

FILED

JAN 31 2014

BUREAU OF REAL ESTATE

By *J. J. J. J.*

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

SARATOGA BANCORP and
AMARJIT S. AHLUWALIA,

Respondents.

No. H-11556 SF

DECISION

This Decision is being issued in accordance with the provisions of section 11520 of the Government Code, on evidence of compliance with section 11505 of the Government Code and pursuant to the Order of Default filed on July 18, 2013, and the findings of fact set forth herein, which are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

This Decision revokes the real estate license and/or license rights of SARATOGA BANCORP ("SARATOGA") on the grounds of violations of sections 10162 (failure to maintain a definite place of business in California), 10176(a) (making substantial misrepresentations), 10176(b) (making false promises with the intent to induce), 10176(i) (fraud or dishonest dealings), 10177(d) (willful violations of the Real Estate Law) 10177(g) (negligence or incompetence in performing duties) and/or 10177(j) (fraud or dishonest dealings) of the Business and Professions Code ("the Code"), and section 2715 (failure to notify the Bureau of Real Estate ("Bureau") of its principal place of business) of the California Code of Regulations ("the Regulations"); and the real estate license and/or license rights of AMARJIT S. AHLUWALIA ("AHLUWALIA") on grounds of violations of sections 10176(a) (making any substantial misrepresentations), 10176(b) (making false promises with the intent to induce), 10176(i) (fraud or dishonest dealings), and/or 10177(j) (fraud or dishonest dealing) of the Code.

FINDINGS OF FACT

1

On May 23, 2013, TRICIA D. SOMMERS made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent and Notice of Defense were mailed, by regular and certified mail, to Respondents' last known mailing addresses on file with the Bureau on June 3, 2013.

On July 18, 2013, no Notices of Defense having been filed herein within the time prescribed by section 11506 of the Government Code, Respondents' defaults were entered herein.

2

At all times herein mentioned, Respondent SARATOGA was licensed by the Bureau as a corporate real estate broker. Respondent SARATOGA'S license expired on April 1, 2013.

3

At all times herein mentioned, Respondent AHLUWALIA was licensed by the Bureau as a real estate salesperson. Respondent AHLUWALIA'S license expired on June 5, 2012.

4

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 sections 10131 and/or 10131.1 of the Code, wherein they negotiated for compensation or in the expectation of compensation:

- (A) Loans secured directly or collaterally by liens on real property or on business opportunities as agent for another or others;
- (B) Sales or exchanges of real property sales contract or promissory notes secured directly or collaterally by liens on real property or business opportunities as agent for another or others; or
- (C) Sales or exchanges of real property sales contract or promissory notes secured directly or collaterally by liens on real property as the owners of these notes or contracts.

5

In or about 2008, Respondents advertised as a real estate corporation selling and/or brokering loans as described above in Paragraph 4 (hereinafter referred to as "hard money loans").

6

In or about November, 2008, an individual named Joseph G. viewed an advertisement on Respondents' website indicting Respondents sold and/or brokered hard money loans. Joseph G. thereafter spoke to AHLUWALIA on the telephone and, as a result of their conversation, Joseph G. agreed to invest \$25,000 with Respondents in a hard money loan. As part of the hard money loan investment agreement between Respondents and Joseph G., Respondents promised to assign Joseph G. a one half interest in a deed of trust secured by real property.

7

Joseph G. thereafter paid Respondents \$25,000 for the hard money loan investment discussed above in Paragraph 6. Joseph G. thereafter received regular interest payments of \$250 per month from Respondents.

8

On or about February, 2012, Joseph G. stopped receiving payments of \$250 per month from Respondents regarding the hard money loan investment. Joseph G. then learned that Respondents had never assigned him a one half interest in the deed of trust secured by real property as originally promised by AHLUWALIA. Rather, Respondents had retained one hundred percent interest in the deed of trust secured by real property and hid this misrepresentation from Joseph G.

9

On or about January 25, 2013, Joseph G. filed a civil action against Respondents in the Los Angeles County Superior Court, Case No. BC486595, alleging fraud and damages as a result of allegations consistent with the facts set forth above in Paragraphs 4 through 8. On or about April 24, 2013, Joseph G. obtained a \$25,000 default judgment against Respondents in the aforementioned civil action.

10

On or about November 30, 2011, a designated representative of the Real Estate Commissioner made demand, pursuant to section 10148 of the Code, that SARATOGA make available for examination, inspection and copying by the Bureau, all of SARATOGA's books and records pertaining to SARATOGA's real estate brokerage activities regarding the hard money loans.

11

In connection with the Bureau's request described above in Paragraph 10, SARATOGA failed and refused to make said records available for inspection and/or failed to retain said records in violation of section 10148 of the Code.

12

On or about December 21, 2011, SARATOGA notified the Bureau that its main office address was 301 Los Gatos-Saratoga Rd., Los Gatos, CA 95030.

13

On or about February 6, 2012, a Bureau Special Investigator drove to 301 Los Gatos-Saratoga Rd., Los Gatos, CA 95030, but was unable to locate SARATOGA. While at said location, the Bureau Special Investigator observed at the address of record for SARATOGA, a sign stating "For Lease" hanging on the window and people painting the inside of the building.

At no time from on or about December 21, 2011, to the filing of the Accusation, has the Bureau received notice from SARATOGA that SARATOGA's main office has changed from 301 Los Gatos-Saratoga Rd., Los Gatos, CA 95030.

DETERMINATION OF ISSUES

1

Cause for disciplinary action against Respondent AHLUWALIA exists with reference to the facts set out in Paragraphs 4 through 9 for violations of sections 10176(a), 10176(b), 10176(i), and 10177(j) of the Code.

2

Cause for disciplinary action against Respondent SARATOGA exists with reference to the facts set out above in Paragraphs 4 through 14 for violations of sections 10162, 10176(a), 10176(b), 10176(i), 10177(d), 10177(g) and 10177(j) of the Code and section 2715 of the Regulations.

3

The standard of proof applied was clear and convincing proof to a reasonable certainty.

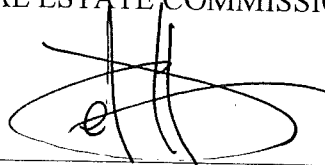
ORDER

All licenses and licensing rights of Respondents SARATOGA BANCORP and AMARJIT S. AHLUWALIA, under the provisions of Part I of Division 4 of the Code are revoked.

This Decision shall become effective at 12 o'clock noon on FEB 21 2014.

DATED: SEP 30 2013

REAL ESTATE COMMISSIONER



By: JEFFREY MASON
Chief Deputy Commissioner

Bureau of Real Estate
P. O. Box 137007
Sacramento, CA 95813-7007

Telephone: (916) 263-8670

FILED

JUL 18 2013

BUREAU OF REAL ESTATE



BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of

SARATOGA BANCORP and
AMARJIT S. AHLUWALIA,

Respondents.

No. H-11556 SF

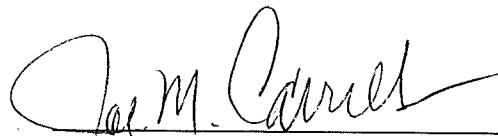
DEFAULT ORDER

Respondents SARATOGA BANCORP and AMARJIT S. AHLUWALIA, having failed to file Notices of Defense within the time required by Section 11506 of the Government Code, are now in default. It is, therefore, ordered that defaults be entered on the record in this matter.

IT IS SO ORDERED

July 18, 2013.

By:



JOE M. CARRILLO
Regional Manager