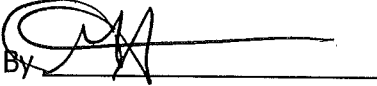


FILED

October 17, 2012

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0789

DEPARTMENT OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	NO. H-11366 SF
12	RITTER GROUP, INC., a California corporation,)	<u>STIPULATION AND AGREEMENT</u>
13	SHAMIM S. RITTER, TERRY LEE RITTER,)	
14	and EDNA S. MARR,)	
15	Respondents.)	
)	

16 It is hereby stipulated by and between Respondent SHAMIM S. RITTER
17 (hereinafter "Respondent" or "Respondent S. RITTER"), Respondent TERRY LEE RITTER
18 (hereinafter "Respondent" or "Respondent T. RITTER"), and RITTER GROUP, INC., acting by
19 and through their attorney, Louis A. Gonzalez, Jr., and the Complainant, acting by and through
20 Michael B. Rich, Counsel for the Department of Real Estate, as follows for the purpose of
21 settling and disposing of the Accusation filed on May 3, 2012, in this matter ("the Accusation"):

22 1. All issues which were to be contested and all evidence which was to be
23 presented by Complainant and Respondent at a formal hearing on the Accusation, which hearing
24 was to be held in accordance with the provisions of the Administrative Procedure Act (APA),
25 shall instead and in place thereof be submitted solely on the basis of the provisions of this
26 Stipulation and Agreement.

27 2. Respondent has received, read and understands the Statement to

1 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department
2 of Real Estate in this proceeding.

3 3. On May 15, 2012, Respondents filed a Notice of Defense pursuant to
4 Section 11505 of the Government Code for the purpose of requesting a hearing on the
5 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notices
6 of Defense. Respondents acknowledges that Respondents understand that by withdrawing said
7 Notice of Defense Respondent will thereby waive Respondents' right to require the
8 Commissioner to prove the allegations in the Accusation at a contested hearing held in
9 accordance with the provisions of the APA and that Respondents will waive other rights
10 afforded to Respondents in connection with the hearing such as the right to present evidence in
11 defense of the allegations in the Accusation and the right to cross-examine witnesses.

12 4. Respondent S. RITTER, pursuant to the limitations set forth below,
13 without admitting the truth of the allegations contained in the Accusation, Respondent stipulates
14 that she will not interpose a defense thereto. This Stipulation is based on the factual allegations
15 contained in the Accusation. In the interests of expedience and economy, Respondent chooses
16 not to contest the allegations, but to remain silent, and understands that, as a result thereof, these
17 factual allegations, without being admitted, will serve as a basis for the disciplinary action
18 stipulated to herein.

19 5. It is understood by the parties that the Real Estate Commissioner may
20 adopt the Stipulation and Agreement as her decision in this matter, thereby imposing the penalty
21 and sanctions on Respondent S. RITTER's real estate license and license rights as set forth in
22 the "Order" below. In the event that the Commissioner in his discretion does not adopt the
23 Stipulation and Agreement, it shall be void and of no effect, and Respondent shall retain the
24 right to a hearing and proceeding on the Accusation under all the provisions of the APA and
25 shall not be bound by any admission or waiver made herein.

26 6. This Stipulation and Agreement shall not constitute an estoppel, merger
27 or bar to any further administrative or civil proceedings by the Department of Real Estate with

1 within 90 days from the effective date of the Decision entered pursuant to this Order,
2 Respondent makes application for the restricted license and pays to the Department of Real
3 Estate the appropriate fee therefor.

4 The restricted license issued to Respondent shall be subject to all of the
5 provisions of Section 10156.7 of the Business and Professions Code and to the following
6 limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

7 1. The restricted license issued to Respondent may be suspended prior to
8 hearing by Order of the Real Estate Commissioner on evidence
9 satisfactory to the Commissioner that Respondent has violated provisions
10 of the California Real Estate Law, the Subdivided Lands Law,
11 Regulations of the Real Estate Commissioner or conditions attaching to
12 the restricted license.

13 2. The restricted license issued to Respondent may be suspended prior to
14 hearing by Order of the Real Estate Commissioner in the event of
15 Respondent's conviction or plea of nolo contendere to a crime which is
16 substantially related to Respondent's fitness or capacity as a real estate
17 licensee.

