

1 RICHARD K. UNO, Counsel III (SBN 98275)

2 Department of Real Estate

3 P. O. Box 137007

4 Sacramento, CA 95813-7007

5 Telephone: (916) 576-8700

6 (916) 263-3767 (Fax)

7 (916) 576-7848 (Direct)

FILED

JUL 01 2019

DEPARTMENT OF REAL ESTATE

By Le Krapp

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

12 Lighthouse Mortgage Company, Inc.,)

13 and LARRY EDWIN GOODROW, JR.)

14 Respondents.)

NO. H-6851 SAC

ACCUSATION

15
16 The Complainant, CHIKA SUNQUIST, a Supervising Special Investigator of the
17 State of California, for Accusation against Respondents LIGHTHOUSE MORTGAGE
18 COMPANY, INC. (LMC) and LARRY EDWIN GOODROW, JR. (GOODROW) sometimes
19 referred to as Respondents, is informed and alleges as follows:

20 1

21 The Complainant makes this Accusation against Respondents in her official
22 capacity.

23 2

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

3

At all times mentioned herein, LMC held a Mortgage Loan Originator
Endorsement (MLO Endorsement).

4

At all times mentioned herein, GOODROW held an individual MLO
Endorsement.

5

At all times herein mentioned, GOODROW was licensed by the Department as
the designated broker/officer of LMC. As the designated broker/officer, GOODROW was
responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the
officers, agents, real estate licensees and employees of LMC for which a real estate license is
required.

6

At all times herein mentioned, Respondents 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, Respondents solicited lenders and borrowers for loans secured
directly or collaterally by liens on real property, and wherein Respondents arranged negotiated,
processed, and consummated such loans.

7

During the course of a Broker Office Survey, an investigation of Respondents'
transaction files revealed that Respondents performed mortgage loan activity for borrowers on
certain real property, including, but limited to those listed on the following page:

///

///

///

Borrower	Date Closed	Address
GRIJALVA, J.	01/13/17	20630 Magnolia Road Colfax, CA
ZHANG, J.	02/14/17	8825 Littlejohn Way, CA Sacramento, CA
DOSS, N.	03/20/17	1426 Seymour Circle Lincoln, CA
CABRERA, M.	06/29/17	4701 Camino Royale Sacramento, CA
CABRERA, M.	06/30/17	9830-34 Libra Avenue Sacramento, CA

FIRST CAUSE OF ACTION

8

Complainant refers to Paragraphs 1 through 7, above, and incorporates the same, herein, by reference.

9

Borrower J. Grijalva agreed to have Respondents secure a loan for the Magnolia Property.

10

The Mortgage Loan Disclosure Statement (MLDS) was not signed by the borrower as required by Section 10240 of the Business and Professions Code (Code).

11

The Fair Lending Notice was signed by borrower, but Respondents failed to fill in the regulatory agency contact information as required by Section 35830 of the Health and Safety Code.

///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

12

Escrow on the Magnolia Property Loan closed on January 13, 2017.

13

The acts and omissions of Respondent, set forth above violate Section 10240 (MLDS requirements) of the Code and Section 35830 of the Health and Safety Code and are grounds for the suspension or revocation of Respondent's real estate license pursuant to Section 2945.4 (parallel discipline of MLO Endorsement) of the Regulations and Sections 10177(d) (willfully violate real estate law) and 10177(g) (negligence/incompetence real estate licensee) of the Code.

SECOND CAUSE OF ACTION

14

Complainant refers to Paragraphs 1 through 13 above, and incorporates the same herein, by reference.

15

Borrower J. Zhang agreed to have Respondents secure a loan for the Littlejohn Property.

16

The Lender Purchase Disclosure Statement (LPDS) was incomplete as to borrower information and appraisal information as required by Section 10232.5 of the Code.

17

The LPDS was signed on February 16, 2017, after the February 14, 2017, close of escrow in violation of Section 10232.4 of the Code.

18

The Fair Lending Notice was signed by borrower, but Respondents failed to fill in the regulatory agency contact information as required by Section 35830 of the Health and Safety Code.

///

1 19

2 Respondents' acts and/or omissions set forth above, violate Sections 10232.4
3 (LPDS delivery) and 10232.5 (LPDS requirements) and Section 35830 of the Health & Safety
4 Code and are grounds for the suspension or revocation of Respondent's real estate broker
5 license and MLO Endorsement pursuant to Section 2945.4 of the Regulations and Sections
6 10177(d) and 10177(g) of the Code.

7 20

8 THIRD CAUSE OF ACTION

9 Complainant refers to Paragraphs 1 through 19, above, and incorporates the
10 same, herein, by reference.

11 21

12 Borrower N. Doss agreed to have Respondents secure a loan for the Seymour
13 Property.

14 22

15 The Mortgage Loan Disclosure Statement (MLDS) was not signed by the
16 borrower as required by Section 10240 of the Business and Professions Code (Code).

17 23

18 The Fair Lending Notice was signed by borrower, but Respondents failed to fill
19 in the regulatory agency contact information as required by Section 35830 of the Health and
20 Safety Code.

