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FILED

AUG 12 2025

DEPT. OF REAL ESTATE

By [redacted]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of SIMPLE LOAN INC., GEOFFREY DOUGLAS HAYNES, individually and as designated officer of Simple Loan Inc., and KYLE ANDREW CRAIG, Respondents.	No. H-05836-SD <u>ACCUSATION</u>

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the Department of Real Estate ("Department" or "DRE") of the State of California, for cause of Accusation against SIMPLE LOAN INC. ("SLI"), GEOFFREY DOUGLAS HAYNES ("HAYNES"), individually and as designated officer of SLI, and KYLE ANDREW CRAIG ("CRAIG") (collectively "Respondents"), alleges as follows:

1. The Complainant, Veronica Kilpatrick, acting in her official capacity as a Supervising Special Investigator, makes this Accusation against Respondents.

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.

<u>LICENSE HISTORY</u>

3. SLI has been licensed by the DRE as a real estate corporation ("REC"), DRE license identification number ("License ID") 01517671, from on or about September 3, 2005, through the present, with SLI's license scheduled to expire on September 2, 2025, unless renewed. SLI is

licensed through HAYNES's real estate broker ("REB") license, License ID 01241595, and he is the designated officer ("D.O."). According to DRE records to date, SLI maintains the fictitious business name ("dba") "American Family Homes & Loans" ("AFHL") which has been licensed with the DRE since on or about September 17, 2008.

4. HAYNES has been licensed by the DRE as a REB, License ID 01241595, from on or about March 6, 2001, through the present, with HAYNES's license scheduled to expire on or about April 28, 2029, unless renewed. HAYNES was previously licensed by the DRE as a real estate salesperson ("RES") from on or about July 2, 1998, through on or about March 5, 2001.

5. CRAIG has been licensed by the DRE as a RES, License ID 02052038, from on or about December 28, 2017, through the present, with CRAIG's license scheduled to expire on or about July 11, 2027, unless renewed. According to DRE records to date, CRAIG's RES license has been affiliated with SLI from on or about January 29, 2019, to on or about December 12, 2019, from on or about January 2, 2020, to on or about December 27, 2021, and from on or about July 12, 2023 to the present.

BROKERAGE: SLI

6. At all times mentioned, in the County of San Diego, SLI acted as a REC, conducting licensed activities within the meaning of Code sections 10131(a) and 10131(b): selling or offering to sell, buying or offering to buy, real property for others; and leasing or renting, offering to lease or rent, or collecting rents from real property for others. At all times mentioned, SLI was acting by and through HAYNES as its designated officer pursuant to Code section 10159.2, and HAYNES was responsible for ensuring compliance with the Real Estate Law.

FACTS DISCOVERED BY THE DRE

7. On or about February 21, 2023, the DRE received a complaint from N.H. and E.H.,[1] a married couple, against HAYNES, in which N.H. and E.H. alleged that they hired AFHL to manage their property located at 10316 Del Coronado Lane, Santee, California ("Del Coronado Property"). In their complaint ("Del Coronado Complaint"), N.H. and E.H., a married couple, alleged that

[1] Initials are used in place of an individual's full name to protect their privacy. Documents containing the individual's full name will be provided during the discovery phase of this case to Respondents and/or their attorney(s), after service of a timely and proper request for discovery on Complainant's counsel.

CRAIG and his wife managed the Del Coronado Property and that HAYNES managed the finances for the property as the broker. Based on N.H.'s and E.H.'s complaint, and other information obtained by the DRE, the DRE discovered the following:

a. On or about June 26, 2021, N.H. and SLI dba AFHL entered into a written property management agreement ("PMA"), signed by CRAIG on or about July 1, 2021, that provided in pertinent part that: beginning June 26, 2021, and ending May 31, 2022, N.H., as the owner of the Del Coronado Property, appointed and granted SLI "the exclusive right to rent, lease, operate and manage" the Del Coronado Property; SLI accepted the appointment and grant; required SLI to collect rents and security deposits; deposit trust funds in the form of receipts collected for N.H. in a trust account; disburse N.H.'s funds, less compensation to SLI, operating expenses and costs, reserves, and security deposits, to N.H.; remit funds, if any are available, monthly to N.H.; and render monthly and year end statements of receipts, expenses, and charges for each property.

b. In or about April 2022, N.H. and E.H. decided to sell the Del Coronado Property when their tenants' lease expired, and N.H. and E.H. gave the tenants, G.F. and R.F. ("tenants"), 90 days' notice. Before N.H. listed the Del Coronado Property, the tenants informed N.H. they wanted to buy it. N.H. intended to use her cousin, RES Tanya Elizabeth Aguirre ("Aguirre"), as the agent for N.H. and E.H. as the sellers. N.H. initially thought Aguirre could be a dual agent for the sellers and the buyers, for a reduced commission. According to N.H., CRAIG spoke to the tenants about the notice to vacate and projected sale, and CRAIG informed N.H. that the tenants wanted CRAIG to represent them as the buyers, and that CRAIG thought it was his right to represent the tenants.

c. On information and belief, prior to the sale of the Del Coronado Property, SLI, HAYNES, or CRAIG, did not fully disclose to, discuss with, and/or advise N.H., E.H. and the tenants, in a manner to assist them in making informed and intelligent decisions in their best interests, of the potential conflict of interest arising from SLI having fiduciary duties—including but not limited to duties of undivided service and loyalty, and acting at all times in the best interest of the client to the exclusion of all other interests, including interests that could benefit others—to N.H. under the PMA, and SLI having the same fiduciary duties to the tenants in SLI representing the tenants as the buyers.

