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FILED

FEB - 4 2010

DEPARTMENT OF REAL ESTATE

*[Handwritten Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation of

No. H-5007 SAC

CLARISA ANG, CALIFORNIA HOME  
LOANS BANCOP, INC., RALPH EARL  
HODGEN, and JOY E. JOHNSON,

Respondents.

DISMISSAL

The Accusation filed on June 18, 2008, against Respondent CLARISA ANG is  
DISMISSED against Respondent CLARISA ANG only.

IT IS SO ORDERED \_\_\_\_\_ 1-21-10

JEFF DAVI  
Real Estate Commissioner

*[Handwritten Signature]*

FILED

AUG 21 2008

DEPARTMENT OF REAL ESTATE

By K. Mar

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	
	)	No. H-5007 SAC
CLARISA ANG, CALIFORNIA HOME	)	
LOANS BANCOP, INC., RALPH EARL	)	
HODGEN, and JOY E. JOHNSON,	)	
	)	
<u>Respondents.</u>	)	

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 21, 2008, and the findings of fact set forth herein, which are based on one or more of the following: (1) Respondents CALIFORNIA HOME LOANS BANCOP, INC., RALPH EARL HODGEN, and JOY E. JOHNSON express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

I

On June 18, 2008, Charles W. Koenig 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 and regular mail, to Respondents RALPH EARL HODGEN and CALIFORNIA HOME LOANS BANCOP, INC.'S last known mailing address on file with the Department on June 18, 2008. The Accusation, Statement to

Respondent, and Notice of Defense were mailed, by certified mail and regular mail, to Respondent JOY E. JOHNSON'S last known mailing address on file with the Department on June 18, 2008 and June 24, 2008.

On July 21, 2008, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents CALIFORNIA HOME LOANS BANCOP, INC., RALPH EARL HODGEN, and JOY E. JOHNSON default was entered herein.

## II

At all times mentioned herein CALIFORNIA HOME LOANS BANCOP, INC., (hereinafter "CHLB") was and is licensed by the State of California Department of Real Estate (hereinafter "Department") as a real estate broker corporation.

## III

At all times mentioned herein up until July 7, 2008, Respondent RALPH EARL HODGEN, (hereinafter "HODGEN") was licensed by the Department individually as a real estate broker. At all time mention herein and continuing through to February 19, 2008 HODGEN was licensed as the designated broker officer of CHLB. As said designated officer-broker, HODGEN was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees and employees of HDGN for which a license is required.

## IV

At all times mentioned herein, Respondent CLARISA ANG (hereinafter "ANG") was and is licensed by the Department as a real estate salesperson whose license is suspended pursuant to Section 10153.4 of the Code.

## V

At all times mentioned herein, Respondent JOY E. JOHNSON (hereinafter "JOHNSON") was and is licensed by the Department as a real estate salesperson.

## VI

At no time mentioned herein was Cory Whalen (hereinafter "Whalen") licensed by the Department either as a real estate salesperson or as a real estate broker.

## VII

At all times mentioned herein Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California within the meaning of:

(a) Section 10131(a) of the Code, including the operation and conduct of a real estate resale brokerage with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents sold and offered to sell, bought and offered to buy, solicited prospective sellers and purchasers of, solicited and obtained listings of, and negotiated the purchase and resale of real property; and

(b) Section 10131(d) of the Code, including the operation and conduct of a mortgage loan brokerage business with the public wherein Respondents solicited lenders and borrowers for loans secured directly or collaterally by liens on real property or a business opportunity, and wherein such loans were arranged, negotiated, processed, and consummated by Respondent on behalf of others for compensation or in expectation of a compensation.

## VIII

Beginning on or about April 2006 and continuing thereafter, JOHNSON, ANG, Whalen and others, entered into and participated in a "buyer rebate" plan or scheme to deceive and make misrepresentations to mortgage lenders with the intent to substantially benefit themselves and without disclosing their true intentions to the mortgage lenders.

## IX

The "buyer rebate" plan and scheme described in Paragraph VIII contemplated in essence that:

(a) Respondent JOHNSON, acting as an agent of a purchaser, would solicit and obtain a written agreement to purchase residential real property at an inflated price, \$20,000 or more in excess of the listed price of the property, subject to a separate written addendum providing for an amount in excess of the listing price (the "buyer rebate") to be paid out of escrow or by the seller after the close of escrow for fictitious repairs and upgrades.

(b) Whalen, acting as the agent of a purchaser, would solicit and obtain a loan from an institutional mortgage lender to finance the inflated cost of purchase by concealing the "buyer rebate" addendum from the mortgage lender and misrepresenting, the purchaser's income, employment, and/or that the property

would be the primary residence of the purchaser.

X

Beginning on or about April 2006 and continuing thereafter, JOHNSON, Whalen, and others committed the following acts in furtherance of the fraudulent plan or scheme described in Paragraphs VIII and IX, above:

(a) JOHNSON, acting as an agent of Angelica Ang as purchaser, solicited and obtained a written agreement to purchase residential real property at 909 Hargus Avenue, Vallejo, California, subject to a separate written addendum providing for \$45,000 to be paid out of escrow or by the seller after the close of escrow to C&C Investment and Consulting for repairs and upgrades.