18 3. Respondent shall not be eligible to apply for the issuance of an
19 unrestricted real estate license nor for the removal of any of the
20 conditions, limitations or restrictions of a restricted license until two (2)
21 years have elapsed from the effective date of this Decision.

22 4. Respondent shall submit with any application for license under an
23 employing broker, or any application for transfer to a new employing
24 broker, a statement signed by the prospective employing real estate broker
25 on a form approved by the Department of Real Estate which shall certify:

26 (a) That the employing broker has read the Decision of the

27 Commissioner which granted the right to a restricted license; and,

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(b) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

5. The restricted license issued to Respondent is suspended for a period of ninety (90) days from the date of issuance of said restricted license; provided, however, that if Respondent petitions, forty five (45) days of said suspension (or a portion thereof) shall be stayed upon condition that:

(a.) Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$50.00 for each day of the suspension for a total monetary penalty of \$2,250.00.

(b.) Said payment shall be in the form of a cashier's check or certified check made payable to the Consumer Recovery Account of the Real Estate Fund. Said check must be delivered to the Department prior to the effective date of the Decision in this matter.

(c.) No further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision in this matter.

(d.) If Respondent fails to pay the monetary penalty in accordance with the terms and conditions of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

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(e.) If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall become permanent.

6. Forty five (45) days of said ninety-(90) day suspension shall be stayed upon condition that:

(a) No final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action against Respondent occurred within two (2) years of the effective date of the Decision herein.

(b) Should such a determination be made, the Commissioner may, in his or her discretion, vacate and set aside the stay order, and order the execution of all or any part of the stayed suspension, in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

(c) If no order vacating the stay is issued, and if no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision, then the stay hereby granted shall become permanent.

7. Respondent shall, within one hundred twenty (120) days of the issuance of the restricted license provide proof satisfactory to the Commissioner that Respondent has paid restitution in the sum of \$5,000.00 to Wilfredo and Consolacion Domingo on or before the expiration of said one hundred twenty day period, or the Commissioner may order that the stayed suspension set forth in Paragraph 6, above, be lifted and Respondent's restricted license will be suspended for 45 days.

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October 15, 2012
DATED

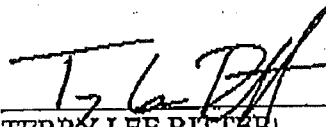

MICHAEL B. RICH, Counsel
Department of Real Estate

I have read the Stipulation and Agreement and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509, and 11513 of the Government Code), and I willingly, intelligently, and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

10-10-2012
DATED

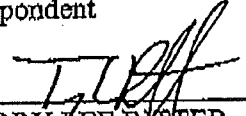

SHAMIM S. RITTER
Respondent

10-9-2012
DATED


TERRY LEE RITTER
Respondent

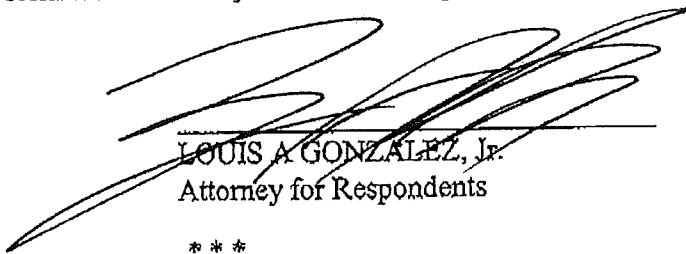
RITTER GROUP, INC.
Respondent

10-9-2012
DATED

By: 
TERRY LEE RITTER
Title: Officer

Approved as to form and content by counsel for Respondents.

10-10-12
DATED


LOUIS A. GONZALEZ, Jr.
Attorney for Respondents

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The foregoing Stipulation and Agreement is hereby adopted by me as my
Decision in this matter as to Respondent SHAMIM S. RITTER, Respondent TERRY LEE,
RITTER and Respondent RITTER GROUP, INC., and shall become effective at 12 o'clock
noon on NOV 06 2012, 2012.

IT IS SO ORDERED 10 / 16, 2012.