d. According to N.H., CRAIG negotiated the purchase price with the tenants, then told N.H. the tenants were offering $585,000.00, verbally on the phone. CRAIG informed N.H. that he wanted a commission, and N.H. gave CRAIG the contact information for Aguirre, representing N.H. and E.H. as the sellers.

e. According to N.H., both CRAIG and HAYNES were on the phone when N.H. agreed to pay a commission of one percent (1%) to SLI, and two and one-half percent (2.5%) to Aguirre, for a total commission of three and one-half percent (3.5%).

f. On or about May 1, 2022, CRAIG sent Aguirre a Residential Purchase Agreement ("RPA") dated April 29, 2022, signed by G.F. and R.F. as the buyers on May 1, 2022, for the purchase of the Del Coronado property for $585,000.00. The RPA provided that escrow would close 30 days after acceptance. On information and belief, the expectation of the sellers and the buyers was that escrow would close on or about May 31, 2022.

g. On or about May 4, 2022, N.H. signed a Seller Counter Offer No. 1, which listed certain contingencies and deadlines, among other things. The tenants/buyers accepted the counter offer on the same day, and N.H. signed the RPA the same day.

h. On or about May 6 and 16, 2022, N.H. and HAYNES, on behalf of SLI dba AFHL, signed a Commission Agreement in which N.H. agreed to pay SLI one percent (1.000%) of the purchase price of the Del Coronado Property as SLI's commission for representing the tenants/buyers.

i. On or about June 3, 2022, escrow closed on the Del Coronado Property.

j. In or about late-January or early-February 2023, SLI dba AFHL, sent N.H. an IRS Form 1099 ("1099") regarding income from the Del Coronado Property during the tax year 2022.

k. On or about February 1, 2023, E.H. sent an email to HAYNES and CRAIG informing them that the 1099 for 2022 was incorrect because it showed $16,066.00 for rents

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collected, when the correct amount should be $15,750.00, based on monthly rent of $3,150.00 for five (5) months, January 1 through May 31, 2022. E.H. requested a corrected 1099.

l. On or about February 2, 2023, HAYNES replied by email sating that SLI owed N.H. and E.H. $64, and that SLI collected rent from the tenant for the last few days, and HAYNES would send an end of year owner report.

m. On or about February 6, 2023, E.H. replied by email that he reviewed the breakdown, and asked for further explanation, noting SLI charged the tenants $315 on June 1, 2022, but then refunded that amount on June 3, 2022, and noted that the $16,066.00 on the 1099 was $316 more than the correct income of $15,750.00.

n. Between on or about February 8 and 21, 2023, the following email exchange took place between HAYNES, E.H., and N.H., in pertinent part:

> [HAYNES, 02/08/2023]: There was a management fee for June [2022] of $315.
>
> [E.H., 02/08/2023]: What was the $315 fee for? There was no rent due in June, unless there were days prorated until close of escrow, and that would be 10% of the rental. The last deposit into our account was in May, if they paid partial rent in June, where is that income?
>
> [HAYNES, 02/08/2023]: June was $315 fee, partial rent received, remaining is $64. The information is included in the statement I sent you.
>
> [E.H., 02/08/2023]: The $315.00 charge makes no sense to us. The management fee is 8% per month for rent collected. So, if Kyle [CRAIG] collected 2 days of rent, (we closed on the 3rd, so 2 days sounds right) that would be $210.00. $3150 divided by 30 days is $105.00. 8% of 210.00 is $16.80 and our portion would have been $193.20. . . . [¶] I really do not want to go back and forth on this. Please show me where the $315.00 came from and why we were not sent our rent income for that month, (the amount we are due is not $64 by the way). Otherwise, either send us the $315.00, since we are paying taxes on that income, or please correct the tax form and keep whatever money you collected. This is very frustrating, especially since the exact thing happened last year.
>
> [HAYNES, 02/09/2023]: The $315 was the rent collected from the tenant for June. The management fee was $252. (we do not pro-rate management fee as per contract) Remaining balance to you is $63.
>
> [E.H., 02/09/2023]: Please keep the $63. We are going to file our taxes based on our numbers. We cannot believe you actually charged them rent for 3 days knowing they were about to close escrow, we would never have charged them.

> [E.H. and N.H., 02/09/2023]: Can you please scan and forward us the section in the contract that says your fee is not prorated. We are reading through it, and we do not see that section.
>
> [HAYNES, 02/13/2023]: Our company policy is to charge our fee once a month, non pro rated as we still charge when a unit is vacant. As per contract item 8 (c).
>
> [N.H., 02/21/2023]: After reading your email conversation with my husband [E.H.] this past week, about the discrepancies in the 1099 form you sent us. This is what I am requesting you to do:
> - Please issue a full refund for $316 to [G.F. and R.F.] for the unauthorized charges made in June 2022
> - Please revise and send us a "corrected" form 1099, ASAP, to reflect the actual rental income received for 5 months in 2022
>
> Your property management contract expired May 31, 2022. Escrow was scheduled to close by the end of May 2002.
> You should have consulted with us prior to charging a prorated rent for June. We would have never approved, as we were about to close escrow. We had no knowledge of these charges until last week — 8 months after the fact — and only because we inquired about discrepancies in your tax forms.
> **This is the second time there are discrepancies in the tax forms you submitted to us.
> [¶] . . . [¶]
> - Please let us know when you have refunded the $316 to [G.F. and R.F.], and
> - When you have submitted the corrected 1099, removing the $316 difference

o. Thus, it was not until on or about February 9, 2023, that N.H. and E.H. learned that SLI dba AFHL collected three (3) days of rent from the tenants in June 2022, and charged N.H. and E.H. for 100% of SLI dba AFHL's management fee. According to N.H., SLI dba AFHL did not issue a corrected 1099 for 2022 to E.H. and N.H. N.H. also alleges that SLI dba AFHL also made a mistake in the 1099 for 2021 for the Del Coronado Property, overstating the income received by N.H. and E.H. by $500.00.

