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**FILED**

AUG 04 2017

BUREAU OF REAL ESTATE

By John Clark

9 BEFORE THE BUREAU OF REAL ESTATE  
10 DEPARTMENT OF CONSUMER AFFAIRS  
11 STATE OF CALIFORNIA

12 \* \* \*

13 In the Matter of the Accusation of ) No. H-04924 SD  
14 CLINTON RUSSELL MUHE, ) ACCUSATION  
15 Respondent. )  
16 \_\_\_\_\_ )

17  
18 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
19 State of California, for cause of Accusation against CLINTON RUSSELL MUHE  
20 (“Respondent”) alleges as follows:

21 1.

22 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
23 State of California, makes this Accusation in her official capacity.

24 2.

25 Respondent is presently licensed under the Real Estate Law, Part 1 of Division 4  
26 of the California Business and Professions Code (“Code”), as a real estate broker (License ID  
27 01749127). Respondent’s broker license was originally issued on January 14, 2010, and is

1 scheduled to expire on January 13, 2018, unless renewed. From January 3, 2014 through the  
2 present, Respondent was authorized by the Bureau of Real Estate ("Bureau") to use "AAAPM"  
3 and "AAA Private Money" as fictitious business names.

4 3.

5 At all times relevant herein Respondent was engaged in the business of, acted in  
6 the capacity of, advertised or assumed to act as a real estate broker within the meaning of  
7 Section 10131(d) of the Code, including the solicitation of borrowers or lenders for and/or  
8 negotiating loans, collecting payments and/or performing services for borrowers or lenders in  
9 connection with loans secured by liens on real property or on a business opportunity.

10 VIOLATIONS

11 4.

12 On or about October 28, 2016, the Bureau completed an audit examination of  
13 the books and records of Respondent pertaining to the real estate activities described in  
14 Paragraph 3 above. The audit examination covered the period of time from January 1, 2014  
15 through July 31, 2016. The primary purpose of the examination was to determine Respondent's  
16 compliance with the Real Estate Law. The audit examination revealed numerous violations of  
17 the Code and Title 10, Chapter 6, of California Code of Regulations ("Regulation") as set forth  
18 in the following paragraphs, and more fully discussed in Audit Report No. SD150049 and the  
19 exhibits and work papers attached to said audit report.

20 5.

21 At all times relevant herein, according to the documents examined, Respondent  
22 solicited borrowers and lenders and negotiated private investor loans secured by business  
23 related or non-owner occupied properties during the audit period described above in Paragraph  
24 4, many of which are located outside the state of California.

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The audit examination revealed violations of the Code and Regulations, as set forth in the following paragraphs, and more fully discussed in Audit Report No. SD150049 and the exhibits and work papers attached to the audit report:

(a) **Code Section 10232(e) – Notification of Threshold Criteria.** During the audit period, Respondent negotiated more than ten (10) private money loan transactions totaling more than \$1,000,000.00 in a successive twelve (12) month period. Respondent closed sixteen (16) loans totaling \$4,476,000.00 during the five (5) month period from January 1, 2014 through May 31, 2014. Respondent satisfied the threshold criteria under loan negotiating but failed to notify the Bureau in writing within thirty (30) days of qualifying under the criteria of Code section 10232(a) in violation of Code section 10232(e).

(b) **Code section 10238(a) – Notification of Multi-Lender Transactions.** During the audit period, Respondent's first multi-lender transaction was for \$395,000.00 funded on January 13, 2014 with nine (9) investors and/or lenders. Respondent qualified as a multi-lender loan broker but failed to notify the Bureau in writing within thirty (30) days after his first multi-lender transaction in violation of Code section 10238(a).

(c) **Code section 10238(d) – Each Parcel Securing the Note Must be in California.** According to the documents provided, at least sixteen (16) of the properties securing the multi-lender loan transactions are located outside of California. The sixteen (16) multi-lender loan transactions occurred between January 2014 and July 2016 and were secured by properties located in Arizona, Florida, Georgia, Maryland, Massachusetts, Nevada, North Carolina, Texas, and Virginia in violation of Code section 10238(d).

(d) **Code section 10159.5/Regulation 2731 – Use of False or Fictitious Name.** Respondent used the unauthorized fictitious business name "AAA Private Money LLC" on documents and the website (www.aaaprivatemoney.com), which is not a fictitious business name under his broker license in violation of Code section 10159.5 and Regulation 2731.

1 (e) Code section 10140.6/Regulation 2773 – License Number on Solicitation.

2 Respondent failed to disclose his license number on his business card as a first point of contact  
3 in violation of Code section 10140.6 and Regulation 2773.

4 7.

5 The conduct of Respondent described in Paragraph 6 above, violated the Code  
6 and Regulations as set forth below:

7 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
8 6(a)	Code section 10232(e)
9	
10 6(b)	Code section 10238(a)
11	
12 6(c)	Code section 10238(d)
13	
14 6(d)	Code section 10159.5
15	Regulation 2731
16	
17 6(e)	Code section 10140.06
18	Regulation 2773
19	

20 Each of the foregoing violations constitute cause for the suspension or  
21 revocation of the real estate license and/or license rights of Respondent under the provisions of  
22 Sections 10177(d) and/or 10177(g).

23 INVESTIGATION AND ENFORCEMENT COSTS

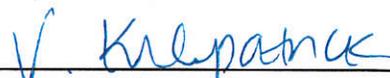
24 8.

25 Section 10106 of the Code, provides, in pertinent part, that in any order issued in  
26 resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the  
27

1 administrative law judge to direct a licensee found to have committed a violation of this part to  
2 pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of  
4 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action  
5 against all the licenses and/or license rights of Respondent CLINTON RUSSELL MUHE under  
6 the Real Estate Law, for the costs of investigation and enforcement as permitted by law, for the  
7 cost of the audit, and for such other and further relief as may be proper under other applicable  
8 provisions of law.

9  
10 Dated at San Diego, California this 25<sup>th</sup> day of July, 2017

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15 Veronica Kilpatrick  
16 Supervising Special Investigator  
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25 cc: CLINTON RUSSELL MUHE  
26 Veronica Kilpatrick  
27 Sacto.  
Audits – Jennifer Borromeo