Real Estate Commissioner

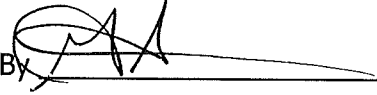


FILED

October 29, 2012

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0789
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7

DEPARTMENT OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	NO. H-11366 SF
12	RITTER GROUP, INC., a California corporation,)	<u>STIPULATION AND AGREEMENT</u>
13	SHAMIM S. RITTER, TERRY LEE RITTER,)	
14	and EDNA S. MARR,)	
15	Respondents.)	
)	

16 It is hereby stipulated by and between Respondent EDNA S. MARR (hereinafter
17 "Respondent" or "Respondent MARR"), acting in pro per, and the Complainant, acting by and
18 through Michael B. Rich, Counsel for the Department of Real Estate, as follows for the purpose
19 of settling and disposing of the Accusation filed on May 3, 2012, in this matter ("the
20 Accusation"):

21 1. All issues which were to be contested and all evidence which was to be
22 presented by Complainant and Respondent at a formal hearing on the Accusation, which hearing
23 was to be held in accordance with the provisions of the Administrative Procedure Act (APA),
24 shall instead and in place thereof be submitted solely on the basis of the provisions of this
25 Stipulation and Agreement.

26 2. Respondent has received, read and understands the Statement to
27

No. H-11366SF

EDNA S. MARR

1 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department
2 of Real Estate in this proceeding.

3 3. On September 20, 2012, Respondent MARR filed a Notice of Defense
4 pursuant to Section 11505 of the Government Code for the purpose of requesting a hearing on
5 the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said
6 Notice of Defense. Respondent acknowledges that Respondent understands that by withdrawing
7 said Notice of Defense Respondent will thereby waive Respondent's right to require the
8 Commissioner to prove the allegations in the Accusation at a contested hearing held in
9 accordance with the provisions of the APA and that Respondent will waive other rights afforded
10 to Respondent in connection with the hearing such as the right to present evidence in defense of
11 the allegations in the Accusation and the right to cross-examine witnesses.

12 4. Respondent, pursuant to the limitations set forth below, hereby admits
13 that the factual allegations in the Accusation pertaining to Respondent are true and correct and
14 stipulates and agrees that the Real Estate Commissioner shall not be required to provide further
15 evidence of such allegations.

16 5. It is understood by the parties that the Real Estate Commissioner may
17 adopt the Stipulation and Agreement as his decision in this matter, thereby imposing the penalty
18 and sanctions on Respondent's real estate license and license rights as set forth in the "Order"
19 below. In the event that the Commissioner in his discretion does not adopt the Stipulation and
20 Agreement, it shall be void and of no effect, and Respondent shall retain the right to a hearing
21 and proceeding on the Accusation under all the provisions of the APA and shall not be bound by
22 any admission or waiver made herein.

23 6. This Stipulation and Agreement shall not constitute an estoppel, merger
24 or bar to any further administrative or civil proceedings by the Department of Real Estate with
25 respect to any matters which were not specifically alleged to be causes for accusation in this
26 proceeding.

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DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions and waivers and solely for the purpose of settlement of the pending Accusation without hearing, it is stipulated and agreed that the following Determination of Issues shall be made:

I

The acts and omissions of Respondent EDNA S. MARR described in the Accusation are grounds for the suspension or revocation of the licenses and license rights of Respondent under the provisions of Sections 10085, 10085.5, 10137, 10145 and 10146 of the Code, and Sections 2832, 2970 and 2972, Chapter 6, Title 10, California Code of Regulations, (hereinafter "Regulations of the Commissioner"), all in conjunction with Section 10177(d) of the Code, and Sections 10176(a), 10176(b), 10176(g), 10176(i) and 10177(g) of the Code

ORDER

I

All licenses and licensing rights of Respondent EDNA S. MARR under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Decision; provided, however, that sixty (60) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

1. Respondent shall obey all laws, rules and regulations governing the rights, duties and responsibilities of a real estate licensee in the State of California; and

2. That no final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action occurred within two (2) years of the effective date of this Decision. Should such a determination be made, the Commissioner may, in his or her discretion, vacate and set aside the stay order and re-impose all or a portion of the stayed suspension. Should no such determination be made, the stay imposed herein shall become permanent.

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10/5/12
DATED

Michael B. Rich
MICHAEL B. RICH, Counsel
Department of Real Estate

I have read the Stipulation and Agreement and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509, and 11513 of the Government Code), and I willingly, intelligently, and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

10/03/2012
DATED

Edna S. MARR
EDNA S. MARR
Respondent

The foregoing Stipulation and Agreement is hereby adopted by as my Decision in this matter as to Respondent EDNA S. MARR and shall become effective at 12 o'clock noon on NOV 20 2012, 2012.

IT IS SO ORDERED October 25, 2012.