8. On or about August 16, 2023, the DRE received a complaint from G.R. against SLI dba AFHL and HAYNES. During the DRE's investigation, G.R. informed the DRE that she did not sign any transaction documents electronically and that she does not know how to sign documents electronically. Based on G.R.'s complaint, and other information obtained by the DRE, the DRE discovered the following regarding G.R.'s sale of property located at 317 South Orange Avenue, El Cajon, California ("Orange Property"):

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a. On or about August 24, 2021, G.R. and SLI dba AFHL entered into a Residential Listing Agreement ("RLA") for the sale of the Orange Property, with a listing price of $650,000.00. HAYNES signed the RLA on behalf of SLI. The RLA provided that SLI would receive a commission of five percent (5%) of the listing price, or if a purchase agreement was entered into, 5% of the purchase price.

b. On or about August 31, 2021, H.Y. made a written offer, using a form Residential Purchase Agreement ("RPA"), to purchase the Orange Property for $600,000.00.

c. On or about September 7, 2021, G.R. purportedly made a written counter offer to H.Y.'s offer, using a form Seller Counter Offer No. 1, stating, among other things, that the close of escrow would be October 1, 2021, or sooner.

d. On or about September 8, 2021, H.Y. accepted G.R.'s counter offer.

e. On or about October 21, 2021, H.Y. digitally signed, and on or about October 26, 2021, G.R., purportedly, digitally signed Addendum No. 1 to the RPA, providing, among other things, that the sale price for the Orange Property was reduced to $590,000.00. According to G.R.: she did not sign this document, does not have a computer, and does not know how to electronically sign anything; HAYNES reduced the sale price without G.R.'s consent.

f. On or about October 27 and 28, 2021, H.Y. digitally signed, and G.R., purportedly, digitally signed, and G.R.'s tenant, G.F., hand-signed an Addendum No. 1 to a verbal agreement which provided in pertinent part that: G.R. would give G.F. $3,500.00 immediately; G.F. has no rights of possession of the property; upon move out and removal all items, on October 31, 2021, G.F. would receive another $3,500.00 once the property and keys were given to G.R. or her representative. According to G.R., HAYNES agreed to pay G.F. without G.R.'s consent.

g. On or about June 6, 2022, in the case of *G.F. v. G.R.*, San Diego County Superior Court, Case No. 37-2022-00021896-SC-SC-CTL ("*G.F. v. G.R.*"), G.F. filed a small claims action against G.R. for $10,000.00 for wrongful eviction, negligence, intentional infliction of emotional distress, breach of warranty of habitability, and fraud.

h. A small claims court trial was initially scheduled for`on or about January 11, 2023, in *G.F. v. G.R.*,, and on or about January 11, 2023, according to G.R., because HAYES was out of the country, HAYES had REB Jake May, License ID 01292626—who was the broker representing the buyer, H.Y. in the purchase of the Orange Property—appear in HAYES's place. The court continued the hearing to May 24, 2023, and ordered the parties to exchange and submit exhibits 10 court days before the next hearing. According to G.R., the court requested that HAYNES provide a copy of the eviction notice that required G.F. to move out of the Orange Property.

i. On information and belief, between on or about January 11, 2023, and on or about May 24, 2023, G.R. asked HAYNES for a copy of the eviction notice. According to G.R., HAYNES demanded $500.00 from G.R. before he would provide it.

j. On or about May 24, 2023, at the continued small claims court trial in *G.F. v. G.R.*, HAYNES appeared as a witness for G.R., but according to G.R., HAYNES did not bring the eviction notice. The court entered judgment for G.F. and against G.R. for $1,000.00 in principal, and $75.00 in costs.

k. According to G.R.: on or about July 17, 2023, HAYNES informed G.R. for the first time that he gave the tenant in the front unit of the Orange Property $5,000.00 to move out, and made an agreement with the tenant in the back unit of the Orange Property, G.F., to move out for $7,000.00 ("cash for keys"); the tenant in the back unit vacated the Orange Property, but then filed the small claims action against G.R. for $10,000.00; HAYNES informed G.R. he wanted to pay for the court judgment against G.R.; HAYNES never provided G.R. with paperwork regarding the $5,000.00 HAYNES paid the tenant in the front unit of the Orange Property.

l. According to G.R.: when she asked HAYNES where the money came from to pay the tenants to move out, HAYNES said, "It was a little from you, from me, and the other agent"; HAYNES gave tenants money to move out without G.R.'s knowledge or consent.

