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

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12 In the Matter of the Accusation of)
13 MJB COMMUNICATIONS and) No. H-4416 SD
14 JASON SCOTT STRODER,) FIRST AMENDED
15 Respondents.) ACCUSATION
16)

17 The Complainant, VERONICA KILPATRICK, in her official capacity as a
18 Deputy Real Estate Commissioner of the State of California, for cause of Accusation against
19 MJB COMMUNICATIONS ("MJB"), individually and doing business as "American Economic
20 Solutions" and "Catalyst Direct Funding & Properties", and JASON SCOTT STRODER
21 ("STRODER"), (collectively "Respondents"), is informed and alleges as follows:

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23 At all times relevant, MJB was and is licensed and/or has license rights by the
24 Department of Real Estate ("the Department") under the Real Estate Law, Part 1 of Division 4 of
25 the Business and Professions Code ("the Code"), as a corporate real estate broker.

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At all times relevant, STRODER was and is licensed and/or has license rights under the Code as a real estate broker. At all times relevant, STRODER was licensed by the Department as the designated broker/officer of MJB, which designation was cancelled as of December 27, 2010. As the designated broker/officer, STRODER was responsible, pursuant to Section 10159.2 (responsibility of corporate officer in charge) of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of MJB for which a real estate license is required.

At all times relevant herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(d) of the Code, including performing services for one or more borrowers and negotiated to do one or more of the following acts for another or others, for or in expectation of compensation: negotiate one or more loans for, or perform services for, borrowers and/or lenders with respect to the collection of advance fees and loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services and/or those borrowers' lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charged, demanded or collected an advance fee for any of the services offered.

Whenever reference is made in an allegation in this Accusation to an act or omission of MJB, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with MJB committed such act or omission while engaged in furtherance of the business or operations of MJB and while acting within the course and scope of their corporate authority and employment.

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1 FIRST CAUSE OF ACTION

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3 On or about March 23, 2011, and continuing intermittently through October 27,
4 2011, an audit was conducted of MJB at its main office located at 2207 Garnet Avenue, Suite J,
5 San Diego, California, and the Department's Los Angeles District Office, where the auditor
6 examined the records for the period of October 1, 2009, through February 28, 2011 (the audit
7 period).

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9 While acting as a real estate broker as described in Paragraph 3, above, and within
10 the audit period, MJB accepted or received funds in trust (trust funds) in the course of the real
11 estate activities described in Paragraph 3, above, and deposited or caused the funds to be
12 deposited into a bank account maintained by MJB, including:

13 Bank Account #1

14 Bank of America
15 North Park Branch
16 P. O. Box 37176
San Francisco, CA 94137

17 Account No.: XXXXX-X4014

18 Account Name: MJB Communications
19 American Economic Solutions

20 Signatories: Unknown

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22 Thereafter, from time-to-time, Respondents made disbursements of said trust funds.

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24 In the course of the activities described in Paragraph 3, above, in connection with
25 the collection and disbursement of trust funds:

26 (a) MJB deposited trust funds in the form of advance fees it collected into Bank
27 Account #1, which was not designated as a trust account. Such acts and/or

1 omissions by MJB violate Sections 10145 (trust fund handling) and 10146
2 (deposit of advance fees into trust account) of the Code.

3 (b) MJB commingled trust funds with non-trust funds in Bank Account #1. Such
4 acts and/or omissions by MJB violate Sections 10145 (handling of trust funds)
5 and 10176(e) (commingling) of the Code and Section 2835 (commingling) of
6 Title 10 of the California Code of Regulations ("the Regulations").

7 (c) MJB failed to maintain accurate and complete records of trust funds received
8 in the form of advance fees. Such acts and/or omissions by MJB violate
9 Section 10145 of the Code and Section 2831 (trust fund records) of the
10 Regulations.

11 (d) MJB failed to maintain separate records for each beneficiary of funds held in
12 Bank Account #1. Such acts and/or omissions by MJB violate Section 10145
13 of the Code and Section 2831.1 (requirement of separate records for each
14 beneficiary or transaction) of the Regulations.

