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FILED

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DEPARTMENT OF REAL ESTATE

By L. Krapp

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 JOHN PAUL CAMPAGNA,)
14)
Respondent.)

NO. H-6799 SAC
ACCUSATION

15 The Complainant, CHIKA SUNQUIST, a Supervising Special Investigator of the
16 State of California, for Accusation against Respondent JOHN PAUL CAMPAGNA
17 (CAMPAGNA), is informed and alleges as follows:
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19 1

20 The Complainant makes this Accusation against CAMPAGNA in her official
21 capacity.

22 2

23 At all times herein mentioned, CAMPAGNA was and is presently licensed
24 and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California
25 Business and Professions Code (the Code) by the Department of Real Estate (the Department) as
26 a real estate broker doing business as "Campagna Realty Services."
27

3
At no time mentioned herein, did CAMPAGNA have a Mortgage Loan
Originator Endorsement (MLO Endorsement).

4
At all times herein mentioned, CAMPAGNA engaged in the business of, acted in
the capacity of, advertised, or assumed to act as real estate brokers within the State of California
within the meaning of Section 10131(d) of the Code, including the operation and conduct of a
loan brokerage business with the public wherein, on behalf of others, for compensation or in
expectation of compensation, CAMPAGNA solicited lenders and borrowers for loans secured
directly or collaterally by liens on real property, and wherein CAMPAGNA arranged negotiated,
processed, and consummated such loans.

FIRST CAUSE OF ACTION

5
Complainant refers to Paragraphs 1 through 4, above, and incorporates the same,
herein, by reference.

6
During the course of the investigation of CAMPAGNA's transaction files, it was
revealed that CAMPAGNA performed mortgage loan activity for borrowers on certain real
property, including, but limited to those listed below:

<u>Borrower</u>	<u>Amount</u>	<u>Close</u>	<u>Property address</u>
Skudneski	\$75,000	2/26/16	2083 Louise Lane/Los Altos, CA
Williams	\$1.45 mill.	8/30/16	1975 Knollwood Lane/Los Altos, CA

7
In the course of performing mortgage loan activities on the Louise Lane Property
and the Knollwood Property, CAMPAGNA failed to notify the DRE within 30 days of
commencing that activity, as required by Section 10166.02(a) of the Code.

8

In the course of performing mortgage loan activities on the Louise Lane Property and Knollwood Property, CAMPAGNA failed to provide lenders the Housing Act of 1977 Fair Lending Notice, as required by Section 35830 of the Health and Safety Code.

9

In the course of performing mortgage loan activities on the Louise Lane Property, CAMPAGNA did not obtain an appraisal, waiver of appraisal, or any other valuation of the property as required by Section 10232.3 of the Code.

10

CAMPAGNA failed to maintain complete records of transaction files, including that file for the Louise Lane Property, as required by Section 10148 of the Code.

11

CAMPAGNA failed to file Annual Business Activity Reports for 2016 as required by Section 10166.07 of the Code.

12

The acts and omissions of CAMPAGNA, set forth above, violate Section 35830 of the Health and Safety Code, Sections 10148 (maintaining records), 10166.02(b) (MLO Endorsement requirement), 10166.07 (annual reports), 10176(a) (substantial misrepresentation), 10176(i) (other conduct: fraud, dishonest dealing), 10232.3 (appraisal) of the Code and are grounds for the suspension or revocation of CAMPAGNA's real estate license pursuant to Sections 10166.02(b) (b) (MLO Endorsement Requirement), 10176(a), 10176(i), 10177(d) (willfully violate real estate law) and 10177(g) (negligence/incompetence real estate licensee) of the Code.

SECOND CAUSE OF ACTION

13

Complainant refers to Paragraphs 1 through 12, above, and incorporates the same herein, by reference.

In the course of performing mortgage loan activities on the Yorktown Property, CAMPAGNA obtained a modification of the loan, which was also secured by that certain real property known as 1975 Knollwood Lane, Los Altos, California. CAMPAGNA prepared and recorded the Modification of Deed of Trust on August 30, 2016. The Deed did not include the Legal Description of the Knollwood Property.

CAMPAGNA's acts and/or omissions set forth above, are grounds for the suspension or revocation of CAMPAGNA's real estate broker license pursuant to Sections 10177(d) and 10177 (g) of the Code.

MATTERS IN AGGRAVATION

In the course of securing a loan that closed on May 14, 2015, on the Yorktown Property, CAMPAGNA failed to comply with several requirements under the Code for multi-lender loans. CAMPAGANA also advanced two loan payments on behalf of the borrower and failed to comply with related requirements under the Code.

In the course of securing a loan that closed on January 22, 2015, on the Knollwood Property, CAMPANGA had borrower sign off on documents that represented that the loan was for a business purpose, even though it was to pay off a loan on an occupied residence. On this transaction, CAMPAGNA failed to comply with several requirements for Private Money loans under the Code.

In the course of securing a loan that closed on December 17, 2014, on the Yorktown Property, CAMPANGA represented that the loan was a personal (unsecure) loan, even though it was secured by real property. On this transaction, CAMPAGNA failed to comply with several requirements for Private Money loans under the Code.

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the department, 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.

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


CHIKA SUNQUIST
Supervising Special Investigator

Dated at Sacramento, California,
this 4th day of February, 2019.

DISCOVERY DEMAND

The Department of Real Estate hereby requests discovery pursuant to Section 11507.6 of the California Government Code. Failure to provide discovery to the Department may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as the Administrative Law Judge deems appropriate.