(b) JOHNSON, acting as an agent of Clarisa Ang as purchaser, solicited and obtained a written agreement to purchase residential real property at 1158 Hargus Avenue, Vallejo, California, subject to a separate written addendum providing for approximately \$81,500 to be paid out of escrow or by the seller after the close of escrow to C&C Investment and Consulting for repairs and upgrades.

(c) JOHNSON, acting as an agent of Elizabeth Carrion (hereinafter "Carrion") as purchaser, solicited and obtained a written agreement to purchase residential real property at 701 Camelia Way, Vacaville, California, subject to a separate written addendum providing for \$85,000 to be paid out of escrow or by the seller after the close of escrow to Luie's Restoration & Upgrades for repairs and/or restorations.

(d) Whalen, acting as the agent of Carrion, solicited and obtained first and second mortgage loans for \$400,000 and \$100,000 from Greenpoint Mortgage to finance Carrion's purchase of real property at 701 Camelia Way, Vacaville California, by concealing the \$85,000 "buyer rebate" addendum from the mortgage lender. Whalen and ANG also represented, contrary to fact, that the property would be the primary residence of Carrion, and Carrion worked for Genesis Capital with a monthly income of \$8,500.

(e) JOHNSON, acting as an agent of Carrion as purchaser, solicited and obtained a written agreement to purchase residential real property at 206 Arbor Street, Vacaville, California, subject to a separate written addendum providing for \$85,000 to be paid out of escrow or by the seller after the close of escrow to Luie's Restoration & Upgrades for repairs and/or restorations.

(f) Whalen, acting as the agent of Carrion, solicited and obtained first and second mortgage loans for \$328,000 and \$82,000 from Paul Financial LLC to finance Carrion's purchase of real property at 206 Arbor Street, Vacaville, California, by concealing the \$85,000 "buyer rebate" addendum from the mortgage lender. Whalen and ANG also represented, contrary to fact, that the property would be the primary residence of Carrion, and Carrion worked for Genesis Capital with a monthly income of \$8,500.

(g) JOHNSON, acting as an agent of Angelito Evangelista (hereinafter "Evangelista") as purchaser, solicited and obtained a written agreement to purchase residential real property at 1889 Buena Tierra Street, Benicia, California, subject to a separate written addendum providing for \$80,000 to be paid out of escrow or by the seller after the close of escrow to Rare Management and Investments for repairs and upgrades.

(h) Whalen, acting as the agent of Evangelista, solicited and obtained first and second mortgage loans for \$423,200 and \$105,800 from Meritage Mortgagee to finance Evangelista's purchase of real property at 1889 Buena Tierra Street, Benicia, California, by concealing the \$80,000 "buyer rebate" addendum from the mortgage lender. Whalen and ANG also represented, contrary to fact, that the property would be the primary residence of Evangelista, and Evangelista earned \$18,750 per month.

(i) JOHNSON, acting as an agent of Evangelista as purchaser, solicited and obtained a written agreement to purchase residential real property at 429 Valle Vista, Vallejo, California, subject to a separate written addendum providing for \$75,000 to be paid out of escrow or by the seller after the close of escrow to Rare Management and Investments for repairs and upgrades.

(j) Whalen, acting as the agent of Evangelista, solicited and obtained first and second mortgage loans for \$468,000 and \$117,000 from Aegis Funding Group to finance Evangelista's purchase of real property at 429 Valle Vista, Vallejo, California, by concealing the \$75,000 "buyer rebate" addendum from the mortgage lender. Whalen and ANG also represented, contrary to fact, that the property would be the primary residence of Evangelista, and Evangelista earned \$16,200 per month.

(k) JOHNSON, acting as an agent of Evangelista, solicited and obtained a written agreement to purchase residential real property at 21 La Cruz, Benicia, California,

subject to a separate written addendum providing for \$91,000 to be paid out of escrow or by the seller after the close of escrow to Rare Management and Investment for repairs and upgrades.

(l) Whalen, acting as the agent of Evangelista, solicited and obtained first and second mortgage loans for \$504,000 and \$126,000 from Saxon Mortgage Services, Inc. to finance Evangelista's purchase of real property at 21 La Cruz, Benicia, California, by concealing the \$91,000 "buyer rebate" addendum from the mortgage lender. Whalen and ANG also represented, contrary to fact, that the property would be the primary residence of Evangelista, Evangelista earned \$17,250 per month, and Evangelista owned personal property valued at \$50,000.

(m) JOHNSON, acting as an agent of Evangelista, solicited and obtained a written agreement to purchase residential real property at 2745 Georgia Street, Vallejo, California, subject to a separate written addendum providing for \$90,000 to be paid out of escrow or by the seller after the close of escrow to Rare Management and Investment for repairs and upgrades.

