mentioned, Respondent SFS was and is licensed by the Department of Real Estate (hereinafter "Department") as a corporate real estate broker.

4

At all times herein mentioned, Respondent RANGEL was and is licensed by the Department as an individual real estate broker.

5

At all times herein mentioned, Respondent RANGEL was and is licensed by the Department as the designated broker/officer of Respondent SFS. As said designated broker/officer, Respondent RANGEL was, at all times herein mentioned, responsible pursuant to Sections 10159.2 and 10177(h) of the Code and Section 2725 of Chapter 6, Title 10, California Code of Regulations (hereinafter "Regulations") for the supervision of the activities of the officers, agents, and employees of, and of the real estate licensees employed by Respondent SFS and supervision of the activities of said corporation for which a real estate license is required.

6

Whenever reference is made in an allegation in this Accusation to an act or omission of Respondent SFS, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with Respondent SFS committed such act or omission while engaged in the furtherance of the



1 business or operations of Respondent SFS and while acting within the course and scope of their  
2 corporate authority and employment.

3 7

4 At all times herein mentioned, Respondent RANGEL was and is the chief  
5 executive officer, principal incorporator, and agent for service of process of Respondent SFS,  
6 and Respondent VILLANUEVA was and is the vice president, secretary, and chief financial  
7 officer of Respondent SFS and, therefore, Respondent SFS was and is the alter ego of  
8 Respondent RANGEL and Respondent VILLANUEVA, and whenever a reference is made to an  
9 act, omission or representation of Respondent SFS such allegation shall be deemed to mean that  
10 Respondent RANGEL and Respondent VILLANUEVA was so acting, failing to act, and/or  
11 speaking, or that such act, failure to act, and/or representation was done at the direction of or  
12 ratified by Respondent RANGEL and/or Respondent VILLANUEVA.

13 8

14 At all times herein mentioned, Respondent VILLANUEVA was and is licensed  
15 by the Department as a real estate salesperson. At all times herein mentioned Respondent  
16 VILLANUEVA was and is licensed in the employ of Respondent SFS as a real estate  
17 salesperson.

18 9

19 At all times herein mentioned, Respondent SFS, Respondent RANGEL,  
20 Respondent VILLANUEVA, collectively and individually and each of them, engaged in the  
21 business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within  
22 the State of California within the meaning of Section 10131(d) of the Code, including on behalf  
23 of others, for compensation or in expectation of compensation, solicited borrowers or lenders  
24 for or negotiated loans or collected payments or performed services for borrowers or lenders or  
25 note owners in connection with loans secured directly or collaterally by liens on real property or  
26 on a business opportunity.

27 ///

1 FIRST CAUSE OF ACTION

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3 There is hereby incorporated in this First, separate and distinct, Cause of Action,  
4 all of the allegations contained in Paragraphs 1 through 9, inclusive, of the Accusation with the  
5 same force and effect as if herein fully set forth.

6 11

7 Within the three-year period prior to the filing of this Accusation, in connection  
8 with the real estate activities described in Paragraph 9, above, Respondent SFS, individually and  
9 doing business under the fictitious business name of CALIFORNIA HOMEOWNERS  
10 ASSISTANCE, and at the direction and under the control of Respondent RANGEL and  
11 Respondent VILLANUEVA, claimed, demanded, charged, received, collected, and provided a  
12 written contract for advance fees from borrowers for services Respondent SFS was to perform  
13 thereafter in obtaining modifications of loans secured or to be secured directly or collaterally by  
14 liens on the borrowers' real property including, but not limited to, the following transactions:

15 Borrower	Property	Lender	Advance Fee Received	Date Paid
16 Estela & Isidro Garcia	602 Portola St. Soledad, CA	First Franklin Home Loan	\$2,500.00	5/31/08
18 Ruben Lara Garcia	336 palm Ave Greenfield, CA	Wells Fargo Home Mortgage	\$2,000.00	5/29/08

