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**FILED**  
AUG 04 2020  
DEPT. OF REAL ESTATE  
By Zai J

7 DEPARTMENT OF REAL ESTATE  
8 STATE OF CALIFORNIA  
9

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-05170 SD  
12 ERNEST EUGENE FREEMAN; )  
13 SALAZAR CRANE & ASSOCIATES INC; )  
14 and )  
15 LIVIA V. SALAZAR-CRANE, individually )  
16 and as designated officer of Salazar Crane & )  
17 Associates Inc, )  
18 Respondents. )

19 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
20 State of California, makes this Accusation in her official capacity, and for cause of Accusation  
21 against Respondents ERNEST EUGENE FREEMAN, SALAZAR CRANE & ASSOCIATES  
22 INC, and LIVIA V. SALAZAR-CRANE (collectively, "Respondents"), is informed and alleges  
23 as follows:

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26 DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane  
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1.

At all times mentioned herein, Respondents ERNEST EUGENE FREEMAN, SALAZAR CRANE & ASSOCIATES INC and LIVIA V. SALAZAR-CRANE engaged in the performance of activities requiring a real estate license pursuant to Code Section 10130.

2.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

**RESPONDENT RES ERNEST EUGENE FREEMAN ("FREEMAN")**

3.

ERNEST EUGENE FREEMAN ("FREEMAN" or "Respondent FREEMAN") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate salesperson ("RES"), Department of Real Estate ("Department" or "DRE") license ID 01239861.

4.

According to DRE records to date, FREEMAN was first licensed by the Department as a RES on or about June 4, 1998.

5.

According to DRE records to date, FREEMAN's mailing address of record is: 23653 Jefferson Ave., Murrieta, CA 92562.

6.

According to DRE records to date, FREEMAN also holds a Nationwide Multistate Licensing System ("NMLS") mortgage loan originator ("MLO") license endorsement through the DRE, NMLS ID 821008, and is authorized to conduct business. According to the NMLS, FREEMAN also holds an MLO license through the California Department of Business

DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane

1 Oversight, but is not authorized to conduct business. According to NMLS records to date,  
2 FREEMAN's authorization to conduct business is as follows:

- 3 a. 1/2/20 up to and including the present: authorized to conduct business;  
4 b. 1/1/20 to 1/1/20: not authorized to conduct business;  
5 c. 1/4/19 to 12/31/19: authorized to conduct business;  
6 d. 1/1/19 to 1/3/19: not authorized to conduct business;  
7 e. 3/1/18 to 12/31/18: authorized to conduct business;  
8 f. 1/5/18 to 2/28/18: not authorized to conduct business; and  
9 g. 5/11/16 to 1/4/18: authorized to conduct business.

10 7.

11 According to DRE records to date, FREEMAN is presently licensed under  
12 responsible real estate broker ("REB") SALAZAR CRANE & ASSOCIATES INC, and has been  
13 since March 1, 2018. Prior to his present licensure under SALAZAR CRANE & ASSOCIATES  
14 INC., FREEMAN was licensed under REB LIVIA V. SALAZAR-CRANE, from January 20,  
15 2018 to February 28, 2018 and under SALAZAR CRANE & ASSOCIATES INC from August  
16 26, 2016 to October 11, 2017. FREEMAN's NMLS license endorsement is also affiliated with  
17 REB SALAZAR CRANE & ASSOCIATES INC., since August 22, 2016.

18 8.

19 According to DRE records to date, FREEMAN's DRE license will expire on June  
20 3, 2022.

21 9.

22 On or about December 18, 2018, in Southwest Riverside County Association of  
23 Realtors ("SRCAR") Case DS18-03, a Decision was adopted by SRCAR's Board of Directors  
24 that ordered FREEMAN to: pay a fine in the amount of \$10,000; complete California  
25 Association of Realtors ("CAR") coursework; and a Letter of Reprimand was placed in  
26

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1 FREEMAN's SRCAR member file for a period of three (3) years for his violation of Code of  
2 Ethics Articles 1 (fiduciary duty to clients); 2 (must avoid concealment of pertinent facts), 6  
3 (cannot accept profit on expenditures made for their client or recommendations to their client  
4 without disclosure); 9 (must ensure that all agreements are in writing and clear); and 11 (must  
5 provide competent service) and Multiple Listing Service ("MLS") Rules and Regulations,  
6 Section 8.2 (listing brokers filing listings with the MLS must have written listing agreement with  
7 necessary signatures in their possession).