(n) Whalen, acting as the agent of Evangelista, solicited and obtained first and second mortgage loans for \$396,000 and \$99,000 from Westam Mortgage to finance Evangelista's purchase of real property at 2745 Georgia Street, Vallejo, California, by concealing the \$90,000 "buyer rebate" addendum from the mortgage lender. Whalen and ANG also represented, contrary to fact, that the property would be the primary residence of Evangelista, and Evangelista earned \$27,000 a month.

(o) JOHNSON, acting as an agent of Maricarmen and Lenin Galeano (hereinafter "Galeano") as purchasers, solicited and obtained a written agreement to purchase residential real property at 254 Newport Circle, Vacaville California, subject to a separate written addendum providing for \$35,000 to be paid out of escrow or by the seller after the close of escrow to Natalia's Restoration and Upgrades for repairs and upgrades.

(p) Whalen, acting as the agent of Galeano, solicited and obtained first and second mortgage loans for \$440,000 and \$110,000 from Fremont Investment and Loan to finance Galeano's purchase of real property at 254 Newport Circle, Vacaville, California, by concealing the \$35,000 "buyer rebate" addendum from the mortgage lender. Whalen and ANG also represented, contrary to fact, that the property would be the primary residence of Galeano, and Galeano had a monthly income of \$6,800.

(q) JOHNSON, acting as an agent of Clayton Johnson as

purchaser, solicited and obtained a written agreement to purchase residential real property at 2785 Webb Street, Vallejo, California, subject to a separate written addendum providing for \$38,000 to be paid out of escrow or by the seller after the close of escrow to Zoe's Restoration & Upgrades for repairs and upgrades.

(r) Whalen, acting as the agent of Clayton Johnson, solicited and obtained first and second mortgage loans for \$404,000 and \$101,000 from Millennium Financial Group and Fred Mack Harris to finance Clayton Johnson's purchase of real property at 2785 Webb Street, Vallejo, California, by concealing the \$38,000 "buyer rebate" addendum from the mortgage lender.

(s) JOHNSON, acting as an agent of Clayton Johnson as purchaser, solicited and obtained a written agreement to purchase residential real property at 121 5<sup>th</sup> Street, Galt, California, subject to a separate written addendum providing for \$100,000 to be paid out of escrow or by the seller after the close of escrow to Zoe's Restoration & Upgrades for repairs and upgrades.

(t) JOHNSON, acting as an agent of Carrion as purchaser, solicited and obtained a written agreement to purchase residential real property at 142 Virginia Street, Vacaville, California, subject to a separate written addendum providing for \$73,000 to be paid out of escrow or by the seller after the close of escrow to Luie's Restoration & Upgrades for repairs and/or restoration.

(u) JOHNSON, acting as an agent of Evangelista, solicited and obtained a written agreement to purchase residential real property at 177 Brophy Street, American Canyon, California, subject to a separate written addendum providing for \$70,000 to be paid out of escrow or by the seller after the close of escrow to Rare Management and Investment for repairs and upgrades.

(v) Whalen, acting as the agent of Evangelista, solicited and obtained first and second mortgage loans for \$488,000 and \$122,000 from Fremont Investment and Loan to finance Evangelista's purchase of real property at 177 Brophy Street, American Canyon, California, by concealing the \$70,000 "buyer rebate" addendum from the mortgage lender. Whalen and ANG also represented, contrary to fact, that the property would be the primary residence of Evangelista, and Evangelista earned \$17,985 a month.

XI

The acts and omissions of JOHNSON described in



Paragraphs VIII through X constitute fraud and dishonest dealing, and a continued and flagrant course of misrepresentation through real estate agents or salespersons.

XII

The acts and omissions of JOHNSON described in Paragraphs VIII through X constitute the substantial misrepresentation of a material fact.

XIII

Beginning on or about April 2006 and continuing thereafter, CHLB employed and compensated Whalen to perform the acts and conduct the real estate activities described in Paragraphs VIII through X, above, including but not limited to the activities described in Paragraph XIV.

XIV

Beginning on or about April 2006 and continuing thereafter, in course of the employment and activities described in Paragraph XIII, above, Whalen negotiated and arranged mortgage loans to finance the purchase and sale of real property, including but not necessarily limited to:

<b>Property Address</b>	<b>Borrower</b>	<b>Close of Escrow</b>
701 Camellia Way, Vacaville	Elizabeth Carrion	5/25/06
206 Arbor Street, Vacaville	Elizabeth Carrion	6/19/06
1889 Buena Tierra Street, Benicia	Angelito Evangelista	7/31/06
429 Valle Vista, Vallejo	Angelito Evangelista	8/1/06
21 La Cruz, Benicia	Angelito Evangelista	8/15/06
254 Newport Circle, Vacaville	Maricarmen and Lenin Galeano	5/25/06
2745 George Street, Vallejo	Angelito Evangelista	8/16/06
2785 Webb Street, Vallejo	Clayton Johnson	4/28/06

XV

In acting as described in Paragraphs XIII through XIV, above, CHLB violated the provisions of Section 10137 of the Code and willfully caused, suffered and/or permitted Whalen to violate

Section 10130 of the Code.