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9. Based on G.R.'s complaint, and other information obtained by the DRE, the DRE discovered the following regarding G.R.'s sale of property located at 1035 Hawaii Avenue, San Diego, California ("Hawaii Property"):

a. On or about May 21, 2022, G.R. and SLI dba AFHL purportedly entered into an RLA, prepared by HAYNES, for the sale of the Hawaii Property, with a listing price of $750,000.00. The RLA provided in section 3A that SLI would receive a commission of six percent (6%) of the listing price, however, the RLA also provided in section 2B: "If sales price is less than $750000, commission to be 5%." Although the RLA shows a digital signature by G.R. dated May 21, 2022, according to G.R., she did not sign this document electronically and does not how to sign anything electronically.

b. On or about April 7 and 8, 2023, H.H. and M.P., on behalf of each of their limited liability companies ("LLCs"), respectively, made a written offer using a form RPA to purchase the Hawaii Property for $600,00.00, with escrow to close 14 days after acceptance. These buyers were represented by REC Check, Inc., License ID 01527660, through its designated officer and broker of record, REB Ryan Noel O'Connor, License ID 02010322.

c. On or about April 11, 2023, G.R. purportedly made a written counter offer, using a form Seller Counter Offer No. 1 and a Text Overflow Addendum No. 1, stating, among other things, that the purchase price of the Hawaii Property would be $610,000.00. According to G.R., HAYNES reduced the sale price of the Hawaii Property without G.R.'s consent.

d. On or about April 11 and 14, 2023, H.H. and M.P., on behalf of their LLCs, respectively, accepted G.R.'s purported counter offer.

e. On or about April 11 and 14, 2023, H.H. and M.P., on behalf of their LLCs, and G.R., purportedly, signed a Seller to Remain in Possession Addendum ("SIP") which granted G.R. a license to remain in possession of the Hawaii Property for 14 calendar days after the close of escrow. In this SIP, G.R. purportedly agreed in section 2A to pay the buyers a non-refundable license fee of $2,500.00, and G.R. purportedly agreed in section 3C to either deposit with the escrow holder, or have such funds be withheld from Seller's proceeds a

"Delivery Possession fee" in the amount of $20,000.00, and within five days after delivery of possession to the buyer, the Delivery of Possession fee would be returned to the seller. This addendum stated that it was providing "time for seller to remove personal items from property." According to G.R., HAYNES agreed to these terms without G.R.'s consent.

f. On or about April 14 and 16, 2023, M.P., on behalf of his LLC, and G.R., purportedly, signed an Amendment of Existing Agreement Terms No. 1, reducing the purchase price of the Hawaii Property to $605,000.00. According to G.R., HAYNES reduced the sale price of the Hawaii Property without G.R.'s consent.

g. On or about April 14 and 17, 2023, H.H. on behalf of his LLC, and G.R., purportedly, signed an Assignment of Agreement Addendum, in which H.H. on behalf of his LLC assigned the RPA for the Hawaii Property to M.P.'s LLC, and G.R., purportedly, consented to the assignment.

h. On or about April 17, 2023, HAYNES signed an escrow instruction for the Hawaii Property titled "Instructions Regarding Commission," which was not signed by G.R., stating that pursuant to the RPA, "seller has agreed to pay a total commission of $36,300.00," with $21,175.00 to be paid to SLI dba AFHL, and $15,125.00 to be paid to Check, Inc., the broker for the buyer. The total commission of $36,300.00, stated in this instruction, represented six percent (6%) of the purchase price of $605,000.00, which, according to G.R., was higher than she agreed to. Moreover, the RPA does not state the amount of the commission, and the amount was contrary to the terms of the RLA which states that if the sales price was less than $750,000.00 the commission would be 5%.

i. On or about April 26, 2023, M.P. and G.R., purportedly, signed an extension of time agreement, extending the close of escrow to April 28, 2023.

j. On or about April 27, 2023, M.P. and G.R., purportedly, signed Addendum No. 1 to the RPA stating in pertinent part:

(1) "SIP Section 2A to be corrected to: Seller to credit Buyer non-refundable license fee of $2,500 at close of escrow"; and

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(2) "SIP Section 3C to be corrected to: At close of escrow, Delivery of Possession fee in the amount of $20,000 to be issued to and held by Listing Broker, American Family Homes & Loans."

k. On or about May 1, 2023, the escrow holder for the Hawaii Property transaction issued a Seller's Final Settlement Statement showing, among other things, that G.R. was debited a license fee of $2,500.00, G.R. was debited and paid $20,000.00 to SLI dba AFHL for Delivery of Possession Fee, SLI dba AFHL received a commission of $21,175.00, and Check, Inc., the broker representing the buyer, received $15,125.00.

AUDIT OF SLI: AUDIT NOS. SD230028 AND SD230029

10. On June 12, 2024, the DRE completed the first of two concurrent audit examinations of the books and records of SLI's real estate activities that require a real estate license under Code section 10131. Each audit examination covered the time period June 1, 2021, to January 31, 2024, ("audit period"). The first completed audit examination, Audit No. SD230028, was limited to SLI's property management activities. A second and concurrent audit examination, Audit No. SD230029, was limited to SLI's real estate activities, was completed on June 19, 2024, and is addressed below beginning at Paragraph 32.

11. The purpose of the audit examinations was to determine whether SLI conducted its property management activities and handled and accounted for trust funds in accordance with the Real Estate Law and the Regulations.

12. According to HAYNES, SLI's corporate structure as of February 8, 2024 was:

Name	Title	License Status	Shareholder %
HAYNES	Officer	D.O./REB	100%

13. According to HAYNES and records examined, SLI managed approximately seventy-eight (78) properties with eighty (80) units for sixty-eight (68) owners during the audit period. SLI screens and places tenant, collects and deposits rents, and makes disbursements for compensation. There was a total collection of approximately $2,678,440.93 in rents and security deposits from tenants during the twelve (12) month period ending January 31, 2024. SLI charged a property management fee of 6% to 12% of the monthly gross receipts.

14. SLI maintained one (1) bank account for handling the receipts and disbursements of trust funds in connection with its property management activity during the audit period, as follows:

a. **<u>Bank Account 1 ("BA1")</u>**

Bank:	Wells Fargo Bank
Account Name:	Simple Loan Inc. dba American Family Homes
Account #:	XXXXXXXX0416
Signatories:	HAYNES CRAIG
Signatures required:	One (1) signature

15. According to HAYNES, SLI did not maintain any trust accounts related to its real estate activities during the audit period.