8 **RESPONDENT SALAZAR CRANE & ASSOCIATES INC ("SCAI")**

9 10.

10 SALAZAR CRANE & ASSOCIATES INC ("SCAI" or "Respondent SCAI") is  
11 presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the  
12 Code as a REB (corporation), DRE license ID 01477144.

13 11.

14 According to DRE records to date, SCAI was first licensed by the Department on  
15 or about July 27, 2005, and from October 12, 2017 until February 7, 2018, SCAI was not  
16 licensed.

17 12.

18 According to DRE records to date, SCAI's main and mailing address of record are  
19 the same: 4000 Winkle Ave., Santa Cruz, CA 95065.

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13.

According to DRE records to date, SCAI also holds an NMLS MLO license endorsement through the DRE, NMLS ID 373508 and is authorized to conduct business. According to NMLS records to date, SALAZAR-CRANE's authorization to conduct business is as follows:

- a. 3/1/18 up to and including the present: authorized to conduct business;
- b. 1/8/18 to 2/28/18: not authorized to conduct business; and
- c. 12/31/10 to 1/7/18: authorized to conduct business.

14.

According to DRE records to date, SCAI has no DBAS and no branch offices, and one RES, FREEMAN, under its REB license.

15.

According to DRE records to date, LIVIA V. SALAZAR-CRANE is SCAI's designated officer of record until her officer affiliation expiration date of February 6, 2022.

16.

According to DRE records to date, SCAI's DRE license will expire on February 6, 2022.

17.

At all times mentioned herein, Respondent SCAI engaged in the performance of activities requiring a real estate license pursuant to Code Section 10130.

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DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane



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23.

According to DRE records to date, SALAZAR-CRANE is SCAI's designated officer of record until her officer affiliation expiration date of February 6, 2022.

24.

According to DRE records to date, SALAZAR-CRANE's DRE license will expire on September 22, 2020.

25.

On or about December 18, 2018, in SRCAR Case DS18-03, a Decision was adopted by SRCAR's Board of Directors that ordered SALAZAR-CRANE to: pay a fine in the amount of \$10,000; complete coursework; and a Letter of Reprimand was placed in FREEMAN's SRCAR member file for a period of three (3) years for his violation of Code of Ethics Articles 1 (fiduciary duty to clients); 2 (must avoid concealment of pertinent facts), 6 (cannot accept profit on expenditures made for their client or recommendations to their client without disclosure); 9 (must ensure that all agreements are in writing and clear); 11 (must provide competent service); and 12 (must be honest in their real estate communications and present a true picture in advertising) and Multiple Listing Service ("MLS") Rules and Regulations, Section 8.2 (listing brokers filing listings with the MLS must have written listing agreement with necessary signatures in their possession).

**UNLICENSED ERIN ZAGLAGO**

26.

According to DRE records to date, Erin Zaglago ("Zaglago") is not now, and has never been licensed by the Department in any capacity. According to the NMLS website, Zaglago does not and has never held an NMLS MLO endorsement.

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**FACTS DISCOVERED BY THE DEPARTMENT**

27.

**Expiration of SCAI's DRE license/FREEMAN's NBA Status**

On October 11, 2017, SCAI's DRE license expired. As a result of SCAI's license expiration, FREEMAN, who was licensed under SCAI's REB license at the time, became "Licensed NBA" (No Broker Affiliation) and his license was placed in a non-working status, during which time he could not perform acts for which a real estate license is required.

28.

**NMLS MLO Endorsements Not Authorized to Conduct Business**

Between January 5, 2018 and February 28, 2018, FREEMAN's NMLS MLO endorsement was not authorized to conduct business. Between January 8, 2018 and February 28, 2018, SCAI and SALAZAR-CRANE's NMLS MLO endorsements were not authorized to conduct business.