XVI

Respondent HODGEN failed to exercise reasonable supervision over the acts of CHLB in such a manner as to allow the acts and events described above to occur.

XVII

The acts and omissions of HODGEN described in Paragraph XVI, constitute failure on the part of HODGEN, as designated broker-officer for CHLB, to exercise reasonable supervision and control over the licensed activities of CHLB as required by Section 10159.2 of the Code.

XVIII

Effective November 28, 2005, in Case No. H-3921 SAC and OAH Case No. N2005060403, the real estate broker licenses of CHLB and HODGEN was suspended for fifteen (15) days, subject to stay for a period of two years upon payment of a monetary penalty of \$250.00 per day for a total penalty of \$3,750.00 and upon terms and conditions that said stay shall become permanent if no further cause for disciplinary action occurs within two (2) years of the effective date of the Decision. HODGEN's broker license was suspended for violating Section 10177(h) of the Business and Professions Code for failure, as designated broker officer of corporate real estate broker licensee CHLB to properly supervise the licensed activities of said corporation and thereby permitting or causing CHLB to violate Section 10145 of the Code and Sections 2831, 2831.1, 2831.2, 2832, and 2834 of the Regulations in conjunction with Section 10177(d) of the Code and to violate Section 10176(e) of the Code.

XIX

Effective July 7, 2008, in Case No. H-10245 SF and OAH Case No. 2008010155, the real estate broker licenses of HODGEN was revoked for violating Sections 10240(a), 10240(c), 10236.4(b), 10160, 16165, 10161.8, 10163, 10159.5, and 10148 of the Code in conjunction with Section 10177(d) of the Code, and Section 2726, 2753, 2715 of the Regulations in conjunction with Section 10177(d) of the Code.

DETERMINATION OF ISSUES

I

Cause for disciplinary action against Respondent JOHNSON exist pursuant to the provisions of Sections 10176(a), 10176(b), 10176(c), 10176(i), and 10177(j) of the Code.

II

Cause for disciplinary action against Respondent CHLB exists pursuant to the provisions of Section 10137 of the Code.

III

Cause for disciplinary action against Respondent HOGEN exists under Section 10177(g) and Section 10177(h) of the Code and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

IV

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

ORDER

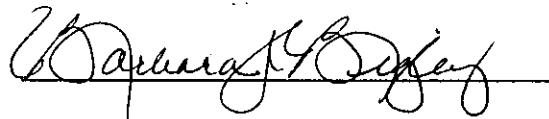
All licenses and licensing rights of Respondents CALIFORNIA HOME LOANS BANCOP, INC., RALPH EARL HODGEN, and JOY E. JOHNSON, under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon  
on SEP 11 2008 2008.

DATED: \_\_\_\_\_

8/20/08

JEFF DAVI  
Real Estate Commissioner



BY: Barbara J. Bigby  
Chief Deputy Commissioner

1 TRULY SUGHRUE, Counsel  
State Bar No. 223266  
2 Department of Real Estate  
P.O. Box 187007  
3 Sacramento, CA 95818-7007  
4 Telephone: (916) 227-0781  
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FILED

JUL 21 2008

DEPARTMENT OF REAL ESTATE

By K. Max

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H-5007 SAC

12 CLARISA ANG, CALIFORNIA HOME )

DEFAULT ORDER

13 LOANS BANCORP, INC., RALPH )

14 EARL HODGEN, and JOY E. )

JOHNSON, )

15  
16 Respondents, CALIFORNIA HOME LOANS BANCORP, INC.,  
17 RALPH EARL HODGEN, and JOY E. JOHNSON, having failed to file a  
18 Notice of Defense within the time required by Section 11506 of  
19 the Government Code, is now in default. It is, therefore,  
20 ordered that a default be entered on the record in this matter.

21 IT IS SO ORDERED

7/21/08  
22 JEFF DAVI

Real Estate Commissioner

23  
24 By: Charles W. Koenig

25 CHARLES W. KOENIG  
26 Regional Manager  
27

1 TRULY SUGHRUE, Counsel  
2 State Bar No. 223266  
3 Department of Real Estate  
4 P.O. Box 187007  
5 Sacramento, CA 95818-7007  
6  
7 Telephone: (916) 227-0781

FILED

JUN 18 2008

DEPARTMENT OF REAL ESTATE

By R. Henry

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-5007 SAC  
12 )  
13 CLARISA ANG, CALIFORNIA ) ACCUSATION  
14 HOME LOANS BANCORP, INC., )  
15 RALPH EARL HODGEN, and )  
JOY E. JOHNSON )  
Respondents. )

16  
17 The Complainant, CHARLES W. KOENIG, a Deputy Real  
18 Estate Commissioner of the State of California, for cause of  
19 Accusation against CLARISA ANG, CALIFORNIA HOME LOANS BANCORP,  
20 INC., RALPH EARL HODGEN, and JOY E. JOHNSON, (hereinafter  
21 "Respondents"), are informed and alleges as follows:

22 PRELIMINARY ALLEGATIONS

23 I

24 The Complainant, CHARLES W. KOENIG, a Deputy Real  
25 Estate Commissioner of the State of California, makes this  
26 Accusation in his official capacity.