20 12

21 The fees described in Paragraph 11, above, constituted "advance fees" within the  
22 meaning of Section 10026 of the Code (advance fee is a fee, regardless of form, demanded,  
23 charged, received or collected from principal before completing each and every service  
24 contracted or represented to be performed) and Section 10131.2 of the Code (broker defined as  
25 person in the business of demanding, charging, receiving or collecting advance fee in connection  
26 licensed acts including obtaining loans secured by real property). Said fees constituted trust  
27 funds within the meaning of Section 10145 of the Code (broker who accepts funds belonging to

1 others in connection with a transaction subject to acts requiring a real estate license shall deposit  
2 funds not placed into principal's hands or neutral escrow into a trust fund account maintained by  
3 broker) and Section 10146 of the Code (any broker who contracts for or collects an advance fee,  
4 such fee is a trust fund, shall deposit such amount into a trust account).

5 13

6 In connection with the collection, receipt, and handling of the advance fee as  
7 described in Paragraph 11, above, Respondent SFS, individually and doing business under the  
8 fictitious business name of CALIFORNIA HOMEOWNERS ASSISTANCE, at the direction of  
9 and under the control of Respondent RANGEL and Respondent VILLANUEVA, and  
10 Respondent VILLANUEVA provided to the aforesaid borrowers an advance fee contract that  
11 had not been approved by the Department of Real Estate prior to use as required by Section  
12 10085 of the Code (authorizing commissioner to require submission and approval of advance  
13 fee contract, materials and advertising prior to use), Section 10085.5 of the Code (unlawful to  
14 demand, charge, receive, collect or contract for advance fee for performing services for  
15 borrowers or lenders in connection with loans secured directly or collaterally by lien on real  
16 property unless licensed as a real estate broker) and Section 2970 of the Regulations (person  
17 proposing to collect advance fee shall submit all advance fee materials to commissioner not less  
18 than 10 days prior to use or publication).

19 14

20 Within the three-year period prior to the filing of this Accusation, in connection  
21 with the collection, receipt and handling of advance fees described in Paragraphs 11 and 12,  
22 above, Respondent SFS was required to provide to the borrowers a verified accounting of the  
23 advance fee trust funds collected and disbursed as required by Section 10146 of the Code (each  
24 principal shall be furnished a verified accounting at end of each quarter and at completion of  
25 contract) and containing the information required by Section 2972 of the Regulations (verified  
26 accounting shall include agent's name, principal's name, description of services rendered or to  
27

1 be rendered, identity of trust fund account, amount of advance fee collected, amounts allocated  
2 or disbursed describing services performed, commissions paid, overhead and profit, etc.).

3 15

4 Within the three-year period prior to the filing of this Accusation, in connection  
5 with the collection, receipt and handling of advance fees described in Paragraphs 11 and 12,  
6 above, Respondents and each of them failed to provide to the borrowers the required verified  
7 accounting of the advance fee trust funds and failed to provide any accounting expressly  
8 representing the amounts of trust funds disbursed, the date of trust fund disbursement, the  
9 commission paid, and overhead and profit.

10 16

11 At no time has the Department issued a real estate broker license under the  
12 fictitious business name of CALIFORNIA HOMEOWNERS ASSISTANCE to Respondent  
13 SFS. At no time has Respondent SFS, at the direction of and under the control of Respondent  
14 RANGEL and Respondent VILLANUEVA, applied to the Department to add the fictitious  
15 business name of CALIFORNIA HOMEOWNERS ASSISTANCE to the real estate broker  
16 license of Respondent SFS.

17 17

18 The acts and/or omissions of Respondents as described in Paragraphs 11, 12, 13,  
19 14, 15, and 16, above, are grounds for the suspension or revocation of the license and license  
20 rights of Respondents as follows:

- 21 a.) As to Respondents SFS, RANGEL, and VILLANUEVA as alleged in  
22 Paragraphs 11 and 13 under Sections 10085 and 10085.5 of the Code and  
23 Section 2970 of the Regulations all in conjunction with Section 10177(d)  
24 of the Code (suspension or revocation of license for willful disregard or  
25 violation of the Real Estate Law, §§ 10000 et seq. and §§ 11000 et seq. of  
26 the Code, or of the Regulations);  
27 b.) As to Respondents SFS, RANGEL, and VILLANUEVA as alleged in