**Unlicensed Real Estate Sales Activity**

**Under Expired License (SCAI) & NBA License (FREEMAN)**

29.

**Unlicensed Activity: 10/12/17 Residential Listing Agreement #1**

(SCAI & FREEMAN)

On or about October 12, 2017, FREEMAN prepared a Residential Listing Agreement ("RLA #1") on behalf of Richard and Genevieve B. ("Consumers") to list for sale Consumers' real property located at 39890 Spinning Wheel Drive, Murrieta, CA 92562 ("Spinning Wheel") for \$434,900, for the listing period beginning October 12, 2017 and ending at 11:59 P.M. on April 12, 2018. RLA #1 listed SCAI as the listing REB and FREEMAN as the selling agent, with a commission amount of five percent (5%) to the listing REB. Consumers and FREEMAN signed the RLA on October 12, 2017. Subsequently,

DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane



1 FREEMAN placed the Spinning Wheel property on the Multiple Listing Service ("MLS") and  
2 began to market the property. According to FREEMAN, open houses were held on behalf of  
3 Consumers two (2) times and met with Buyers and their agent to show the property. When  
4 Consumers and FREEMAN signed the October 12, 2017, SCAI's DRE license had already  
5 expired and FREEMAN's DRE license status was non-working NBA due to the expiration of  
6 SCAI's license.

7 30.

8 Unlicensed Activity: 11/10/17 Presentation of Residential Purchase Agreement #1

9 (SCAI & FREEMAN)

10 On or about November 10, 2017, FREEMAN received and presented to  
11 Consumers a Residential Purchase Agreement ("RPA #1" or "Offer #1") to purchase Spinning  
12 Wheel for \$400,000. RPA #1 listed SCAI as the listing REB and FREEMAN as the selling  
13 agent. When FREEMAN received and presented Offer #1 to Consumers, SCAI's DRE license  
14 had already expired and FREEMAN's DRE license status was non-working NBA due to the  
15 expiration of SCAI's license.

16 31.

17 Unlicensed Activity: 11/11/17 Presentation of Residential Purchase Agreement #2

18 (SCAI & FREEMAN)

19 On or about November 11, 2017, FREEMAN received and presented to  
20 Consumers a Residential Purchase Agreement ("RPA #2" or "Offer 2") to purchase Spinning  
21 Wheel for \$434,900. RPA #2 listed SCAI as the listing REB and FREEMAN as the selling  
22 agent. When FREEMAN received and presented Offer #2 to Consumers, SCAI's DRE license  
23 had already expired and FREEMAN's DRE license status was non-working NBA due to the  
24 expiration of SCAI's license.

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32.

Unlicensed Activity: 12/19/17 Cancellation of Listing

(SCAI & FREEMAN)

On or about December 19, 2017, FREEMAN prepared a Cancellation of Listing ("Cancellation") of Spinning Wheel for Consumers' signatures. The Cancellation listed SCAI as the listing REB and was signed by SALAZAR-CRANE on behalf of SCAI. When FREEMAN prepared the Cancellation, SCAI's DRE license had already expired and FREEMAN's DRE license status was non-working NBA due to the expiration of SCAI's license.

33.

Unlicensed Activity: 12/19/17 Residential Listing Agreement #2

(SCAI)

On or about December 19, 2017, FREEMAN prepared a second RLA ("RLA #2") on behalf of Consumers to list for sale Consumers' Spinning Wheel property for \$439,000, for the listing period beginning December 19, 2017 and ending at 11:59 P.M. on June 19, 2018. According to page 1 of RLA #2 SCAI was listed as the listing REB, with a commission amount of five percent (5%) to the listing REB. When FREEMAN prepared RLA #2 on December 19, 2017, SCAI's DRE license had already expired.

34.