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II

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

III

At all times mentioned herein CALIFORNIA HOME LOANS BANCORP, INC., (hereinafter "CHLB") was and is licensed by the State of California Department of Real Estate (hereinafter "Department") as a real estate broker corporation.

IV

At all times mentioned herein, Respondent RALPH EARL HODGEN, (hereinafter "HODGEN") was and is licensed by the Department individually as a real estate broker. At all times mentioned herein and continuing through to February 19, 2008 HODGEN was licensed as the designated officer-broker of CHLB. As said designated officer-broker, HODGEN was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees and employees of HDGN for which a license is required.

V

At all times mentioned herein, Respondent CLARISA ANG (hereinafter "ANG") was and is licensed by the Department as a real estate salesperson whose license is suspended pursuant to Section 10153.4 of the Code.

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1 VI

2 At all times mentioned herein, Respondent  
3 JOY E. JOHNSON (hereinafter "JOHNSON") was and is licensed by  
4 the Department as a real estate salesperson.

5 VII

6 At no time mentioned herein was Cory Whalen  
7 (hereinafter "Whalen") licensed by the Department either as a  
8 real estate salesperson or as a real estate broker.

9 VIII

10 At all times mentioned herein Respondents engaged in  
11 the business of, acted in the capacity of, advertised or assumed  
12 to act as a real estate broker in the State of California within  
13 the meaning of:

14 (a) Section 10131(a) of the Code, including the  
15 operation and conduct of a real estate resale brokerage with the  
16 public wherein, on behalf of others, for compensation or in  
17 expectation of compensation, Respondents sold and offered to  
18 sell, bought and offered to buy, solicited prospective sellers  
19 and purchasers of, solicited and obtained listings of, and  
20 negotiated the purchase and resale of real property; and

21 (b) Section 10131(d) of the Code, including the  
22 operation and conduct of a mortgage loan brokerage business with  
23 the public wherein Respondents solicited lenders and borrowers  
24 for loans secured directly or collaterally by liens on real  
25 property or a business opportunity, and wherein such loans were  
26 arranged, negotiated, processed, and consummated by Respondent on  
27 behalf of others for compensation or in expectation of a  
compensation.

1 FIRST CAUSE OF ACTION

2 IX

3 Each and every allegation in Paragraphs I through VIII  
4 above are incorporated by this reference as if fully set forth  
5 herein.

6 X

7 Beginning on or about April 2006 and continuing  
8 thereafter, JOHNSON, ANG, Whalen and others, entered into and  
9 participated in a "buyer rebate" plan or scheme to deceive and  
10 make misrepresentations to mortgage lenders with the intent to  
11 substantially benefit themselves and without disclosing their  
12 true intentions to the mortgage lenders.

13 XI

14 The "buyer rebate" plan and scheme described in  
15 Paragraph VI contemplated in essence that:

16 (a) Respondent JOHNSON and/or ANG, acting as an agent  
17 of a purchaser, would solicit and obtain a written agreement to  
18 purchase residential real property at an inflated price, \$20,000  
19 or more in excess of the listed price of the property, subject to  
20 a separate written addendum providing for an amount in excess of  
21 the listing price (the "buyer rebate") to be paid out of escrow  
22 or by the seller after the close of escrow for fictitious repairs  
23 and upgrades.

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1 (b) Respondent ANG and/or Whalen acting as the agent  
2 of a purchaser, would solicit and obtain a loan from an  
3 institutional mortgage lender to finance the inflated cost of  
4 purchase by concealing the "buyer rebate" addendum from the  
5 mortgage lender and/or misrepresenting the purchaser's income,  
6 employment, and/or that the property would be the primary  
7 residence of the purchaser.

8 XII

9 Beginning on or about April 2006 and continuing  
10 thereafter, JOHNSON, ANG, Whalen, and others committed the  
11 following acts in furtherance of the fraudulent plan or scheme  
12 described in Paragraphs X and XI, above:

13 (a) JOHNSON, acting as an agent of Angelica Ang as  
14 purchaser, solicited and obtained a written agreement to purchase  
15 residential real property at 909 Hargus Avenue, Vallejo,  
16 California, subject to a separate written addendum providing for  
17 \$45,000 to be paid out of escrow or by the seller after the close  
18 of escrow to C&C Investment and Consulting for repairs and  
19 upgrades.

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1 (b) ANG, acting as the agent of Angelica Ang,  
2 solicited and obtained first and second mortgage loans for  
3 \$384,000 and \$96,000 from Fremont Investment and Loan to finance  
4 Angelica Ang's purchase of real property at 909 Hargus Avenue,  
5 Vallejo, California, by concealing the \$45,000 "buyer rebate"  
6 addendum from the mortgage lender. ANG also represented,  
7 contrary to fact, that the property would be the primary  
8 residence of Angelica Ang, Angelica Ang was employed as a  
9 Marketing Director for Esthetic by Jeannette earning \$9,400 per  
10 month, and Angelica Ang had \$21,500 in her bank account.

