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FILED

DEC 03 2015

BUREAU OF REAL ESTATE

By B. dew

BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)

RED HOT REALTY & MORTGAGE GROUP,)
ANNE RUTH HAAS, and)
RANDY LEE VAN ORDEN,)

Respondents.)

H-4113 SD

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On May 25, 2010, an Accusation was filed in this matter against RED HOT
REALTY & MORTGAGE GROUP, ANNE RUTH HAAS, and RANDY LEE VAN ORDEN
(Respondents).

By Declaration signed by Respondent ANNE RUTH HAAS, dated October 12,
2015, Respondent ANNE RUTH HAAS petitioned the Real Estate Commissioner to voluntarily
surrender her real estate broker license pursuant to Section 10100.2 of the Business and
Professions Code.

///

1 IT IS HEREBY ORDERED that the petition of Respondent ANNE RUTH HAAS
2 for voluntary surrender of her real estate broker license is accepted as of the effective date of this
3 Order as set forth below based on the understanding and agreement expressed in the Declaration
4 of Respondent ANNE RUTH HAAS dated October 12, 2015 (attached hereto as Exhibit "A").
5 The license certificate(s) and pocket card(s) issued to Respondent ANNE RUTH HAAS shall be
6 sent to the below listed address so that they reach the Bureau of Real Estate on or before the
7 effective date of this Order:

8
9 BUREAU OF REAL ESTATE
10 Attn: Licensing Flag Section
11 P. O. Box 137013
12 Sacramento, CA 95813-7013

13
14 This Order shall become effective at 12 o'clock noon on DEC 24 2015

15
16 DATED: DECEMBER 1, 2015

17
18 WAYNE S. BELL
19 REAL ESTATE COMMISSIONER

20
21 

22
23 By: JEFFREY MASON
24 Chief Deputy Commissioner
25
26
27

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

RED HOT REALTY & MORTGAGE,
CORP., ANNE RUTH HAAS and
RANDY VAN ORDEN,

Respondents.

No. H-4113 SD

OAH No. 2012010224

DECLARATION

My name is ANNE RUTH HAAS, and I am currently licensed as a real estate broker and/or have license rights with respect to said license. I am represented by attorney Mary E. Work in this matter.

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

I understand that by so voluntarily surrendering my license(s), I may be re-licensed as a broker or as a salesperson only by petitioning for reinstatement pursuant to Section 11522 of the Government Code. I also understand that by so voluntarily surrendering my license(s), I agree to the following:

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



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

3. I further agree that upon acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant evidence obtained by the Bureau in this matter prior to the Commissioner's acceptance, and all allegations contained in the Accusation filed in the Bureau Case No. H-4113 SD, may be considered by the Bureau to be true and correct for the purpose of deciding whether to grant re-licensure or reinstatement pursuant to Government Code Section 11522.

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

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct:

DATED

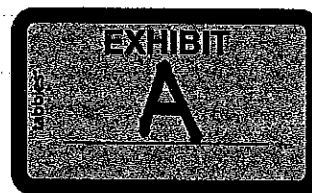
ANNE RUTH HAAS

❖ ❖ ❖

I have reviewed this Declaration as to form and content and have advised my client accordingly.

DATED

MARY E. WORK, Esq.
Attorney for ANNE RUTH HAAS



1 BUREAU OF REAL ESTATE
2 1651 Exposition Blvd
3 P.O. Box 137007
4 Sacramento, CA 95813-7007

5 Telephone: (916) 263-8672

FILED

OCT 23 2015

BUREAU OF REAL ESTATE

By K. Contreras

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

12 RED HOT REALTY & MORTGAGE GROUP,)
13 ANNE RUTH HAAS, and)
14 RANDY LEE VAN ORDEN,)

H-4113 SD

15 Respondents.)
16)

17 ORDER VACATING DEFAULT DECISION AND ORDER

18
19 On October 14, 2015, a Decision was rendered revoking the corporate real estate
20 broker license of RED HOT REALTY & MORTGAGE GROUP and the real estate broker
21 license of ANNE RUTH HAAS, which is to become effective November 19, 2015.

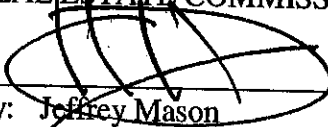
22 On October 16, 2015, good cause was presented to vacate the Decision of
23 October 14, 2015, and to have the matter remanded to the Office of Administrative Hearings as
24 a contested matter.

25 NOW, THEREFORE, IT IS ORDERED that the Decision of October 14, 2015,
26 is vacated and that the Matter of the Accusation filed on May 25, 2010, is remanded to the
27 Office of Administrative Hearings.

1 This Order shall be effective immediately.

2 DATED: OCTOBER 23, 2015

3 REAL ESTATE COMMISSIONER

4 
5 By: Jeffrey Mason
6 Chief Deputy Commissioner

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FILED

OCT 14 2015

BUREAU OF REAL ESTATE

By K. Contreras

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of

RED HOT REALTY & MORTGAGE GROUP,
a California Corporation,
ANNE RUTH HAAS, and
RANDY LEE VAN ORDEN,

Respondents.