15 (e) MJB failed to maintain and provide an accounting content to borrowers
16 showing the services to be rendered, into which trust account funds were
17 to be deposited and details of how those trust funds were disbursed. Such
18 acts and/or omissions by MJB violate Section 2972 (accounting content) of
19 the Regulations.

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21 The acts and/or omissions by MJB as set forth in Paragraph 7, above, violate
22 Sections 10145, 10146 and 10176(e) of the Code, and Sections 2831, 2831.1, 2835 and 2972 of
23 the Regulations, and are grounds for discipline under Sections 10176(e), and 10177(d) (willful
24 disregard/violation of real estate law) and/or 10177(g) (negligence or incompetence) of the Code.
25 In addition, the Department is entitled to reimbursement for the costs of its audit pursuant to
26 Section 10148(b) (cost of audit in final decision following disciplinary hearing) of the Code.

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1 \$2, 997. On or about August 27, 2010, Eva B. made a partial payment of \$1,089 of the advance
2 fees to MJB. On or about September, Eva B. made another partial payment of \$1,009 of the
3 advance fees to MJB. On or about October 13, 2010, MJB refunded \$1,009 to Eva B. However,
4 MJB never obtained a loan modification for Eva B. and has never refunded the rest of the
5 advance fees she paid to it.

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7 On or about September 8, 2010, MJB directed Eva B. to sign a Cancellation of
8 Contract terminating the agreement for loan modification services. On that same day, MJB had
9 Eva B. sign an agreement to pay an advance fee of \$3,000 to the Law Offices of Ivan Porto in
10 exchange for providing loan modification services to Eva B. for her Valley View Boulevard
11 property. On or about October 25, 2010, Eva B. paid an additional \$1,009 to MJB in advance
12 fees for loan modification services. Neither MJB nor the Law Offices of Ivan Porto ever
13 obtained a loan modification for Eva B. and the additional advance fee payment of \$1,009 has
14 never been repaid to her.

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16 In connection with the collection and handling of advance fees, as set forth in
17 Paragraphs 12 and 13, above, MJB failed to submit the advance fee contract and all materials
18 used in obtaining those advance fee agreements to the Department of Real Estate prior to their
19 use in obtaining advance fees from clients.

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21 The acts and/or omissions of MJB as alleged in Paragraphs 12 through 14, above,
22 violate Sections 10085, 10085.6 and 10177(d), in conjunction with Section 10085 of the Code,
23 Sections 2944.7 and/or 2945.4 of the California Civil Code, and Section 2970 of the Regulations,
24 and are grounds for disciplinary action under Sections 10177(d) and/or 10177(g) of the Code.

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1 FOURTH CAUSE OF ACTION

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3 As the designated broker officer for MJB, STRODER was responsible for the
4 supervision and control of the activities conducted on behalf of MJB by its officers and
5 employees. STRODER failed to exercise reasonable supervision and control over the property
6 management activities of MJB. In particular, STRODER permitted, ratified and/or caused the
7 conduct described in the First through Third Causes of Action, above, to occur, and failed to take
8 reasonable steps, including, but not limited to, the handling of trust funds, supervision of
9 employees and the implementation of policies, rules, procedures and systems to ensure
10 compliance with the Real Estate Law and the Regulations.

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12 The acts and/or omissions of STRODER as set forth in Paragraph 16, above,
13 violate Section 10159.2 of the Code and Section 2725 (broker supervision) of the Regulations,
14 and are grounds for disciplinary action under Sections 10177(d) and/or 10177(g), and 10177(h)
15 (reasonable broker supervision) of the Code.

16 COST RECOVERY

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18 Section 10106 of the Code provides, in pertinent part, that in any order issued in
19 resolution of a disciplinary proceeding before the department, the commissioner may request the
20 administrative law judge to direct a licensee found to have committed a violation of this part to
21 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 conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against all licenses and license rights of Respondents under the Code, for the
4 reasonable cost of investigation and prosecution of this case, including agency attorney's fees,
5 and for such other and further relief as may be proper under other provisions of law.

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8 VERONICA KILPATRICK
9 Deputy Real Estate Commissioner

10 Dated at San Diego, California,

11 This 26 day of February, 2013.

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