<u>Audit Violations in Audit No. SD230028</u>

16. The audit examination revealed violations of the Code and the Regulations, as set forth in the following paragraphs, and more fully discussed in Audit No. SD230028 and the exhibits and work papers attached to the audit report:

<u>Issue One (1). Code Section 10145 and Regulation 2832.1: Handling of Trust Funds; Trust Fund Handling for Multiple Beneficiaries</u>

17. As of January 31, 2024, there was trust fund shortage of <$13,506.37> in BA1. The shortage of <$13,506.37> was caused by negative balances for beneficiaries/property owners of <$9,915.49> and negative balance/unauthorized disbursements for corporation ledger of <$3,590.88>.

18. SLI provided no evidence that the owners of the trust funds provided written consent to allow SLI to reduce the balance of funds in BA1 to an amount less than the existing aggregate trust fund liabilities.

19. On or about June 6, 2024, SLI and/or HAYNES cured the trust fund shortage of <$13,506.37> in BA1. A copy of the deposit record for SLI dated June 6, 2024 showed that HAYNES deposited $13,506.37 into BAI from SLI's general bank account ending in 5391.

20. SLI's reduction of the balance of funds in BA1 to an amount less than the existing aggregate trust fund liabilities was in violation of **Code Section 10145 and Regulation 2832.1.**

Issue Two (2). Code Section 10145 and Regulation 2832: Handling of Trust Funds; Trust Fund Handling

21. Based on an examination of the bank signature card dated April 5, 2019, for BA1, the bank account maintained to hold trust funds related to SLI's property management activities during the audit period was not designated as a trust account in the name of SLI or its licensed fictitious business name, AFLH, as a trustee.

22. Based on records obtained by the DRE, on or about June 3, 2019, SLI completed a Customer/Account Information Change Request with Wells Fargo Bank for BA1, changing SLI's dba from AFLH to "American Family Homes," adding a second dba for "Imperial Palms," and adding CRAIG as a signatory. Neither "American Family Homes," nor "Imperial Palms" are licensed by the DRE as fictitious business names for SLI or HAYNES. As of June 7, 2024, the bank signature card for BA1 had not been updated.

23. SLI's failure to designate BA1 as a trust account in the name of SLI or its licensed fictitious business name, AFLH, as a trustee was in violation **of Code Section 10145 and Regulation 2832**.

Issue Three (3). Code Section 10145 and Regulation 2831.1: Handling of Trust Funds; Separate Record for Each Beneficiary or Transaction

24. SLI did not maintain a separate record for unidentified funds in BA1. As of January 31, 2024, BA1 had unidentified/unaccounted for funds of $4,352.62.

25. SLI's failure to maintain an accurate separate record of the receipts and disbursements of all trust funds deposited into BA1, and SLI's acts and/or omissions resulting in BA1 containing unidentified/unaccounted for funds totaling $4,352.62 as of January 31, 2024, were in violation of **Code Section 10145 and Regulation 2831.1.**

Issue Four (4). Code Section 10145 and Regulation 2831.2: Trust Account Reconciliation

26. During the audit period, SLI did not maintain an accurate monthly trust account reconciliation for BA1, comparing the balances of all separate records to the record of all trust funds received and disbursed (control record), as required.

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27. SLI's failure to perform and maintain an accurate monthly reconciliation comparing the balance of all separate beneficiary or transaction records (separate records) to the balance of the record of all trust funds received and disbursed (control record) for BA1 was in violation of **Code Section 10145 and Regulation 2831.2.**

Issue Five (5). Code Section 10145 and Regulation 2834: Handling of Trust Funds; Trust Account Withdrawals

28. Based on an examination of the bank signature card for BA1, SLI allowed an unlicensed employee/expired salesperson licensee, CRAIG, to be a signatory on BA1 while not covered by a fidelity bond or insurance during the audit period. According to DRE records: the RES license of CRAIG, License ID 02052038, expired and remained expired from on or about December 27, 2021, to on or about July 11, 2023; CRAIG's RES license was renewed on or about July 12, 2023, with his license scheduled to expire on or about July 11, 2027, unless renewed.

29. SLI's acts and/or omissions in authorizing CRAIG to be a signatory on BA1, to make withdrawals from BA1, and in failing to have fidelity bond or insurance coverage for BA1, are in violation of **Code Section 10145 and Regulation 2834.**

Issue Six (6). Code Section 10145(a): Unauthorized Disbursements

30. As of January 31, 2024, SLI's corporation ledger named "American Family Homes" maintained for BA1, had a negative balance/unauthorized disbursements of <$3,590.88>.

31. SLI's acts and/or omissions that caused and/or resulted in unauthorized disbursements totaling <$3,590.88> from BA1 were in violation of **Code section 10145(a).**

Audit Violations in Audit No. SD230029

32. The audit examination revealed violations of the Code and the Regulations, as set forth in the following paragraphs, and more fully discussed in Audit No. SD230029 and the exhibits and work papers attached to the audit report:

Issue One (1). Code Section 10137: License Required/Unlawful Retention or Payment of Compensation

33. According to DRE records: the RES license of CRAIG, License ID 02052038, expired and remained expired from on or about December 27, 2021, to on or about July 11, 2023. CRAIG's

RES license was renewed on or about July 12, 2023, with his license scheduled to expire on or about July 11, 2027, unless renewed.