11 (c) JOHNSON, acting as an agent of Clarisa Ang as  
12 purchaser, solicited and obtained a written agreement to purchase  
13 residential real property at 1158 Hargus Avenue, Vallejo,  
14 California, subject to a separate written addendum providing for  
15 approximately \$81,500 to be paid out of escrow or by the seller  
16 after the close of escrow to C&C Investment and Consulting for  
17 repairs and upgrades.

18 (d) ANG, solicited and obtained first and second  
19 mortgage loans for \$400,000 and \$100,000 from Aegis Funding to  
20 finance ANG's purchase of real property at 1158 Hargus Avenue,  
21 Vallejo, California, by concealing the \$81,500 "buyer rebate"  
22 addendum from the mortgage lender. ANG also represented,  
23 contrary to fact, that the property would be the primary  
24 residence of ANG, and ANG had a monthly income of \$14,800.

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1  
2 (e) JOHNSON, acting as an agent of Elizabeth Carrion  
3 (hereinafter "Carrion") as purchaser, solicited and obtained a  
4 written agreement to purchase residential real property at 701  
5 Camelia Way, Vacaville, California, subject to a separate written  
6 addendum providing for \$85,000 to be paid out of escrow or by the  
7 seller after the close of escrow to Luie's Restoration & Upgrades  
8 for repairs and/or restorations.

9 (f) Whalen and ANG, acting as the agent of Carrion,  
10 solicited and obtained first and second mortgage loans for  
11 \$400,000 and \$100,000 from Greenpoint Mortgage to finance  
12 Carrion's purchase of real property at 701 Camelia Way, Vacaville  
13 California, by concealing the \$85,000 "buyer rebate" addendum  
14 from the mortgage lender. Whalen and ANG also represented,  
15 contrary to fact, that the property would be the primary  
16 residence of Carrion, and Carrion worked for Genesis Capital with  
17 a monthly income of \$8,500.

18 (g) JOHNSON, acting as an agent of Carrion as  
19 purchaser, solicited and obtained a written agreement to purchase  
20 residential real property at 206 Arbor Street, Vacaville,  
21 California, subject to a separate written addendum providing for  
22 \$85,000 to be paid out of escrow or by the seller after the close  
23 of escrow to Luie's Restoration & Upgrades for repairs and/or  
24 restorations.

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1 (h) Whalen and ANG, acting as the agent of Carrion,  
2 solicited and obtained first and second mortgage loans for  
3 \$328,000 and \$82,000 from Paul Financial LLC to finance Carrion's  
4 purchase of real property at 206 Arbor Street, Vacaville,  
5 California, by concealing the \$85,000 "buyer rebate" addendum  
6 from the mortgage lender. Whalen and ANG also represented,  
7 contrary to fact, that the property would be the primary  
8 residence of Carrion, and Carrion worked for Genesis Capital with  
9 a monthly income of \$8,500.

10 (i) JOHNSON, acting as an agent of Angelito  
11 Evangelista (hereinafter "Evangelista") as purchaser, solicited  
12 and obtained a written agreement to purchase residential real  
13 property at 1889 Buena Tierra Street, Benicia, California,  
14 subject to a separate written addendum providing for \$80,000 to  
15 be paid out of escrow or by the seller after the close of escrow  
16 to Rare Management and Investments for repairs and upgrades.

17 (j) Whalen and ANG, acting as the agent of  
18 Evangelista, solicited and obtained first and second mortgage  
19 loans for \$423,200 and \$105,800 from Meritage Mortgage to finance  
20 Evangelista's purchase of real property at 1889 Buena Tierra  
21 Street, Benicia, California, by concealing the \$80,000 "buyer  
22 rebate" addendum from the mortgage lender. Whalen and ANG also  
23 represented, contrary to fact, that the property would be the  
24 primary residence of Evangelista, and Evangelista earned \$18,750  
25 per month.

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1 (k) JOHNSON, acting as an agent of Evangelista as  
2 purchaser, solicited and obtained a written agreement to purchase  
3 residential real property at 429 Valle Vista, Vallejo,  
4 California, subject to a separate written addendum providing for  
5 \$75,000 to be paid out of escrow or by the seller after the close  
6 of escrow to Rare Management and Investments for repairs and  
7 upgrades.

8 (l) Whalen and ANG, acting as the agent of  
9 Evangelista, solicited and obtained first and second mortgage  
10 loans for \$468,000 and \$117,000 from Aegis Funding Group to  
11 finance Evangelista's purchase of real property at 429 Valle  
12 Vista, Vallejo, California, by concealing the \$75,000 "buyer  
13 rebate" addendum from the mortgage lender. Whalen and ANG also  
14 represented, contrary to fact, that the property would be the  
15 primary residence of Evangelista, and Evangelista earned \$16,200  
16 per month.