Real Estate Commissioner

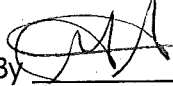
Wayne S. Bell
By WAYNE S. BELL
Chief Counsel

FILED

May 3, 2012

1 MICHAEL B. RICH, Counsel
State Bar No. 84257
2 Department of Real Estate
P. O. Box 187000
3 Sacramento, CA 95818-7000
4 Telephone: (916) 227-0789
5
6
7

DEPARTMENT OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)	NO. H-11366 SF
)	
12 RITTER GROUP, INC., a California corporation,)	ACCUSATION
13 SHAMIN S. RITTER, TERRY LEE RITTER,)	
and EDNA S. MARR,)	
)	
14 Respondents.)	
)	

16
17 The Complainant, E. J. HABERER, II, a Deputy Real Estate Commissioner of
18 the State of California, for Accusation against Respondents RITTER GROUP, INC., a
19 California corporation, SHAMIN S. RITTER, TERRY LEE RITTER, and EDNA S. MARR, is
20 informed and alleges as follows:

21 1

22 The Complainant, E. J. HABERER, II, a Deputy Real Estate Commissioner of
23 the State of California, makes this Accusation against Respondents in his official capacity.

24 2

25 Respondents RITTER GROUP, INC., a California corporation, SHAMIN S.
26 RITTER, TERRY LEE RITTER, and EDNA S. MARR, are presently licensed and/or have
27

1 license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
2 Professions Code (hereafter "the Code").

3 3

4 At all times on herein mentioned, Respondent RITTER GROUP, INC., (hereafter
5 "Respondent RGI") was licensed by the Department of Real Estate (hereinafter "the
6 Department") as a corporate real estate broker and licensed by the Department bearing the
7 fictitious business name of LOAN MODIFICATION CENTER.

8 4

9 At all times herein mentioned, Respondent TERRY LEE RITTER (hereinafter
10 "Respondent TERRY RITTER") was and is licensed by the Department as a real estate broker.

11 5

12 At all times herein mentioned Respondent TERRY RITTER was licensed by the
13 Department as the designated broker/officer of Respondent RGI. As said designated
14 broker/officer, Respondent TERRY RITTER was at all times mentioned herein responsible
15 pursuant to Sections 10159.2 and 10177(h) of the Code for the supervision of the activities of
16 the officers, agents, real estate licensees and employees of Respondent RGI for which a real
17 estate license is required.

18 6

19 At all times on herein mentioned, Respondent SHAMIN S. RITTER, (hereinafter
20 "Respondent SHAMIN RITTER") was licensed by the Department as a real estate broker. At
21 all times herein mentioned, Respondent SHAMIN RITTER worked in the employ of RGI and
22 TERRY RITTER.

23 7

24 At all times on herein mentioned, Respondent EDNA S. MARR, (hereinafter
25 "Respondent MARR") was licensed by the Department as a real estate salesperson. At no time
26 has the Department licensed Respondent MARR as a real estate broker.

27 ///

1
2 Whenever reference is made in an allegation in this Accusation to an act or
3 omission of Respondent RGI, such allegation shall be deemed to mean that the officers,
4 directors, employees, agents and real estate licensees employed by or associated with
5 Respondent RGI committed such act or omission while engaged in the furtherance of the
6 business or operations of Respondent RGI and while acting within the course and scope of their
7 corporate authority and employment.

8
9 At all times herein mentioned, Respondent TERRY RITTER is and was the chief
10 executive officer and a principal stockholder of Respondent RGI, both Respondents having their
11 respective real estate licenses on file with the Department at the same main office address of
12 record at 2652 Sabercat Court., Fremont, California, and, therefore, Respondent RGI was and is
13 the alter ego of Respondent TERRY RITTER and whenever a reference is made to an act or
14 omission or representation of Respondent RGI, such allegation shall be deemed to mean that
15 Respondent TERRY RITTER was so acting, or failing to act, and/or speaking.

16
17 At no time has the Department issued a real estate license to Respondent RGI,
18 Respondent TERRY RITTER or to Respondent SHAMIN RITTER bearing the fictitious name
19 of LOAN MODIFICATION CENTER OF AMERICA.

20
21 At no time has the Department issued a real estate license to LOAN
22 MODIFICATION CENTER OF AMERICA, INC., a California corporation.