Unlicensed Activity: 1/12/18 Preparation of Residential Purchase Agreement for Crooked Arrow

(SCAI & FREEMAN)

On or about January 12, 2018, FREEMAN prepared a Residential Purchase Agreement ("RPA-Crooked Arrow") on behalf of Consumers to purchase real property located at 32380 Crooked Arrow Drive, Wildomar, CA 92595 ("Crooked Arrow") for \$640,000, with an initial deposit of \$5,000.00, a loan in the amount of \$424,100.00 and the balance of \$210,900.00 to be paid to escrow. RPA-Crooked Arrow listed SCAI as the Buyer's Firm and FREEMAN as

DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane

1 the Buyer's Agent. On January 18, 2018, Crooked Arrow's sellers accepted Consumer's RPA-  
2 Crooked Arrow. On or about February 16, 2020, Consumers and Sellers cancelled the Crooked  
3 Arrow transaction. When FREEMAN prepared RPA-Crooked Arrow, SCAI's DRE license had  
4 already expired and FREEMAN's DRE license status was non-working NBA due to the  
5 expiration of SCAI's license.

6 35.

7 Unlicensed Activity: 1/18/18 Presentation of Residential Purchase Agreement #3  
8 (SCAI & FREEMAN)

9 On or about January 18, 2018, FREEMAN received and presented to Consumers  
10 a Residential Purchase Agreement ("RPA #3" or "Offer 3") to purchase Spinning Wheel for  
11 \$430,000.00. RPA #3 listed SCAI as the listing REB and FREEMAN as the selling  
12 agent. Consumers accepted RPA #3 on or about January 21, 2018. When FREEMAN received  
13 and presented Offer #3 to Consumers, SCAI's DRE license had already expired and  
14 FREEMAN's DRE license status was non-working NBA due to the expiration of SCAI's license.

15 Unauthorized/Unlicensed Mortgage Loan Activity

16 Under NMLS MLO Endorsements Not Authorized to Conduct Business

17 36.

18 Unlicensed/Unauthorized Activity: 1/21/18 NPF Loan Registration

19 (SCAI & FREEMAN)

20 According to FREEMAN, on January 21, 2018, he presented Consumers with  
21 three (3) loan options for their purchase of Crooked Arrow. FREEMAN presented three (3)  
22 Borrower Summary sheets marked as Option 1, Option 2 and Option 3, all of which identified  
23 FREEMAN as affiliated with SCAI and listed his DRE and NMLS ID. All three Option sheets  
24 identified FREEMAN as the [Loan] Originator. Consumers ultimately selected FREEMAN's  
25 Option 2 loan (3.875% interest rate), and FREEMAN instructed his assistant/processor, Erin

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1 Zaglago (also FREEMAN's stepdaughter) to register Consumers' loan with New Penn Financial.  
2 When FREEMAN presented loan options to Consumers and listed himself as the loan originator,  
3 FREEMAN and SCAI were not authorized to conduct mortgage loan activity. When  
4 FREEMAN presented Consumers with the loan options, FREEMAN's NMLS MLO  
5 endorsement was not authorized to conduct business from January 5, 2018 to February 28, 2018,  
6 and SCAI's NMLS MLO endorsement was not authorized to conduct business from January 8,  
7 2018 to February 28, 2018.

8 37.

9 Unlicensed/Unauthorized Activity: 1/29/18 NPF Submission Form

10 (SCAI & FREEMAN)

11 A. A Submission Form on the letterhead of lender New Penn Financial ("NPF")  
12 was dated January 29, 2018 was submitted to NPF that listed Consumers as Borrowers , SCAI as  
13 the REB, FREEMAN as the underwriter and "LO" (loan originator), and Erin Zaglago as the  
14 processor. When FREEMAN represented on the NPF Submission Form that he was the  
15 "LO" FREEMAN's NMLS MLO endorsement was not authorized to conduct business from  
16 January 5, 2018 to February 28, 2018.

17 B. In the sections for Borrower Information on the NPF Submission Form, the e-  
18 mail addresses weelbarrow456@gmail.com and swimmasterbarrow@gmail.com were listed as  
19 Consumers' e-mail addresses. According to Consumers, neither of the e-mail addresses listed as  
20 belonging to them on the NPF Submission Form ever belonged to them. According to  
21 unlicensed Zaglago's notarized, written statement dated March 6, 2020, "I worked with my Step-  
22 Father, ERNEST E. FREEMAN. I was not paid by SALAZAR, CRANE and ASSOCIATES...I  
23 of my own accord created two separate emails for both G... and R... to which I signed on their  
24 behalf. This was done without ERNEST FREEMAN's or LIVIA SALAZAR's

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1 knowledge.” Unlicensed Zaglago did not hold an NMLS MLO endorsement and was employed  
2 by unauthorized NBA FREEMAN during the subject period.

