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FILED

JUL 25 2019

DEPARTMENT OF REAL ESTATE
By X. Strong

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 ROBERT ARTHUR MELLINO,)
14 Respondent.)

No. H-6852 SAC
ACCUSATION

15 The Complainant, CHIKA SUNQUIST, a Supervising Special Investigator of the
16 State of California, for Accusation against ROBERT ARTHUR MELLINO (MELLINO),
17 sometimes Respondent, is informed and alleges as follows:

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19 The Complainant makes this Accusation against Respondent in her official
20 capacity.

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22 At all times herein mentioned, Respondent was and is presently licensed and/or
23 has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
24 Professions Code (the Code) by the Department of Real Estate (the Department) as a real estate
25 broker. In 2017 and 2018, Respondent held a Mortgage Loan Originator Endorsement (MLO
26 Endorsement).

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At all times herein mentioned, Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker 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, Respondent solicited lenders and borrowers for loans secured directly or collaterally by liens on real property, and wherein Respondent arranged, negotiated, processed, and consummated such loans.

FIRST CAUSE OF ACTION

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

A routine broker office survey was opened on the business activities of MELLINO.

MELLINO did not cooperate in scheduling an office visit and instead provided three files, set forth below:

<u>Borrower</u>	<u>Address</u>	<u>Date Closed</u>
Aviles/Contreras	3105 Bayer Street, Marina, CA	09/18/17
Mendoza/Perez	1654 Highland Street, Seaside, CA	08/06/18
Aviles	3105 Bayer Street, Marina, CA	08/29/18

For each of the loans referenced in Paragraph 6, above, costs and expenses increased between the initial Loan Estimate Disclosure and the final Closing Disclosure as follows:

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<u>Borrower</u>	<u>Item</u>	<u>Closing Disclosure</u>	<u>Loan Estimate</u>
Aviles/Contreras	Closing Costs	\$4,463.97	\$3,710.00
	Cash to Close	\$30,427.23	\$763.00
	Recording Fees	\$230.00	\$130.00
Mendoza/Perez	Closing Costs	\$5,431.04	\$5,141.00
	Taxes & Insurance	\$347.60	\$345.00
	Recording Fees	\$435.00	\$0
	Prepaid Interest	\$1,054.79	\$336.00
Aviles	Closing Costs	\$7,655.99	\$4,980.00
	Cash to Close	\$23,331.23	\$20,284.00
	Transfer Tax	\$520.00	\$500.00
	Prepaid Interest	\$1,335.21	\$247.00

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Despite the significant increases in costs, MELLINO failed to prepare and provide an amended Loan Estimate for any of the loans.

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The acts and omissions of Respondent, described above, constitute violations of Sections 10176(a) (substantial misrepresentation) and 10176(i) (other conduct fraud or dishonest dealing) of the Code and are ground for discipline under Sections 10176(a), 10176(i), 10177(d) (willful/disregard Real Estate Law), and 10177(g) (negligence/incompetence real estate licensee) of the Code.

SECOND CAUSE OF ACTION

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

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Despite engaging in mortgage loan activity MELLINO failed to file a Business Activity Report for the years 2017 and 2018, as required by Section 10166.07 of the Code.

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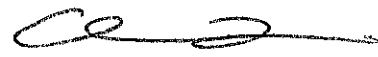
The acts and omissions of Respondent, described above, constitute violations of Sections 10166.07 of the Code and are grounds for discipline under Sections 10177(d) and 10177(g) of the Code.

COST RECOVERY

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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 24th day of July, 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.

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