1 Paragraphs 11, 12, 14 and 15, under Section 10146 of the Code and  
2 Section 2972 of the Regulations in conjunction with Section 10177(d) of  
3 the Code; and,

4 c.) As to Respondent SFS as alleged in Paragraphs 11 and 16, under Section  
5 10159.5 of the Code (license applicant desiring to have license issued  
6 under a fictitious business name shall file application a certified copy of  
7 fictitious business name statement filed with the county clerk) and  
8 Section 2731 of the Regulations (licensee shall not use a fictitious name  
9 in the conduct of licensed activity unless the licensee is the holder of a  
10 license bearing the fictitious name) all in conjunction with Section  
11 10177(d) of the Code.

12 SECOND CAUSE OF ACTION

13 18

14 There is hereby incorporated in this Second, separate and distinct, Cause of  
15 Action, all of the allegations contained in Paragraphs 1 through 17, inclusive, of the Accusation  
16 with the same force and effect as if herein fully set forth.

17 19

18 Within the three-year period prior to the filing of this Accusation, in the course  
19 and scope of the activities set forth in Paragraphs 9 and 11, above, Respondent VILLANUEVA  
20 and Respondent SFS, individually and doing business under the fictitious business name of  
21 CALIFORNIA HOMEOWNERS ASSISTANCE, at the direction and under the control of  
22 Respondent RANGEL and Respondent VILLANUEVA, represented to each of the Borrowers  
23 Estela and Isidro Garcia, contrary to fact, as said Respondents knew or should have known at  
24 the time through the exercise of reasonable diligence, that Respondents: 1.) would contact the  
25 borrowers' lender to negotiate a modification of the borrowers' existing loan secured by liens on  
26 their real property as identified in Paragraph 11, above; 2.) would assign their representation to  
27 an attorney; 3.) would reduce the borrowers' monthly loan payments, interest rates, and/or loan

1 balances; and, 4.) represented to the that a loan modification would be more likely if said  
2 borrowers stopped making their monthly mortgage payments to their lender and/or did not bring  
3 their monthly payments current.

4 20

5 Within the three-year period prior to the filing of this Accusation, in the  
6 course and scope of the activities set forth in Paragraphs 9 and 11, above, Respondent  
7 VILLANUEVA and Respondent SFS, individually and doing business under the fictitious  
8 business name of CALIFORNIA HOMEOWNERS ASSISTANCE, at the direction and under  
9 the control of Respondent RANGEL and Respondent VILLANUEVA, represented to each of  
10 the Borrower Ruben Lara Garcia, contrary to fact, as said Respondents knew or should have  
11 known at the time through the exercise of reasonable diligence, that Respondents: 1.) would  
12 contact the borrower's lender to negotiate a modification of the borrower's existing loan secured  
13 by liens on their real properties as identified in Paragraph 11, above; and, 2.) would reduce the  
14 borrowers' monthly loan payments, interest rates, and/or loan balances.

15 21

16 The representations described in Paragraphs 20 and 21, above, were false and  
17 misleading and were known by Respondents to be false and misleading when made or were  
18 made at the direction of and/or under the control of and/or ratified by Respondents RANGEL  
19 and VILLANUEVA, and were made with no reasonable grounds for believing said  
20 representations to be true, and/or said Respondents should have known at the time through the  
21 exercise of reasonable diligence that such representations were false and misleading. In truth  
22 and in fact: 1.) there was no certainty that a loan modification could be achieved on behalf of the  
23 borrowers set forth; 2.) there was no certainty that any loan terms could be changed or the  
24 monthly loan payments or principal could be lowered; 3.) a loan modification would not be  
25 accomplished; 4) Respondents would not and did not negotiate with the borrowers' lenders; 5.)  
26 that directing the borrowers to cease making their monthly loan payments would not and did not  
27 enhance the likelihood of obtaining a loan modification; and, 6.) that directing the borrowers to

1 cease making their monthly loan payments could cause the borrowers to lose their real  
2 properties through foreclosure, did in fact cause Estela and Isidro Garcia to lose their property to  
3 foreclosure, and/or caused detriment to said borrowers financial or credit worthiness.