17 (m) JOHNSON, acting as an agent of Evangelista,  
18 solicited and obtained a written agreement to purchase  
19 residential real property at 21 La Cruz, Benicia, California,  
20 subject to a separate written addendum providing for \$91,000 to  
21 be paid out of escrow or by the seller after the close of escrow  
22 to Rare Management and Investment for repairs and upgrades.

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1 (n) Whalen and ANG, acting as the agent of  
2 Evangelista, solicited and obtained first and second mortgage  
3 loans for \$504,000 and \$126,000 from Saxon Mortgage Services,  
4 Inc. to finance Evangelista's purchase of real property at 21 La  
5 Cruz, Benicia, California, by concealing the \$91,000 "buyer  
6 rebate" addendum from the mortgage lender. Whalen and ANG also  
7 represented, contrary to fact, that the property would be the  
8 primary residence of Evangelista, Evangelista earned \$17,250 per  
9 month, and Evangelista owned personal property valued at \$50,000.

10 (o) JOHNSON, acting as an agent of Evangelista,  
11 solicited and obtained a written agreement to purchase  
12 residential real property at 2745 Georgia Street, Vallejo,  
13 California, subject to a separate written addendum providing for  
14 \$90,000 to be paid out of escrow or by the seller after the close  
15 of escrow to Rare Management and Investment for repairs and  
16 upgrades.

17 (p) Whalen and ANG, acting as the agent of  
18 Evangelista, solicited and obtained first and second mortgage  
19 loans for \$396,000 and \$99,000 from Westam Mortgage to finance  
20 Evangelista's purchase of real property at 2745 Georgia Street,  
21 Vallejo, California, by concealing the \$90,000 "buyer rebate"  
22 addendum from the mortgage lender. Whalen and ANG also  
23 represented, contrary to fact, that the property would be the  
24 primary residence of Evangelista, and Evangelista earned \$27,000  
25 a month.

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1 (q) JOHNSON, acting as an agent of Maricarmen and  
2 Lenin Galeano (hereinafter "Galeano") as purchasers, solicited  
3 and obtained a written agreement to purchase residential real  
4 property at 254 Newport Circle, Vacaville California, subject to  
5 a separate written addendum providing for \$35,000 to be paid out  
6 of escrow or by the seller after the close of escrow to Natalia's  
7 Restoration and Upgrades for repairs and upgrades.

8 (r) Whalen and ANG, acting as the agent of Galeano,  
9 solicited and obtained first and second mortgage loans for  
10 \$440,000 and \$110,000 from Fremont Investment and Loan to finance  
11 Galeano's purchase of real property at 254 Newport Circle,  
12 Vacaville, California, by concealing the \$35,000 "buyer rebate"  
13 addendum from the mortgage lender. Whalen and ANG also  
14 represented, contrary to fact, that the property would be the  
15 primary residence of Galeano, and Galeano had a monthly income of  
16 \$6,800.

17 (s) JOHNSON, acting as an agent of Clayton Johnson as  
18 purchaser, solicited and obtained a written agreement to purchase  
19 residential real property at 2785 Webb Street, Vallejo,  
20 California, subject to a separate written addendum providing for  
21 \$38,000 to be paid out of escrow or by the seller after the close  
22 of escrow to Zoe's Restoration & Upgrades for repairs and  
23 upgrades.

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1           (t) Whalen and ANG, acting as the agent of Clayton  
2 Johnson, solicited and obtained first and second mortgage loans  
3 for \$404,000 and \$101,000 from Millennium Financial Group and  
4 Fred Mack Harris to finance Clayton Johnson's purchase of real  
5 property at 2785 Webb Street, Vallejo, California, by concealing  
6 the \$38,000 "buyer rebate" addendum from the mortgage lender.

7           (u) JOHNSON, acting as an agent of Clayton Johnson as  
8 purchaser, solicited and obtained a written agreement to purchase  
9 residential real property at 121 5<sup>th</sup> Street, California, subject  
10 to a separate written addendum providing for \$100,000 to be paid  
11 out of escrow or by the seller after the close of escrow to Zoe's  
12 Restoration & Upgrades for repairs and upgrades.

13           (v) JOHNSON, acting as an agent of Carrion as  
14 purchaser, solicited and obtained a written agreement to purchase  
15 residential real property at 142 Virginia Street, Vacaville,  
16 California, subject to a separate written addendum providing for  
17 \$73,000 to be paid out of escrow or by the seller after the close  
18 of escrow to Luie's Restoration & Upgrades for repairs and/or  
19 restoration.

20           (w) ANG, acting as an agent of Lydia Ang as purchaser,  
21 solicited and obtained a written agreement to purchase  
22 residential real property at 301 Campbell Avenue, Benicia,  
23 California, subject to a separate written addendum providing for  
24 \$65,606.83 to be paid out of escrow or by the seller after the  
25 close of escrow to C&C Investment and Consulting for repairs and  
26 upgrades.