3 38.

4 Unlicensed/Unauthorized Activity: 1/31/18 Uniform Residential Loan Application  
5 (SCAI & FREEMAN)

6 On January 31, 2018, FREEMAN submitted a Uniform Residential Loan  
7 Application (“URLA”), electronically signed by Consumers and FREEMAN on January 31,  
8 2018, on behalf of Consumers to NPF, case number #####0127. FREEMAN signed  
9 Consumer’s URLA as “Loan Originator” and listed SCAI as the loan originator company, along  
10 with the respective NMLS IDs for himself and for SCAI: 01239861 and 373508,  
11 respectively. When FREEMAN submitted the URLA to NPF as “Loan  
12 Originator,” FREEMAN’s NMLS MLO endorsement was not authorized to conduct business  
13 from January 5, 2018 to February 28, 2018 and SCAI’s NMLS MLO endorsement was not  
14 authorized to conduct business from January 8, 2018 to February 28, 2018.

15 39.

16 Unlicensed/Unauthorized Activity: 1/31/18 Loan Estimate  
17 (SCAI & FREEMAN)

18 Also on January 31, 2018, NPF generated a Loan Estimate for case/loan number  
19 #####0127, which identified FREEMAN as “loan officer” and listed “Origination Charges”  
20 totaling \$6,946, comprised of an administration fee of \$445; broker BPC of \$5,951 and  
21 underwriting fee of \$550. Attached to the Loan Estimate was an “Itemization of Fees” sheet that  
22 identified “Broker BPC” in the amount \$5,950.68. FREEMAN’s NMLS MLO endorsement was  
23 not authorized to conduct business from January 5, 2018 to February 28, 2018 and SCAI’s  
24 NMLS MLO endorsement was not authorized to conduct business from January 8, 2018 to  
25 February 28, 2018.

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Unlicensed/Unauthorized Activity: 2/12/18 Conditional Approval Notice

(SCAI &amp; FREEMAN)

On February 12, 2018, NPF generated a Conditional Approval Notice ("Notice") for case/loan number #####0127, which identified SCAI as the broker, FREEMAN as the "loan officer" and Zaglago as the processor. The Notice included in its Cash to Close Analysis, at line 821, "Broker BPC (Variable)" in the amount \$5,950.68. FREEMAN's NMLS MLO endorsement was not authorized to conduct business from January 5, 2018 to February 28, 2018 and SCAI's NMLS MLO endorsement was not authorized to conduct business from January 8, 2018 to February 28, 2018. Unlicensed Zaglago did not hold an NMLS MLO endorsement and was employed by unauthorized FREEMAN during the subject period.

APPLICABLE SECTIONS OF THE REAL ESTATE LAWLicense Required - Code Sections 10130, 10131, and 10132Pursuant to Code Section 10130 *License Required*:

"It is unlawful for any person to engage in the business of, act in the capacity of, advertise as, or assume to act as a real estate broker or a real estate salesperson within this state without first obtaining a real estate license from the department, or to engage in the business of, act in the capacity of, advertise as, or assume to act as a mortgage loan originator within this state without having obtained a license endorsement. The commissioner may prefer a complaint for violation of this section before any court of competent jurisdiction, and the commissioner and his or her counsel, deputies, or assistants, may assist in presenting the law or facts at the trial. *Prosecution of Violations*: It is the duty of the district attorney of each county in this state to prosecute all violations of this section in their respective counties in which the violations occur."

DRE Accusation: Ernest Eugene Freeman; Salazar Crane &amp; Associates Inc.; &amp; Livia V. Salazar-Crane

Pursuant to Code Section 10131 *Broker Defined*:

“A real estate broker within this meaning of this part is a person who, for a compensation or in expectation of a compensation, regardless of the form or time of payment, does or negotiates to do one or more of the following acts for another or others:

(a) Sells or offers to sell, buys or offers to buy, solicits prospective sellers or purchasers of, solicits or obtains listings of, or negotiates the purchase, sale or exchange of real property or a business opportunity.