34. During the audit period, CRAIG performed real estate sales activities, acted in the capacity of a real estate salesperson representing buyers and sellers in transactions involving the purchase or sale of real property, and received compensation from SLI, while his salesperson license was expired. CRAIG's real estate activities requiring a license, performed while his license was expired, included but were not limited to:

a. On or about August 18, 2022, CRAIG, on behalf of SLI dba AFLH, entered into an RLA with T.B., for CRAIG to act as the agent of the seller, listing the property located at 8423 Happy Way S., El Cajon, California ("Happy Way Property") for sale;

b. On or about September 8, 2022, CRAIG, on behalf of SLI dba AFLH, signed the RPA as the agent for the Seller of the Happy Way Property; and,

c. On or about October 2, 2022, CRAIG received a commission of $4,500.00, for the sale of the Happy Way Property.

35. Pursuant to Code sections 10016, 10130, and 10131(a), acting in the capacity of a real estate salesperson while performing such activities in expectation of compensation required CRAIG to have a valid real estate license.

36. SLI's acts and/or omissions in retaining and compensating CRAIG for acting in the capacity of a real estate salesperson while performing real estate sales activities requiring a license, during a time when CRAIG's real estate license was expired, were in violation of **Code section 10137.**

<u>Issue Two (2). Code Section 10140.6 and Regulation 2773: Disclosure of Licensed Status in Advertising; Disclosure of License Identification Number on Solicitation Materials – First Point of Contact with Consumers</u>

37. SLI did not disclose or indicate the correct DRE license number in the purchase agreement involved in the Del Coronado Property sale transaction.

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38. As of May 10, 2024, SLI also did not disclose its DRE license number on solicitation materials intended to be the first point of contact with consumers, including, for example, its website located at https://afhsandiego.com/.

39. SLI's acts and/or omissions in failing to disclose or indicate the correct DRE license number in a purchase agreement, and in failing to disclose its DRE license number on solicitation materials intended to be the first point of contact with consumers were in violation of **Code section 10140.6 and Regulation 2773.**

Issue Three (3). Code Section 10159.5 and Regulation 2731: Fictitious Name; Use of False or Fictitious Name

40. In multiple instances, SLI has used the unlicensed fictitious business name, "American Family Homes" to conduct real estate activities prior to first obtaining a license from the DRE bearing such fictitious name.

41. In addition, SLI has used the unlicensed fictitious business name, "American Family Homes" in solicitation materials intended to be the first point of contacts with the consumers, including, for example, business cards used by HAYNES and its website located at https://afhsandiego.com/.

42. SLI's acts and/or omissions in such uses of the unlicensed fictitious business name, "American Family Homes" are in violation of **Code section 10159.5 and Regulation 2731.**

Issue Four (4). Code Section 10176(f): Definite Termination Date of Residential Listing Agreement

43. The RLA used to list the Hawaii Property for sale did not contain a definite date of final and complete termination in a listing transaction when SLI represented the seller, G.R., in violation of **Code section 10176(f).**

FIRST CAUSE OF ACCUSATION AGAINST SLI

AUDIT VIOLATIONS IN AUDIT NO. SD230028

44. Complainant realleges and incorporates by reference all of the allegations contained in the previous paragraphs as though fully set forth herein.

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45. SLI's conduct as alleged above in paragraphs 16 through 31, violated the Code and the Regulations as set forth below:

Issue No.	Paragraphs	Violations
1	17-20	Code section 10145; Regulation 2832.1
2	21-23	Code sections 10145; Regulation 2832
3	24-25	Code sections 10145; Regulation 2831.1
4	26-27	Code section 10145; Regulation 2831.2
5	28-29	Code section 10145; Regulation 2834
6	30-31	Code section 10145(a)

46. The violations alleged above in paragraphs 16 through 31, constitute cause for the suspension or revocation of SLI's real estate license and license rights under the provisions of **Code sections 10177(d) and/or 10177(g).**

SECOND CAUSE OF ACCUSATION AGAINST SLI

AUDIT VIOLATIONS IN AUDIT NO. SD230029

47. Complainant realleges and incorporates by reference all of the allegations contained in the previous paragraphs as though fully set forth herein.

48. SLI's conduct as alleged above in paragraphs 32 through 43, violated the Code and the Regulations as set forth below:

Issue No.	Paragraphs	Violations
1	33-36	Code section 10137
2	37-39	Code sections 10140.6; Regulation 2773
3	40-42	Code sections 10159.5; Regulation 2731
4	43	Code section 10176(f)

49. The violations alleged above in paragraphs 32 through 43, constitute cause for the suspension or revocation of SLI's real estate license and license rights under the provisions of **Code sections 10137, 10176(f), and 10177(d) and/or 10177(g).**

THIRD CAUSE OF ACCUSATION AGAINST CRAIG

ACTIVITIES REQUIRING A LICENSE

50. Complainant realleges and incorporates by reference all of the allegations contained in the previous paragraphs as though fully set forth herein.

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51. From on or about December 27, 2021, to on or about July 11, 2023, CRAIG engaged in the business of, acted in the capacity of, or assumed to act as a real estate salesperson within the State of California within the meaning of Code section 10131(a), for or in expectation of compensation through his acts and/or omissions—including, entering into an RLA with T.B., on or about August 18, 2022, for CRAIG to act as the agent of the seller on behalf of SLI dba AFLH, listing the Happy Way Property for sale, signing the RPA as the agent for the Seller on behalf of SLI dba AFLH, on or about September 8, 2022, and receiving a commission of $4,500.00, on or about October 2, 2022—as alleged above, while his RES license was expired. CRAIG's acts and/or omissions as alleged herein were in violation of Code sections 10016, 10130, and 10177(d) and/or 10177(g), and constitute cause to suspend or revoke the real estate licenses and license rights of Respondent CRAIG pursuant to Code sections 10177(d) and/or 10177(g).