21 24

22 Respondents' acts and/or omissions set forth above, violate Section 10240 of the
23 Code and Section 35830 of the Health & Safety Code and are grounds for the suspension or
24 revocation of Respondent's real estate broker license and MLO Endorsement pursuant to
25 Section 2945.4 of the Regulations and Sections 10177(d) and 10177(g) of the Code.

26 ///

27 ///

1 25

2 FOURTH CAUSE OF ACTION

3 Complainant refers to Paragraphs 1 through 24, above, and incorporates the
4 same, herein, by reference.

5 26

6 Borrower M. Cabrera agreed to have Respondents secure a loan for the Camino
7 Royale Property.

8 27

9 The Mortgage Loan Disclosure Statement (MLDS) was not signed by the
10 borrower as required by Section 10240 of the Business and Professions Code (Code).

11 28

12 The Fair Lending Notice was signed by borrower, but Respondents failed to fill
13 in the regulatory agency contact information as required by Section 35830 of the Health and
14 Safety Code.

15 29

16 Declaration Section VIII of the loan application is blank but was signed by the
17 borrower.

18 30

19 Page 1 of the loan application indicates that the property is the borrower's
20 primary residence, but the loan application otherwise indicates that is not for the borrower's
21 primary residence.

22 31

23 Respondents' acts and/or omissions set forth above, violate Section 10240 of the
24 Code and Section 35830 of the Health & Safety Code and are grounds for the suspension or
25 revocation of Respondent's real estate broker license and MLO Endorsement pursuant to
26 Section 2945.4 of the Regulations and Sections 10177(d) and 10177(g) of the Code.

27 ///

1 32

2 FIFTH CAUSE OF ACTION

3 Complainant refers to Paragraphs 1 through 31, above, and incorporates the
4 same, herein, by reference.

5 33

6 Borrower M. Cabrera agreed to have Respondents secure a loan for the Libra
7 Property.

8 34

9 The Mortgage Loan Disclosure Statement (MLDS) was not signed by the
10 borrower as required by Section 10240 of the Business and Professions Code (Code).

11 35

12 The Fair Lending Notice was signed by borrower, but Respondents failed to fill
13 in the regulatory agency contact information as required by Section 35830 of the Health and
14 Safety Code.

15 36

16 Declaration Section VIII of the loan application is blank but was signed by the
17 borrower.

18 37

19 Page 1 of the loan application indicates that the property is the borrower's
20 primary residence, but the loan application otherwise indicates that is not for the borrower's
21 primary residence.

22 38

23 Respondents' acts and/or omissions set forth above, violate Section 10240 of the
24 Code and Section 35830 of the Health & Safety Code and are grounds for the suspension or
25 revocation of Respondent's real estate broker license and MLO Endorsement pursuant to
26 Section 2945.4 of the Regulations and Sections 10177(d) and 10177(g) of the Code.

27 ///

SIXTH CAUSE OF ACTION

Complainant refers to Paragraphs 1 through 38, above, and incorporates the same herein, by reference.

Respondents filed several quarterly trust fund status reports after the due date, including but not limited to those due for the quarters ending March 2017, June 2017, October 2017, March 2018, June 2018, September 2018 and March 2019, in violation of Section 10232.2(b) of the Code.

Respondent failed to file annual business activity reports due for fiscal year 2018 in violation of Section 10232.2(b) of the Code.

Respondents' acts and/or omissions set forth above, violate Sections 10232.25(d) (quarterly reports) and 10232.2(b) (annual business reports) of the Code and are grounds for the suspension or revocation of Respondent's real estate broker license and MLO Endorsement pursuant to Section 2945.4 of the Regulations and Sections 10177(d) and 10177 (g) of the Code.

SEVENTH CAUSE OF ACTION

Complainant refers to Paragraphs 1 through 42, above, and incorporates the same herein, by reference.


At all times herein above mentioned, GOODROW was responsible as the designated officer for LMC, for the supervision and control of the activities conducted on behalf of LMC's business by its employees. GOODROW failed to exercise reasonable supervision and control over the real estate activities of LMC. In particular, GOODROW permitted, ratified and/or caused the conduct described above to occur and failed to take reasonable steps, including

1 but not limited to supervision of employees and the implementation of policies, rules, and
2 systems to ensure the compliance of the business with the Real Estate Law and the Regulations.

3 45

4 The above acts and/or omissions of GOODROW violate Section 10159.2
5 (responsibility/directing officer) of the Code and Section 2725 (broker supervision) of the
6 Regulations and constituted grounds for disciplinary action under the provisions of Section
7 10177(d) (willful disregard/violation of Real Estate Law) and 10177(h) (broker supervision) of
8 the Code.

9 WHEREFORE, Complainant prays that a hearing be conducted on the
10 allegations of this Accusation and that upon proof thereof a decision be rendered imposing
11 disciplinary action against all licenses and license rights of Respondent under the Real Estate
12 Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further
13 relief as may be proper under other provisions of law.

14
15
16 
17 CHIKA SUNQUIST
Supervising Special Investigator

18 Dated at Sacramento, California,
19 this 28th day of June, 2019.

20
21 DISCOVERY DEMAND

22 The Department of Real Estate hereby requests discovery pursuant to Section
23 11507.6 of the California Government Code. Failure to provide discovery to the Department
24 may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as
25 the Administrative Law Judge deems appropriate.