23
24 At all times herein mentioned, Respondents engaged in the business of, acted in
25 the capacity of, advertised, or assumed to act as a real estate broker within the State of
26 California within the meaning of Section 10131(d) of the Code, including, on behalf of others,
27 for compensation or in expectation of compensation, soliciting borrowers or lenders for or

1 negotiating loans or collecting payments or performing services for borrowers or lenders or note
2 owners in connection with loans secured directly or collaterally by liens on real property or on a
3 business opportunity.

4 FIRST CAUSE OF ACTION

5 13

6 There is hereby incorporated in this First, separate and distinct, Cause of Action,
7 all of the allegations contained in Paragraphs 1 through 12, inclusive, of the Accusation with the
8 same force and effect as if herein fully set forth.

9 14

10 Within the three-year period prior to the filing of this Accusation and at all times
11 herein mentioned, in the course and scope of the activities described in Paragraph 12, above,
12 Respondent RGI, doing business under the fictitious name of LOAN MODIFICATION
13 CENTER OF AMERICA, Respondent SHAMIN RITTER, also doing business under the
14 fictitious name of LOAN MODIFICATION CENTER OF AMERICA, and Respondent MARR,
15 beginning on or about May 28, 2009, solicited and negotiated with Wilfredo and Consolacion D
16 (hereinafter "Borrowers" or "Borrowers D") to perform services for Borrowers D in connection
17 with loans secured directly or collaterally by liens on said Borrowers' California real properties
18 identified as 418 Camino Hermoso and 12622 Robison Blvd., wherein Respondents provided to
19 Borrowers D a written contract for an advance fee, and on or about June 1, 2009, claimed,
20 demanded, charged, received, and collected an advance fee of \$3,000.00, and on June 10, 2009,
21 claimed, demanded, charged, received, and collected an additional advance fee of \$2,000.00,
22 from Borrowers for services Respondents were to perform thereafter, representing to Borrowers
23 by way of said contract that in exchange for said advance fees Respondents would submit
24 borrowers information to Borrowers' lenders and that Respondents would "use best efforts to
25 obtain a mortgage modification for the Borrowers."

26 ///

27 ///

1
2 The fees described in Paragraph 14, above, constituted an "advance fee" within
3 the meaning of Section 10026 of the Code ("Advance Fee" is fee claimed, demanded, charged,
4 received, collected or contracted from principal for listing, for offer to sell or lease property or
5 business opportunity, for referral to brokers or salesmen, for soliciting borrowers or lenders, for
6 negotiating real estate loans) and 10131.2 of the Code (Real estate broker is a person who
7 engages in business of claiming, demanding, charging, receiving, collecting or contracting for
8 advance fees in connection with any employment to promote sale, lease of real property or
9 business opportunity, or exchange or to obtain loans on real property). Said fees constituted
10 trust funds within the meaning of Section 10145 of the Code (broker accepts funds belonging to
11 others in connection with acts requiring a real estate license) and Section 10146 of the Code
12 (advance fees collected by broker are trust funds).

13
14 In connection with the collection, receipt, and handling of the advance fees as
15 described in Paragraphs 14 and 15, above, Respondents RGI, SHAMIN RITTER and MARR
16 provided to the Borrowers D a written advance fee contract that had not been submitted to,
17 reviewed, and approved by, the Department of Real Estate prior to use as required by Sections
18 10085 of the Code (unlawful to claim; demand, receive advance fee for soliciting lenders on
19 behalf of or performing services for borrowers using an advance fee agreement not approved by
20 Department) and Chapter 6, Title 10, California Code of Regulations (hereinafter "Regulations),
21 Section 2970 (requiring submission to commissioner for approval of all advance fee materials
22 and agreements).

23
24 Within the three-year period prior to the filing of this Accusation, in connection
25 with the collection, receipt and handling of advance fees described in Paragraphs 14 and 15,
26 above, Respondents RGI, SHAMIN RITTER and MARR failed to deposit said funds into a trust
27 account in the name of RGI as trustee or into a trust account in the name of SHAMIN RITTER

1 as trustee, deposited said advance fees to an account held in the name of the unlicensed LOAN
2 MODIFICATION CENTER OF AMERICA, INC., disbursed the advance fee trust funds to
3 themselves and/or others and failed to provide to the Borrowers the required verified accounting
4 of the advance fee trust funds, and failed to provide to the borrowers any accounting expressly
5 representing the amounts of trust funds disbursed, the date of trust fund disbursement, the
6 commission paid, and overhead and profit as required by Section 10146 of the Code (advance
7 fees are trust funds and broker collecting advance fees shall deposit such fees into a trust
8 account) and containing the information required by Section 2972 of the Regulations (requiring
9 broker to provide principal with verified accounting of advance fee trust funds collected and
10 disbursed identifying agent name, principal's name, services rendered, trust account into which
11 funds deposited, amount of advance fee, amounts disbursed, commissions paid, overhead, costs,
12 and profit).