FOURTH CAUSE OF ACCUSATION AGAINST ALL RESPONDENTS

BREACHES OF FIDUCIARY DUTIES

52. Complainant realleges and incorporates by reference all of the allegations contained in the previous paragraphs as though fully set forth herein.

53. At all relevant times herein, while acting as the real estate broker, property manager, and agent of their clients., SLI, HAYNES, and CRAIG owed their clients fiduciary duties, including, but not limited to the following: duty to diligently exercise reasonable care and skill in performing the responsibilities of the relationship; duty to obey the instructions of the client; duty to safeguard, preserve and account for any trust funds or property entrusted to the agent by his or her client; duty of good faith; duty of utmost care, integrity, honesty, and loyalty in dealings with the client; duty to avoid conflicts of interest with the client; duty to fully account in a timely manner for all funds and property of the client received and disbursed by the agent; duty to timely disclose to the client all material facts affecting a transaction in order to permit the client to make an informed and intelligent decision in the client's best interest; duty to act at all times in the best interests of the client to the exclusion of all other interests, including interests that could benefit the agent or others; duty to refrain from dual representation in a transaction unless the agent obtains the consent of both principals after full disclosure of the ramifications of such dual representation; duty to disclose the

nature and full amount of any compensation, commission, or profit that the agent receives or will receive from the transaction.

54. In the course of the activities described above in Paragraph 6, and based on the facts discovered by the DRE, as alleged in Paragraphs 7 through 43 above, SLI's, HAYNES's, and CRAIG's acts and/or omissions constituted breaches of their fiduciary duties. Such breaches include but are not limited to:

a. From in or about April 2022, through at least February 21, 2023, and continuing thereafter, in a continuous course of conduct:

(1) At the same time that CRAIG, HAYNES, and SLI had a fiduciary relationship with N.H. and E.H. as the owners of the Del Coronado Property, CRAIG, HAYNES, and SLI entered into a fiduciary relationship with the tenants, G.F. and R.F., to represent the tenants as the buyers of the Del Coronado Property, whose interests were adverse to the interests of N.H. and E.H.;

(2) CRAIG, HAYNES, and SLI entered into simultaneous, adverse fiduciary relationships, representing N.H. and E.H. as the owners of the Del Coronado Property, and G.F. and R.F. as the buyers of the Del Coronado Property, and did so, on information and belief, without fully disclosing to, discussing with, and/or advising N.H. and E.H. and G.F. and R.F, in a manner to assist them in making informed and intelligent decisions in their best interests, of the potential conflict of interest arising from CRAIG, HAYNES, and SLI having simultaneous, adverse fiduciary relationships with principals on both sides of the transaction involving the sale of the Del Coronado Property;

(3) In or about June 2022, without the knowledge or consent of N.H. and E.H., SLI charged G.F. and R.F. $315 for three days of rent in June 2022, and further charged N.H. and E.H. a property management fee of $252 for June 2022.

(4) It was not until on or about February 9, 2023, after SLI sent N.H. and E.H. a 1099 regarding income from the Del Coronado Property, HAYNES sent an end of year owner statement as required by the PMA and SLI's continuing duty to

account for trust funds, and through further explanation in email messages, that N.H. and E.H. were fully informed that SLI had charged the tenants of the Del Coronado Property $315 for three days of rent in June 2022, without the consent of N.H. and E.H., and that SLI charged N.H. and E.H. $252 as a non-prorated management fee for the month of June 2022.

(5) On or about February 21, 2023, and thereafter, despite N.H.'s requests that SLI and HAYNES revise and send N.H. and E.H. a corrected 1099 for 2022, SLI thereafter failed to do so.

b. From on or about August 18, 2022, to on or about October 2, 2022, SLI retained and compensated CRAIG for acting in the capacity of a real estate salesperson while performing real estate sales activities requiring a license, during a time when CRAIG's real estate license was expired.

c. From on or about April 11, 2023, through at least on or about May 1, 2023, and continuing thereafter, in a continuous course of conduct:

(1) Without G.R.'s consent, HAYNES reduced the sale price of the Hawaii Property from $750,000.00, to $610,000.00, and then to $605,000.00.

(2) Without G.R.'s consent, HAYNES agreed to terms under the SIP and Addendum No. 1 to the RPA for the Hawaii Property that required G.R. to credit the buyers a non-refundable license fee of $2,500.00, and to have a $20,000.00 "Delivery Possession fee" be issued to and held by SLI dba AFLH.

(3) Without G.R.'s consent, HAYNES signed escrow instructions for the Hawaii Property stating that "seller has agreed to pay a total commission of $36,300.00," with $21,175.00 to be paid to SLI dba AFHL, and $15,125.00 to be paid to Check, Inc., with total commission representing six percent (6%) of the purchase price of $605,000.00, an amount higher than agreed to, based on the purchase price, and contrary to the RLA.

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d. Without G.R.'s consent, and, on information and belief, without G.R.'s knowledge until on or about July 17, 2023, HAYNES used G.R.'s funds to pay "cash for keys" to the tenants of the Orange Property so that the tenants would move out.

e. As of January 31, 2024:

(1) SLI caused a trust fund shortage of <$13,506.37> in BA1, and reduced the balance of trust funds in BA1 to an amount less than the existing aggregate trust fund liabilities without the written consent of the owners of the trust funds;

(2) SLI failed to designate BA1 as a trust account in the name of SLI or its licensed fictitious business name, AFLH, as a trustee;

(3) BA1 had unidentified/unaccounted for funds of $4,352.62;

(4) SLI failed to perform and maintain an accurate monthly reconciliation comparing the balance of all separate beneficiary or transaction records (separate records) to the balance of the record of all trust funds received and disbursed (control record) for BA1; and

(5) SLI's corporation ledger named "American Family Homes" maintained for BA1, had a negative balance/unauthorized disbursements of <$3,590.88>.