No. H-4113 SD

(As to RED HOT REALTY &
MORTGAGE GROUP, and
ANNE RUTH HAAS, Only)

ORDER STAYING EFFECTIVE DATE

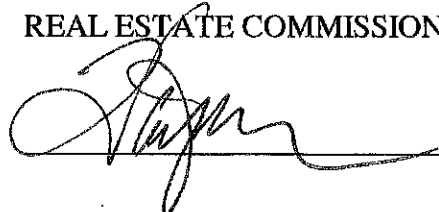
On August 28, 2015, a Decision was rendered in the above-entitled matter as to RED HOT REALTY & MORTGAGE GROUP, and ANNE RUTH HAAS, only. to become effective on October 20, 2015 ("the Decision").

On October 13, 2015, Respondents RED HOT REALTY & MORTGAGE GROUP, and ANNE RUTH HAAS, requested a stay for the purpose of filing a petition for reconsideration of the Decision.

IT IS HEREBY ORDERED that the effective date of the Decision is stayed for a period of thirty (30) days, with a new effective date of 12 o'clock noon on November 19, 2015.

DATED: 10/14/2015

REAL ESTATE COMMISSIONER



FILED

BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

SEP 29 2015
BUREAU OF REAL ESTATE
By B. Nicholas

* * *

In the Matter of the Accusation of	)	
	)	
RED HOT REALTY & MORTGAGE	)	H-4113 SD
CORP., a California Corporation,	)	
ANNE RUTH HAAS, and	)	(As to Respondents <u>RED HOT</u>
RANDY LEE VAN ORDEN,	)	<u>REALTY & MORTGAGE CORP.</u> ,
	)	and <u>ANNE RUTH HAAS</u> , Only)
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 July 24, 2015, and the Findings of Fact set forth herein, which are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

This Decision revokes Respondents' real estate licenses and/or license rights on grounds of violation of Sections 10176(a) (substantial misrepresentation), 10177(d) (willful disregard of Real Estate Law), 10177(g) (negligence/incompetence)m and 10177(j) (fraud/dishonest dealing) of the California Business and Professions Code ("the Code"); and HAAS pursuant to Sections 10159.2 (supervising broker responsibility) and 10177(h) (broker supervision) of the Code, and Section 2725 (broker supervision) of Chapter 6, Title 10, California Code of Regulations ("the Regulations").

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

FINDINGS OF FACT

1

On May 20, 2010, Joseph Aiu made the Accusation in his 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' last known mailing address on file with the Bureau on May 25, 2010.

On or about June 7, 2010, Respondents filed a Notice of Defense. On October 17, 2012, Respondents withdrew their Notice of Defense.

At all times relevant, RED HOT REALTY & MORTGAGE CORP ("RED HOT") was licensed and/or had license rights under the Code as a corporate real estate broker, which license expired on December 6, 2012. Pursuant to Section 10103 of the Code, the Bureau retains jurisdiction to proceed with a disciplinary proceeding against RED HOT, or to render a decision suspending or revoking such license.

ANNE RUTH HAAS ("HAAS") is licensed and/or has license rights under the Code as a real estate broker. At all times relevant, HAAS was licensed by the Bureau as the designated broker/officer of RED HOT. As said designated broker/officer, HAAS was at all times mentioned herein responsible pursuant to Sections 10159.2 and 10177(h) of the Code for the supervision of the activities of the officers, agents, real estate licensees and employees of RED HOT for which a real estate license is required.

At all time relevant, RANDY VAN ORDEN ("VAN ORDEN") was licensed as a real estate salesperson in the employ of licensed real estate broker Peter Nelson Andrews from May 3, 2006, through November 19, 2007. At no time herein mentioned since January 4, 2006 was VAN ORDEN licensed in the employ of Respondents.

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the meaning of Section 10131(d) of the Code, soliciting borrowers or lenders for or negotiating loans or collecting payments or performing services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

Within the three year period prior to the filing of the Accusation herein, Respondents, in the course and scope of conducting their real estate activities, induced Washington Mutual Bank (predecessor in interest to J. P. Morgan Chase Bank) ("Lender") to make a loan in the sum of \$675,000.00 to be secured by real property at 30478 Palomar Vista Drive, Valley Center, California ("subject property"), to finance the ostensible purchase of the subject property by Edna Grace C. ("Borrower") by representing to the Lender, contrary to fact, that: Borrower would reside in the subject property as her primary residence; Borrower was self-employed for 10 years as the owner of E. G. Consulting; Borrower's gross monthly income was \$14,100.00; Borrower had personal assets worth \$45,000.00; Borrower owned a 2006 Buick valued at \$17,000.00; Borrower's mailing address was P. O. Box 2622, Valley Center, California, 92082; and Borrower's business telephone number was (760)-580-7324. In truth and in fact, as Respondents knew or should have known at the time through the exercise of reasonable diligence: Borrower would not and did not reside in the subject property; Borrower