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1 (x) ANG, acting as the agent of Lydia Ang, solicited  
2 and obtained first and second mortgage loans for \$400,000 and  
3 \$100,000 from Greenpoint Mortgage to finance Lydia Ang's purchase  
4 of real property at 301 Campbell Avenue, California, by  
5 concealing the \$65,606.83 "buyer rebate" addendum from the  
6 mortgage lender. ANG also represented, contrary to fact, that  
7 the property would be the primary residence of Lydia Ang, and  
8 Lydia Ang earned \$12,000 per month.

9 (y) JOHNSON, acting as an agent of Evangelista,  
10 solicited and obtained a written agreement to purchase  
11 residential real property at 177 Brophy Street, American Canyon,  
12 California, subject to a separate written addendum providing for  
13 \$70,000 to be paid out of escrow or by the seller after the close  
14 of escrow to Rare Management and Investment for repairs and  
15 upgrades.

16 (z) Whalen and ANG, acting as the agent of  
17 Evangelista, solicited and obtained first and second mortgage  
18 loans for \$488,000 and \$122,000 from Fremont Investment and Loan  
19 to finance Evangelista's purchase of real property at 177 Brophy  
20 Street, American Canyon, California, by concealing the \$70,000  
21 "buyer rebate" addendum from the mortgage lender. Whalen and ANG  
22 also represented, contrary to fact, that the property would be  
23 the primary residence of Evangelista, and Evangelista earned  
24 \$17,985 a month.

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XIII

The acts and omissions of JOHNSON and ANG described in Paragraphs X through XII constitute fraud and/or dishonest dealing, and/or a continued and flagrant course of misrepresentation through real estate agents or salespersons.

XIV

The acts and omissions of JOHNSON and ANG described in Paragraphs X through XII constitute the substantial misrepresentation of a material fact.

XV

The facts described in the First Cause of Action constitute cause to suspend or revoke all licenses and license rights of JOHNSON and ANG pursuant to the provisions of Sections 10176(a), 10176(b), 10176(c), 10176(i), and/or 10177(j) of the Code.

SECOND CAUSE OF ACTION

XVI

Each and every allegation in Paragraphs I through XV, inclusive, above, are incorporated by this reference as if fully set forth herein.

XVII

Beginning on or about April 2006 and continuing thereafter, CHLB employed and compensated Whalen to perform the acts and conduct the real estate activities described in Paragraph VIII, above, including but not limited to the activities described in Paragraph XVIII.

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XVIII

Beginning on or about April 2006 and continuing thereafter, in course of the employment and activities described in Paragraph XVII, above, Whalen negotiated and arranged mortgage loans to finance the purchase and sale of real property, including but not necessarily limited to:

Property Address	Borrower	Close of Escrow
701 Camellia Way, Vacaville	Elizabeth Carrion	5/25/06
206 Arbor Street, Vacaville	Elizabeth Carrion	6/19/06
1889 Buena Tierra Street, Benicia	Angelito Evangelista	7/31/06
429 Valle Vista, Vallejo	Angelito Evangelista	8/1/06
21 La Cruz, Benicia	Angelito Evangelista	8/15/06
254 Newport Circle, Vacaville	Maricarmen and Lenin Galeano	5/25/06
2745 George Street, Vallejo	Angelito Evangelista	8/16/06
2785 Webb Street, Vallejo	Clayton Johnson	4/28/06

XIX

In acting as described in Paragraphs XVII and XVIII, above, CHLB violated the provisions of Section 10137 of the Code and willfully caused, suffered and/or permitted Whalen to violate Section 10130 of the Code.

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XX

The facts described above as to the Second Cause of Accusation constitute cause to suspend or revoke all licenses and license rights of Respondents CHLB pursuant to the provisions of Sections 10137 of the Code.

THIRD CAUSE OF ACTION

XXI

Each and every allegation in Paragraphs I through XX, inclusive, above, are incorporated by this reference as if fully set forth herein.

XXII

Respondent HODGEN failed to exercise reasonable supervision over the acts of Respondents CHLB in such a manner as to allow the acts and events described above to occur.

XXIII

The acts and/or omissions of HODGEN described in Paragraph XXII, constitute failure on the part of HODGEN, as designated broker-officer for CHLB, to exercise reasonable supervision and control over the licensed activities of CHLB as required by Section 10159.2 of the Code.

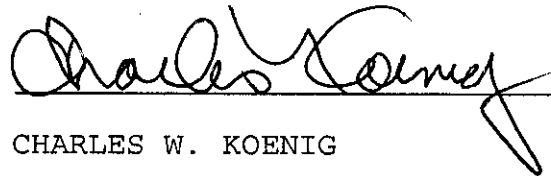
XXIV

The facts described above as to the Third Cause of Action constitute cause for the suspension or revocation of the licenses and license rights of Respondent CHLB under Section 10177(g) and/or Section 10177(h) of the Code and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

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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 license rights of Respondents  
5 under the Real Estate Law (Part 1 of Division 4 of the Business  
6 and Professions Code), and for such other and further relief as  
7 may be proper under other provisions of law.

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10 CHARLES W. KOENIG

11 Deputy Real Estate Commissioner

12 Dated at Sacramento, California,  
13 this 18<sup>th</sup> day of June, 2008