13 18

14 The representations described in Paragraph 14, above, were false and misleading
15 and were known by Respondents RGI, SHAMIN RITTER and MARR to be false and
16 misleading when made or were made by said Respondents with no reasonable grounds for
17 believing said representations to be true, and/or said Respondents should have known at the
18 time through the exercise of reasonable diligence that such representations were false and
19 misleading. In truth and in fact Respondents RGI, SHAMIN RITTER and MARR: 1.) failed to
20 use any efforts whatsoever to obtain any loan modification; 2.) failed to negotiate with the
21 lenders on behalf of borrowers; 3.) and, failed to perform or failed to complete the work said
22 respondents were obligated to perform under the contract by which they collected \$5,000.00
23 from Borrowers D.

24 ///

25 //

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19

1 At no time on or after May 29, 2009, did Respondents RGI, SHAMIN RITTER
2 and MARR inform Borrowers D that the representations described in Paragraph 14, above, were
3 not true or that said Respondents had failed to perform all work to be completed and/or that they
4 had failed to perform any of the worked promised under the contract.

5 20

6 The acts and omissions of Respondents RGI, SHAMIN RITTER and MARR
7 described in Paragraphs 14, 18, and 19, above, constituted misrepresentation, fraud, deceit, and
8 dishonest dealing.

9 21

10 At no time herein mentioned was Respondent MARR licensed in the employ of
11 either Respondent RGI or Respondent SHAMIN RITTER. Respondent MARR accepted
12 compensation from Respondent RGI and/or Respondent SHAMIN RITTER for soliciting and
13 negotiating with Borrowers D as set forth in Paragraphs 12 and 14, above.

14 22

15 At all times herein mentioned, Respondent RGI and Respondent SHAMIN
16 RITTER employed and/or compensated Respondent MARR to solicit and negotiate with the
17 Borrowers D as set forth in Paragraphs 12 and 14, above.

18 23

19 The acts and omissions of RGI, SHAMIN RITTER and MARR as alleged above
20 constitute cause for the suspension or revocation of the licenses and license rights of
21 Respondents under the following provisions:

- 22 (a) As alleged against Respondents RGI and SHAMIN RITTER in
23 Paragraphs 11, 14 and 15, under Section 10159.5 of the Code (every
24 licensee desiring to have license issued under a fictitious business name
25 shall file application with certified copy of fictitious business name
26 statement as filed with county clerk) and Section 2731(a) of the
27 Regulations (licensee shall not use a fictitious business name in the

1 conduct of activity requiring a license unless a holder of a license bearing
2 such name) all in conjunction with Section 10177(d) of the Code
3 (suspension or revocation of license for willful disregard or violation of
4 the Real Estate Law, §§ 10000 et seq. and §§ 11000 et seq. of the Code,
5 or of the Regulations);

6 (b) As alleged against Respondents RGI, SHAMIN RITTER and MARR in
7 Paragraphs 14, 15 and 16, under Sections 10085 and 10085.5 of the Code
8 (Unlawful to claim, demand, receive advance fee for soliciting lenders on
9 behalf of or performing services for borrowers using an advance fee
10 agreement not approved by Department) and Section 2970 of the
11 Regulations (requiring submission to commissioner for approval of all
12 advance fee materials and agreements) all in conjunction with Section
13 10177(d) of the Code;

14 (c) As alleged against Respondents RGI, SHAMIN RITTER and MARR in
15 Paragraphs 14 and 17, under Sections 10145 (real estate broker accepting
16 funds belonging to others shall deposit to trust account or neutral escrow;
17 salesperson accepting trust funds shall deliver to broker or deposit to trust
18 account) and 10146 of the Code (advance fees are trust funds and broker
19 collecting advance fees shall deposit such fees into a trust account in
20 name of broker as trustee), Section 2832(a) of the Regulations (broker
21 accepting client funds shall deposit into trust account in the name of
22 broker as trustee), and Section 2972 of the Regulations (requiring broker
23 to provide principal with verified accounting of advance fee trust funds
24 collected and disbursed identifying agent name, principal's name,
25 services rendered, trust account into which funds deposited, amount of
26 advance fee, amounts disbursed, commissions paid, overhead, costs, and
27 profit) all in conjunction with Section 10177(d) of the Code;