(b) Leases or rents or offers to lease or rent, or places for rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase or exchanges of leases of real property, or on a business opportunity, or collects rents from real property, or improvements thereon, or from business opportunities.

(c) Assists or offers to assist in filing an application for the purchase or lease of, or in locating or entering upon, lands owned by the state or federal government.

(d) Solicits borrowers or lenders for or negotiates loans or collects payments or performs 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.

(e) Sells or offers to sell, buys or offers to buy, or exchanges or offers to exchange a real property sales contract, or a promissory note secured directly or collaterally by a lien on real property or on a business opportunity, and performs services for the holders thereof.”

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43.

**Broker Supervision – Code Section 10159.2 and Regulation 2725**

Pursuant to Code Section 10159.2 *Responsibility of Corporate Officer in Charge:*

“(a) The officer designated by a corporate broker licensee pursuant to Section 10211 shall be responsible for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees as necessary to secure full compliance with the provisions of this division, including the supervision of salespersons licensed to the corporation in the performance of acts for which a real estate license is required.

(b) A corporate broker licensee that has procured additional licenses in accordance with Section 10158 through officers other than the officer designated pursuant to Section 10211 may, by appropriate resolution of its board of directors, assign supervisory responsibility over salespersons licensed to the corporation to its broker-officers.

(c) A certified copy of any resolution of the board of directors assigning supervisory responsibility over real estate salespersons licensed to the corporation shall be filed with the Real Estate Commissioner within five days after the adoption or modification thereof.”

44.

Pursuant to Regulation 2725 *Broker Supervision:*

“A broker shall exercise reasonable supervision over the activities of his or her salespersons. Reasonable supervision includes, as appropriate, the establishment of policies, rules, procedures and systems to review, oversee, inspect and manage:

(a) Transactions requiring a real estate license.

(b) Documents which may have a material effect upon the rights or obligations of a party to the transaction.

(c) Filing, storage and maintenance of such documents.

(d) The handling of trust funds.

DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane



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- (e) Advertising of any service for which a license is required.
- (f) Familiarizing salespersons with the requirements of federal and state laws relating to the prohibition of discrimination.
- (g) Regular and consistent reports of licensed activities of salespersons.

The form and extent of such policies, rules, procedures and systems shall take into consideration the number of salespersons employed and the number and location of branch offices. A broker shall establish a system for monitoring compliance with such policies, rules, procedures and systems. A broker may use the services of brokers and salespersons to assist in administering the provisions of this section so long as the broker does not relinquish overall responsibility for supervision of the acts of salespersons licensed to the broker.”

45.

**Notice of Loan Activity - Code Section 10166.02**

Pursuant to Code Section 10166.02 *Notice of Loan Activity*:

“(a) A real estate broker who acts pursuant to Section 10131.1 or subdivision (d) or (e) of Section 10131, and who makes, arranges, or services loans secured by real property containing one to four residential units, and any salesperson who acts in a similar capacity under the supervision of that broker, shall notify the department by January 31, 2010, or within 30 days of commencing that activity, whichever is later. The notification shall be made in writing, as directed, on a form that is acceptable to the commissioner.

(b) No individual may engage in business as a mortgage loan originator under this article without first doing both of the following:

- (1) Obtaining and maintaining a real estate license pursuant to Article 2 (commencing with Section 10150).

DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane



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46.

**Grounds for Revocation or Suspension –**

**Code Section 10176 (selected portions)**

Pursuant to Code Section 10176 *Grounds for Revocation or Suspension:*

“The commissioner may, upon his or her own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee within this state, and he or she may temporarily suspend or permanently revoke a real estate licensee at any time where the licensee, while a real estate licensee, in performing or attempting to perform any of the acts within the scope of this chapter has been guilty of any of the following:

...

(i) Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing...”

47.

**Further Grounds for Disciplinary Action –**

**Code Section 10177 (selected portions)**

Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action*  
(selected portions):

“The commissioner may suspend or revoke the license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the issuance of a license to an applicant, who has done any of the following:

...