55. The above acts and/or omissions of CRAIG, HAYNES, and SLI were in violation of their fiduciary duties and **Civil Code sections 2079.13(a), and 2079.16,** and constitute cause for the suspension or revocation of the real estate licenses and license rights of CRAIG, HAYNES, and SLI under the provisions of and **Code sections 10177(d) and/or 10177(g).**

FIFTH CAUSE OF ACCUSATION

LIABILITY OF RESPONSIBLE BROKERS

56. Complainant realleges and incorporates by reference all of the allegations contained in the previous paragraphs as though fully set forth herein.

57. Based on the allegations contained in Paragraph 6, based on the facts discovered by the DRE, as alleged in Paragraphs 7 through 15 above, and the Third and Fourth Causes of Accusation above, SLI, as the responsible broker for CRAIG, is liable for the acts and/or negligence

of CRAIG. SLI's acts and/or omissions are in violation of **Code sections 10010.5(b)(2), 10177(d) and/or 10177(g)** and constitute cause to suspend or revoke the real estate licenses and license rights of SLI pursuant to **Code sections 10177(d) and/or 10177(g).**

SIXTH CAUSE OF ACCUSATION AGAINST HAYNES AND SLI

UNDISCLOSED COMPENSATION, FRAUD AND DISHONEST DEALING

58. Complainant realleges and incorporates by reference all of the allegations contained in the previous paragraphs as though fully set forth herein.

59. On or about May 21, 2022, G.R. and SLI dba AFHL purportedly entered into an RLA, prepared by HAYNES, for the sale of the Hawaii Property, with a listing price of $750,000.00. The RLA provided in section 3A that SLI would receive a commission of six percent (6%) of the listing price, however, the RLA also provided in section 2B: "If sales price is less than $750000, commission to be 5%."

60. On or about April 17, 2023, after the parties to the sale of the Hawaii Property had accepted G.R.'s purported counter offer and fully executed the RPA, with a sales price of $605,000.00, HAYNES signed an escrow instruction for the Hawaii Property titled "Instructions Regarding Commission," which was not signed by G.R., stating that pursuant to the RPA, "seller has agreed to pay a total commission of $36,300.00," with $21,175.00 (3.5% of the sales price) to be paid to SLI dba AFHL, and $15,125.00 (2.5% of the sales price) to be paid to Check, Inc., the broker for the buyer. The total commission of $36,300.00, stated in this instruction, represented six percent (6%) of the sales price of $605,000.00, and was contrary to the terms of the RLA which states that if the sales price was less than $750,000.00 the commission would be 5%. Moreover, the RPA for the Hawaii Property does not state the amount of the commission.

61. On or about April 28, 2023, according to the Seller's Final Settlement Statement, SLI dba AFHL received a commission of $21,175.00, and Check, Inc. received a commission of $15,125.00.

62. SLI's and HAYNES's acts and/or omissions in causing 6% of the sales price of $605,000.00, or $36,300.00, to be paid in commissions, of which SLI received $21,175.00, without

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63. G.R.'s knowledge or consent, were in violation of **Code sections 10176(g), 10176(i), 10177(j), and 10177(d) and/or 10177(g).**

SEVENTH CAUSE OF ACCUSATION AGAINST HAYNES

RESPONSIBILITY OF CORPORATE OFFICER IN CHARGE,

INADEQUATE BROKER SUPERVISION

64. Complainant realleges and incorporates by reference all of the allegations contained in the previous paragraphs as though fully set forth herein.

65. In the course of the activities described above in Paragraph 6, based on the facts discovered by the DRE, as alleged in Paragraphs 7 through 63 above, and the First through Sixth Causes of Accusation above, HAYNES, as the as the broker and designated officer of SLI, did not exercise adequate supervision and control over the real estate activities conducted on behalf of SLI by its employees and licensees to ensure compliance with the Real Estate Laws and Regulations. HAYNES failed to establish policies, rules and systems to review, oversee, inspect, and manage transactions. HAYNES's acts and/or omissions were in violation of **Code sections 10159.2 and 10177(h), and Regulation 2725**, and constitute cause to suspend or revoke the real estate licenses and license rights of HAYNES pursuant to **Code sections 10177(h), 10177(d) and/or 10177(g).**

INVESTIGATION AND ENFORCEMENT COSTS

66. Code section 10106 provides that in any order issued in resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

AUDIT COSTS

67. Code section 10148(b) provides, in pertinent part, the Commissioner shall charge a real estate broker for the cost of any audit, if the Commissioner has found in a final decision following a disciplinary hearing that the broker has violated Code section 10145 or a regulation or rule of the Commissioner interpreting said section.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all the licenses and license rights of SIMPLE LOAN INC., GEOFFREY DOUGLAS HAYNES, and KYLE ANDREW CRAIG under the Real Estate Law, for the costs of investigation, enforcement, and audits, as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California August 12, 2025.

[redacted]

Veronica Kilpatrick
Supervising Special Investigator

cc: SIMPLE LOAN INC.
GEOFFREY DOUGLAS HAYNES
KYLE ANDREW CRAIG
Veronica Kilpatrick
Sacto.