was not self-employed, or employed in any capacity; Borrower was suffering from Alzheimer's disease and lived with and was cared for at the residence of her daughter; Borrower did not have gross monthly income of \$14,100.00; Borrower's taxable income for 2007 was \$59,129.00 or gross monthly income of \$4,927.42; Borrower had personal assets worth no more than \$4,000.00; Borrower did not own a 2006 Buick; Borrower owned a 2000 Honda; Borrower did not have a mailing address at P. O. Box 2622, Valley Center, California, 92082; the address of P.O. Box 2622, Valley Center, California, 92082, was the mailing address of VAN ORDEN; Borrower did not have a telephone number of (760)-580-7324; and, the telephone number of (760)-580-7324 was the cellular telephone number of VAN ORDEN.

7

Within the three year period prior to the filing of the Accusation in this matter, Respondents induced Lender to make the loan set forth in Paragraph 6, above, by submitting to said lender a final "UNIFORM RESIDENTIAL LOAN APPLICATION" ("the Application") representing to the lender contrary to fact, as Respondents knew or should have known at the time through the exercise of reasonable diligence, as follows:

(a) The Application provided, in pertinent part, the following language:

"The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation or surname. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.);"

(b) The race, ethnicity, and sex information as set forth on the Application was obtained by HAAS, who signed the Application as the "Interviewer" and checked information to "be Completed by Interviewer" indicating the "application was taken by ... Face-to-face interview;" and,

(c) That the loan application was signed by the Borrower, Edna Grace Cotton.

In truth and in fact, HAAS had not interviewed Borrower in a face-to-face interview, HAAS had not obtained the requested ethnicity, race, and sex information from Borrower, HAAS had never met Borrower and Borrower had not signed the Application in the presence of HAAS.

8

Within three years prior to the filing of the Accusation herein, VAN ORDEN solicited and negotiated with Borrower for the purchase loan described in Paragraph 6, above.

On or about July 26, 2007, Respondents compensated VAN ORDEN \$3,600.00, for soliciting and negotiating with Borrower for the loan set forth in Paragraph 6, above.

9

At all times herein mentioned, HAAS was responsible, as the designated broker officer of RED HOT, for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees. HAAS failed to exercise reasonable supervision and control over the mortgage brokering activities of RED HOT. In particular, HAAS permitted, ratified and/or caused the conduct described in Paragraphs 6 through 8, above, to occur and failed to take reasonable steps including, but not limited to, the review of loan applications and transactional documents, actual interviewing of borrowers, supervision of employees and officers, proper employment of licensed salespersons, and the implementation of policies, rules, procedures, and systems to ensure the compliance of the corporation with the Real Estate Law.

DETERMINATION OF ISSUES

1

Cause for disciplinary action against Respondents RED HOT and HAAS exists with reference to acts set forth in Paragraphs 6 through 8, above, pursuant to Sections 10176(a), 10177(d), 10177(g), and 10177(j) of the Code; and against HAAS with reference to acts set forth in Paragraph 8, above, pursuant to Sections 10159.2 and 10177(h) of the Code, and Section 2725 of the Regulations.

2

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

ORDER

All licenses and licensing rights of Respondents RED HOT REALTY & MORTGAGE CORP., and ANNE RUTH HAAS under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

OCT 20 2015 This Decision shall become effective at 12 o'clock noon on

DATED: August 28, 2015

REAL ESTATE COMMISSIONER



By: JEFFREY MASON
Chief Deputy Commissioner

1 BUREAU OF REAL ESTATE
2 P. O. Box 137007
3 Sacramento, CA 95813-7007
4 Telephone: (916) 263-8670

FILED

JUL 24 2015

BUREAU OF REAL ESTATE

By K. Contreras

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

H-4113 SD

12 RED HOT REALTY & MORTGAGE)

13 CORP., a California Corporation,)

DEFAULT ORDER

14 ANNE RUTH HAAS, and)

15 RANDY LEE VAN ORDEN,)

(As to Respondents RED HOT
REALTY & MORTGAGE CORP.,
and ANNE RUTH HAAS, Only)

Respondent.)

17 Respondents RED HOT REALTY & MORTGAGE CORP., and ANNE RUTH
18 HAAS, only, having withdrawn their Notice of Defense herein on October 17, 2012, are now in
19 default. It is, therefore, ordered that a default be entered on the record in this matter as to
20 Respondents RED HOT REALTY & MORTGAGE CORP., and ANNE RUTH HAAS, only.

21 IT IS SO ORDERED July 24,, 2015.

23 REAL ESTATE COMMISSIONER

24 By:

Joe M. Carrillo
JOE M. CARRILLO
Northern Regional Manager