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and

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1 regulations of the commissioner for the administration and enforcement of the Real Estate Law  
2 and Chapter 1 (commencing with Section 11000) of Part 2.

3 ...

4 (g) Demonstrated negligence or incompetence in performing an act for which he  
5 or she is required to hold a license.

6 (h) As a broker licensee, failed to exercise reasonable supervision over the  
7 activities of his or her salespersons, or, as the officer designated by a corporate broker licensee,  
8 failed to exercise reasonable supervision and control of the activities of the corporation for which  
9 a real estate license is required.

10 ...

11 (j) Engaged in any other conduct, whether of the same or a different character  
12 than specified in this section, that constitutes fraud or dishonest dealing..."

13 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

14 48.

15 Complainant re-alleges and incorporates by reference the preceding paragraphs as  
16 set forth herein.

17 49.

18 In the course of the activities described above, and based on the facts discovered  
19 by the Department, as described above in Paragraphs 27 through 35, the acts and/or omissions of  
20 Respondents **ERNEST EUGENE FREEMAN** and **SALAZAR CRANE & ASSOCIATES**  
21 **INC** are in violation of **Code Sections 10130 and 10177(d)** and constitute cause for the  
22 suspension or revocation of all licenses and license rights of Respondents **ERNEST EUGENE**  
23 **FREEMAN** and **SALAZAR CRANE & ASSOCIATES INC** under the Real Estate Law.

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26 DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane  
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50.

In the course of the activities described above, and based on the facts discovered by the Department, as described above in Paragraph 28 and Paragraphs 36 through 40, the acts and/or omissions of Respondents **ERNEST EUGENE FREEMAN** and **SALAZAR CRANE & ASSOCIATES INC** are in violation of **Code Sections 10166.02(b)(1) and (2) and 10177(d)** and constitute cause for the suspension or revocation of all licenses and license rights of Respondents **ERNEST EUGENE FREEMAN** and **SALAZAR CRANE & ASSOCIATES INC** under the Real Estate Law.

51.

In the course of the activities described above, and based on the facts discovered by the Department, as described above in Paragraph 37, the acts and/or omissions of Respondent **ERNEST EUGENE FREEMAN** is in violation of **Code Sections 10176(i) and 10177(d) and (j)** and constitute cause for the suspension or revocation of all licenses and license rights of Respondent **ERNEST EUGENE FREEMAN** under the Real Estate Law.

52.

In the course of the activities described above, and based on the facts discovered by the Department, as described above in Paragraphs 27 through 40, the acts and/or omissions of Respondent **LIVIA V. SALAZAR-CRANE**, as the designated officer of **SALAZAR CRANE & ASSOCIATES INC** is in violation of **Code Section 10159.2 and 10177(h) and Regulation 2725** and constitute cause for the suspension or revocation of all licenses and license rights of Respondent **ERNEST EUGENE FREEMAN** under the Real Estate Law.

COSTS

53.

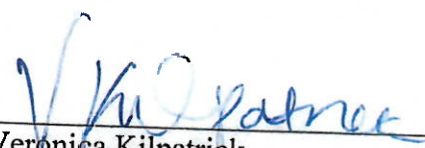
**Code Section 10106** provides, in pertinent part that in any order issued in resolution of a disciplinary proceeding before the Department, the Commissioner may request

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1 the administrative law judge to direct a licensee found to have committed a violation of this part  
2 to 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  
4 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
5 action against all the licenses and license rights of Respondents EUGENE ERNEST FREEMAN,  
6 SALAZAR CRANE & ASSOCIATES INC and LIVIA V. SALAZAR-CRANE under the Real  
7 Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and  
8 further relief as may be proper under other applicable provisions of law.

9 Dated at San Diego, California  
10 this 27 day of JULY 2020.

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15 Veronica Kilpatrick  
16 Supervising Special Investigator

17 cc: ERNEST EUGENE FREEMAN  
18 SALAZAR CRANE & ASSOCIATES INC  
19 LIVIA V. SALAZAR-CRANE  
20 V. Kilpatrick  
21 Sacto.

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27 DRE Accusation: Ernest Eugene Freeman; Salazar Crane & Associates Inc.; & Livia V. Salazar-Crane