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BUREAU OF REAL ESTATE

By B. Nicholas

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

12 JOE L. VANNI,)

13 Respondent.)

NO. H-11901 SF

ACCUSATION

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15 The Complainant, ROBIN S. TANNER, in her official capacity as a Supervising
16 Special Investigator of the State of California, Bureau of Real Estate ("Bureau"), brings this
17 Accusation against JOE L. VANNI ("Respondent"), and is informed and alleges as follows:

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19 Respondent is presently licensed by the Bureau and/or has license rights under the
20 Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("the
21 Code"), as a real estate broker (Lic. # 00680141) and as a mortgage loan originator (NMLS #
22 303229).

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24 Whenever reference is made in an allegation in this Accusation to an act or omission
25 of Respondent, such allegation shall be deemed to mean that the employees, agents, real estate
26 licensees, and others employed by or associated with Respondent committed such act or omission

1 while engaged in furtherance of the business or operations of Respondent and while acting within
2 the course and scope of their authority and employment.

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4 At all times relevant herein, Respondent engaged in the business of, acted in the
5 capacity of, advertised or assumed to act as a real estate broker within the State of California within
6 the meaning of Section 10131(d) of the Code (Broker Defined – Loan Activities), including the
7 solicitation of borrowers or lenders for or negotiation of loans or collection of payments or
8 performance of services for borrowers or lenders or note owners in connection with loans secured
9 directly or collaterally by liens on real property or on a business opportunity.

10 PREVIOUS DISCIPLINARY ACTION

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12 Effective November 20, 2013, in Bureau Case No. H-11536 SF, the Real Estate
13 Commissioner (“the Commissioner”) issued a Decision suspending Respondent’s real estate broker
14 license for twenty (20) days, with a stay of execution for one (1) year upon terms and conditions,
15 for violation of Section 10177(d) (willful disregard or violation of the Real Estate Law) of the Code,
16 in conjunction with Sections 2831, 2832, 2831.2, and 2834 of Title 10 of the California Code of
17 Regulations (“the Regulations”) and Sections 10145, 10232, 10238, and 10232.25 of the Code. One
18 of the terms of the Commissioner’s Decision included that Respondent be subject to and reimburse
19 the Bureau for the cost of a follow-up audit to determine if Respondent had corrected the
20 established violations.

21 FOLLOW-UP AUDIT VIOLATIONS

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23 On or about November 19, 2014, and continuing intermittently through December 4,
24 2014, a follow-up audit was conducted of Respondent’s business activities at the Bureau’s Oakland,
25 California district office, wherein the auditor examined Respondent’s records for the period of
26 December 1, 2013, through October 31, 2014, (“the audit period”).

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While acting as a real estate broker as described in paragraph 3, above, and within the audit period, Respondent accepted or received funds in trust ("trust funds") and deposited or caused the trust funds to be deposited into bank accounts maintained by Respondent, and thereafter, from time-to-time, Respondent made disbursements of said trust funds, identified as follows:

Trust Account #1

Bank Name: Community Bank of the Bay
Account No.: Last 4 Digits: 3806
Account Name: "Joe L. Vanni REB dba HRF Servicing Trust Account"
Signatories: Respondent
Purpose: Used for loan servicing activities.

Bank Account #1

Bank Name: Community Bank of the Bay
Account No.: Last 4 Digits: 3798
Account Name: "HRF Mortgage Inc."
Signatories: Respondent and Virginia V. (unlicensed)
Purpose: Used for loan funding and payoff activities.

In the course of the real estate broker activities described in paragraph 3, above, and during the audit period, Respondent:

- (a) deposited trust funds into Bank Account #1 and failed to properly designate Bank Account #1 as a trust account in the name of Respondent, as trustee, in violation of Section 2832 of the Regulations and Section 10145 of the Code;
- (b) commingled Respondent's personal funds with trust funds in Bank Account #1 in violation of Section 10176(e) of the Code;
- (c) failed to maintain accurate and complete separate beneficiary records of trust funds held in Trust Account #1 and Bank Account #1, in violation of Section 2831.1 of the Regulations and Section 10145(g) of the Code;
- (d) permitted Virginia V., an unlicensed individual, to appear as a signatory on Bank Account #1 without obtaining adequate fidelity bond coverage at least equal to the maximum

1 amount of the trust funds to which Virginia V. had access at any time, in violation of Section 2834
2 of the Regulations; and,

3 (e) used Respondent's personal funds to advance monthly installment payments
4 to investors, and failed to notify the beneficiary within ten (10) days about the date and amount of
5 payment, the name of the person to whom the payment was made, the source of funds, and the
6 reason for making the payment, all in violation of Section 10233.1 of the Code.

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8 The acts and/or omissions of Respondent as alleged in paragraph 7, above, constitute
9 grounds for the suspension or revocation of all licenses and license rights of Respondent pursuant to
10 the following provisions of the Code and Regulations:

11 As to Paragraph 7(a), under Section 10177(d) and/or 10177(g) of the Code, in
12 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

13 As to Paragraph 7(b), under Sections 10176(e), and 10177(d) and/or 10177(g) of the
14 Code;

15 As to Paragraph 7(c), under Section 10177(d) and/or 10177(g) of the Code, in
16 conjunction with Section 2831.1 of the Regulations and Section 10145(g) of the Code;

17 As to Paragraph 7(d), under Section 10177(d) and/or 10177(g) of the Code, in
18 conjunction with Section 2834 of the Regulations; and,

19 As to Paragraph 7(f), under Section 10177(d) and/or 10177(g) of the Code, in
20 conjunction with Section 10233.1 of the Code.

21 COST RECOVERY

22 Investigation and Enforcement Costs

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24 Section 10106 of the Code provides, in pertinent part, that in any order issued in
25 resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the
26 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
27 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case..

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
2 this Accusation and that upon proof thereof, a decision be rendered revoking all licenses, license
3 rights, and mortgage loan originator endorsements of Respondent under the Real Estate Law, for
4 the cost of investigation and enforcement as permitted by law, and for such other and further relief
5 as may be proper under other provisions of law.

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9 ROBIN S. TANNER
Supervising Special Investigator

10 Dated at Oakland, California,
11 this 16th day of November, 2015.
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