4 22

5 The acts and omissions of Respondent VILLANUEVA and Respondent SFS  
6 individually and doing business under the fictitious business name of CALIFORNIA  
7 HOMEOWNERS ASSISTANCE, and at the direction and under the control of Respondent  
8 RANGEL and Respondent VILLANUEVA, as described in Paragraphs 19, 20 and 21, above,  
9 constitute misrepresentation, fraud, deceit, and dishonest dealing.

10 23

11 The facts alleged in Paragraphs 19, 20, 21, and 22, above, are grounds for the  
12 suspension or revocation of the licenses and licensing rights of Respondents under the following  
13 provisions:

- 14 (a) Under Sections 10176(a) of the Code (making a substantial  
15 misrepresentation);
- 16 (b) Under Section 10176(b) of the Code (making any false promises of a  
17 character likely to influence, persuade or induce);
- 18 (c) Under Section 10176(i) of the Code (any other conduct, whether of the  
19 same or a different character than specified in this section, which  
20 constitutes fraud or dishonest dealing); and,
- 21 (d) Under Section 10177(g) of the Code (demonstrated negligence or  
22 incompetence in performing an act for which he or she is required to hold  
23 a license).

24 THIRD CAUSE OF ACTION

25 24

26 There is hereby incorporated in this Third, separate and distinct, Cause of Action,  
27 all of the allegations contained in Paragraphs 1 through 23, inclusive, of the Accusation with the

1 same force and effect as if herein fully set forth.

2 25

3 At all times herein mentioned, Respondent RANGEL was responsible, as the  
4 designated broker officer of Respondent SFS, for the supervision and control of the activities  
5 conducted on behalf of the corporation by its officers and employees and of the corporate  
6 activities requiring a real estate license. Respondent RANGEL failed to exercise reasonable  
7 supervision and control over the loan services, mortgage brokering, and advance fee collection  
8 activities of Respondent SFS and its employees. In particular, Respondent RANGEL  
9 participated in, permitted, ratified, and/or caused the conduct described in the First and Second,  
10 Causes of Action, above, to occur, and failed to take reasonable steps to insure, including, but  
11 not limited to, approval for advance fee contracts would be obtained prior to use, insure that no  
12 false representations would be made to borrowers, insure that quarterly accounting for advance  
13 fees would be provided to borrowers, insure issuance of real estate license with fictitious  
14 business name, insure proper supervision of employees, and to insure the implementation of  
15 policies, rules, procedures, and systems to ensure the compliance of the corporation and its  
16 employees with the Real Estate Law (Business and Professions Code Sections 10000 et seq. and  
17 Sections 11000 et seq.) and the Commissioner's Regulations (Chapter 6, Title 10, California  
18 Code of Regulations).

19 26

20 The acts and/or omissions of Respondent RANGEL as described in Paragraph  
21 25, above, constitute grounds for the suspension or revocation of the licenses and license rights  
22 of Respondent RANGEL under the provisions Section 10159.2 of the Code (designated  
23 broker/officer responsible for supervision and control of activities conducted on behalf of  
24 corporation by officers, licensed salespersons and employees to secure compliance with the Real  
25 Estate Law) and Section 2725 of the Regulations (broker shall exercise reasonable supervision  
26 over: licensed employees; establish policies and procedures for compliance with Real Estate  
27 Law; supervise transactions requiring a real estate license; trust fund handling; etc.) in



1 conjunction with Section 10177(d) of the Code and/or of Section 10177(h) of the Code  
2 (suspension or revocation for broker or designated broker/officer who fails to exercise  
3 reasonable supervision of licensed employees or licensed activities of broker corporation).

4 WHEREFORE, Complainant prays that a hearing be conducted on the  
5 allegations of this Accusation and that upon proof thereof a decision be rendered imposing  
6 disciplinary action against all licenses and license rights of Respondents under the Real Estate  
7 Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further  
8 relief as may be proper under other provisions of law, including the payment of restitution.

9  
10  
11   
12 TRICIA D. SOMMERS  
Deputy Real Estate Commissioner

13 Dated at Sacramento, California,  
14 this 11<sup>th</sup> day of May, 2011.  
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