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- (d) As alleged against Respondents RGI, SHAMIN RITTER and MARR in Paragraphs 14, 18, 19, and 20, under 10176(a) of the Code (making a substantial misrepresentation);
- (e) As alleged against Respondents RGI, SHAMIN RITTER and MARR in Paragraphs 14, 18, 19, and 20, under 10176(b) of the Code (making any false promise of a character likely to influence, persuade or induce);
- (f) As alleged against Respondents RGI, SHAMIN RITTER and MARR in Paragraphs 14, 18, 19, and 20, under Section 10176(i) of the Code (any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing); or,
- (g) As alleged against Respondents RGI, SHAMIN RITTER and MARR in Paragraphs 14, 18, 19, and 20, under Section 10177(g) of the Code (demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license);
- (h) As alleged against Respondent MARR in Paragraph 20, under Section 10137 of the Code (unlawful for licensed real estate salesperson to be employed or accept compensation for licensed acts from any person other than the broker under whom he or she is at the time licensed) in conjunction with Section 10177(d) of the Code; and,
- (i) As alleged against Respondent SHAMIN RITTER and Respondent RGI in Paragraph 21, under 10137 of the Code (unlawful for licensed real estate broker to employ or compensate any real estate salesperson who is not licensed under the broker employing or compensating him) in conjunction with Section 10177(d) of the Code.

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SECOND CAUSE OF ACTION

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There is hereby incorporated in this Second, separate and distinct, Cause of Action, all of the allegations contained in Paragraphs 1 through 21, inclusive, of the Accusation with the same force and effect as if herein fully set forth.

23

At all times herein mentioned, Respondent TERRY RITTER was responsible, as the designated broker officer of Respondent RGI, for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees and of the corporate activities requiring a real estate license. Respondent TERRY RITTER failed to exercise reasonable supervision and control over the loan services, mortgage brokering, and advance fee collection activities of Respondent RGI and its employees. Respondent TERRY RITTER participated in, permitted, ratified, and caused the conduct described in the First Cause of Action, above, to occur, and failed to take reasonable steps to insure, including, but not limited to, the proper handling of trust funds, insure that required accountings were provided, insure that advance fee contracts would not be used until submitted to and approved by the Real Estate Commissioner, insure that the fictitious business name was added to corporate broker license, insure that only salesperson employees duly licensed under the broker license of RGI conducted activities on behalf of RGI, to insure against the dissemination of false representations, to insure the proper supervision of employees, and to insure the implementation of policies, rules, procedures, and systems to ensure the compliance of the corporation and its employees with the Real Estate Law (Business and Professions Code Sections 10000 et seq. and Sections 11000 et seq.) and the Commissioner's Regulations (Chapter 6, Title 10, California Code of Regulations).

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The acts and/or omissions of Respondent TERRY RITTER as described above constitute grounds for the suspension or revocation of the licenses and license rights of Respondent TERRY RITTER under the following provisions:

- (a) As alleged in Paragraph 23, under Section 10159.2 of the Code (designated broker/officer responsible for supervision and control of activities conducted on behalf of corporation by officers, licensed salespersons and employees to secure compliance with the Real Estate Law) and Section 2725 of the Regulations (broker shall exercise reasonable supervision over: licensed employees; establish policies and procedures for compliance with Real Estate Law; supervise transactions requiring a real estate license; trust fund handling; etc.) in conjunction with Section 10177(d) of the Code and/or of Section 10177(h) of the Code (suspension or revocation for broker or designated broker/officer who fails to exercise reasonable supervision of licensed employees or licensed activities of broker corporation).

COST RECOVERY

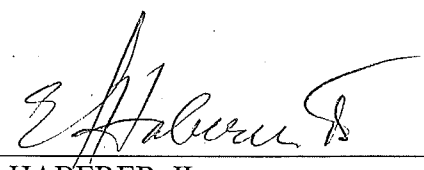
Section 10160 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, the Commissioner may request the administrative law Judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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

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10 E. J. HABERER, II
 Deputy Real Estate Commissioner

11 Dated at Oakland, California,
12 this 18 day of April, 2012.