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FILED

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BUREAU OF REAL ESTATE

By B. Contreras

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	
LIGHTHOUSE MORTGAGE COMPANY,)	NO. H-6118 SAC
INC., a Corporation,)	
)	<u>ACCUSATION</u>
Respondent.)	
)	

The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation in her official capacity against LIGHTHOUSE MORTGAGE COMPANY, INC. (herein "Respondent"), is informed and alleges as follows:

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At all times herein mentioned, Respondent was and now is licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) (herein "the Code").

2

At all times herein mentioned, Respondent was and now is licensed by the State of California Bureau of Real Estate (herein the "Bureau") as a corporate real estate broker by and through Larry E. Goodrow, Sr. (herein "Goodrow Sr.") (now deceased) as designated officer-broker of Respondent, to qualify said corporation and to act for said corporation as a real estate broker.

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

At all times herein mentioned Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a corporate real estate broker wherein, on behalf of others, for compensation or in expectation of compensation within the State of California within the meaning of Section 10131(d) of the Code, including the operation and conduct of a mortgage loan brokerage with the public wherein Respondent solicited lenders or borrowers for or negotiated loans or loan modifications or collected payments or performed 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.

In so acting as a corporate real estate broker, as described in Paragraph 4 above, Respondent accepted or received funds in trust (herein "trust funds") from or on behalf of owners, tenants, and others in connection with the leasing, renting, and collection of rents on real property or improvements thereon.

The aforesaid trust funds accepted or received by Respondent were deposited or caused to be deposited by Respondent into one or more bank accounts (herein "trust fund accounts") maintained by Respondent for the handling of trust funds at the following financial institutions:

(a) Wells Fargo Bank, Lincoln, CA, "Lighthouse Mortgage Company, Inc.

Trust Account," account number xxxxxx9577 (herein "Trust Account #1");

- 1 (b) Bank of America, San Jose, CA, "Larry E. Goodrow Sr. Lighthouse
2 Mortgage Company Broker Trust Account," account number xxxxx-x0561
3 (herein "Trust Account #2");
- 4 (c) Bank of America, "LMC Management," account number unknown
5 (herein "Bank Account #3");
- 6 (d) Wells Fargo Bank, Lincoln, CA "Lighthouse Mortgage Company, Inc.
7 General Account," account number xxxxxx9569 (herein "Bank
8 Account #4"); and
- 9 (e) Wells Fargo Bank, Lincoln, CA, "Lighthouse Mortgage Company, Inc.,"
10 account number xxxxxx8245 (herein "Bank Account #5").

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12 Between about January 2, 2010 and November 30, 2011, in connection with the
13 activities described in Paragraphs 4 through 6, above, Respondent:

14 (a) caused, suffered or permitted the balance of funds in said Trust Account #1
15 to be reduced to amounts less than the liability of Respondent without written consent from the
16 owner(s) of the account to allow Respondent to reduce the balance of funds in the account less
17 than the existing aggregate trust fund liabilities, resulting in a trust fund shortage of about
18 \$7,394.40 on as December 14, 2011, in violation of Section 2832.1 of Chapter 6, Title 10,
19 California Code of Regulations (herein "the Regulations");

20 (b) failed to keep a columnar record in chronological sequence of funds
21 received and disbursed from Trust Account #1 containing all the information required by
22 Section 2831 of the Regulations;

23 (c) failed to keep a separate record for each beneficiary or transaction for
24 Trust Accounts #1 and #2 containing all the information required by Section 10145 of the Code
25 and Section 2831.1 of the Regulations;

26 (d) failed to reconcile at least once a month, the balance of all separate beneficiary or
27 transaction records with Trust Accounts #1 and #2, as required by Section 2831.2 of the Regulations;

1 (e) caused, suffered or permitted money of others which was received and held
2 by Respondent in Trust Account #1 to be commingled with Goodrow Sr.'s own money, in
3 violation of Section 10176(e) of the Code;

4 (f) failed to file with the Bureau a Threshold Notification as required by
5 Section 10232(e) of the Code;

6 (g) failed to submit to the Bureau in a timely manner Trust Fund Status Report
7 and Trust Fund Bank Account Reconciliation Reports, which were due April 30, 2012 and
8 July 31, 2012, in violation of Section 10232.25(a) of the Code;

9 (h) failed to submit to the Bureau in a timely manner the Trust Account Review
10 Report, which was due on May 31, 2012, in violation of Section 10232.2(a) of the Code;

11 (i) failed to submit to the Bureau in a timely manner Mortgage Loan/Trust Deed
12 Annual Report, which was due on March 31, 2012, in violation of Section 10232.2(c) of the
13 Code; and

14 (j) failed to retain for three years and after notice make available for examination,
15 inspection, and copying by the Commissioner or designated representative during regular business
16 hours, copies of all listings, deposit receipts, canceled checks, trust records, and other documents
17 executed in connection with any and all transactions, in violation of Section 10148 of the Code.

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19 The facts alleged above are grounds for the suspension or revocation of the license
20 and license rights of Respondent under the following provisions of the Code and/or the Regulations:

21 (a) as to Paragraph 7(a) under Section 2832.1 of the Regulations in
22 conjunction with Section 10177(d) of the Code;

23 (b) as to Paragraph 7(b) under Section 2831 of the Regulations in
24 conjunction with Section 10177(d) of the Code;

25 (c) as to Paragraph 7(c) under Section 10145 of the Code and Section
26 2831.1 of the Regulations in conjunction with Section 10177(d) of the
27 Code;

- 1 (d) as to Paragraph 7(d) under Sections 2831.2 of the Regulations in
2 conjunction with Section 10177(d) of the Code;
3 (e) as to Paragraph 7(e) under Section 10176(e) of the Code;
4 (f) as to Paragraph 7(f) under Section 10232(e) of the Code in conjunction
5 with Section 10177(d) of the Code;
6 (g) as to Paragraph 7(g) under Section 10232.25(a) of the Code in
7 conjunction with Section 10177(d) of the Code;
8 (h) as to Paragraph 7(h) under Section 10232.2(a) of the Code in
9 conjunction with Section 10177(d) of the Code;
10 (i) as to Paragraph 7(i) under Section 10232.2(c) of the Code in conjunction
11 with Section 10177(d) of the Code; and
12 (j) as to Paragraph 7(j) under Section 10148 of the Code in conjunction
13 with Section 10177(d) of the Code.

14 COST RECOVERY

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17 Audit Costs

18 The acts and/or omissions of Respondent as alleged above, entitle the Bureau
19 to reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

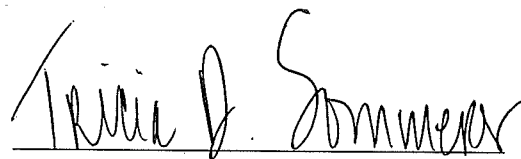
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21 Investigation and Enforcement Costs

22 Section 10106 of the Code provides, in pertinent part, that in any order issued
23 in resolution of a disciplinary proceeding before the Bureau, the Commissioner may request
24 the Administrative Law Judge to direct a licensee found to have committed a violation of this
25 part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of
26 the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and license rights of Respondents under the Real Estate Law (Part 1 of
4 Division 4 of the Business and Professions Code), for the cost of the investigation and
5 enforcement as permitted by law, and for such other and further relief as may be proper under
6 other applicable provisions of law.

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10 TRICIA D. SOMMERS
11 Deputy Real Estate Commissioner

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13 Dated at Sacramento, California

14 this 19th day of March 2014.