

FILED

JUN 30 2016

BUREAU OF REAL ESTATE

By R. dew

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Bureau of Real Estate
4 P.O. Box 137007
5 Sacramento, CA 95813-7007

6 Telephone: (916) 263-8672
7 (916) 263-8676 (Direct)

8 Fax: (916) 263-3767

9 BEFORE THE BUREAU OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 SONOMA EQUITY LENDING)
14 CORPORATION, and JEFFERY BRIAN)
15 MAYNE)
16 Respondents.)

No. H-11983 SF

ACCUSATION

17 The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
18 State of California, for cause of Accusation against SONOMA EQUITY LENDING
19 CORPORATION and JEFFERY BRIAN MAYNE, (Respondents), is informed and alleges as
20 follows:

21 PRELIMINARY ALLEGATIONS

22 1

23 The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
24 State of California, makes this Accusation in his official capacity.

25 2

26 Respondents are presently licensed and/or have license rights under the Real
27 Estate Law, Part 1 of Division 4 of the Business and Professions Code (Code).

///

1 3

2 At all times mentioned, Respondent SONOMA EQUITY LENDING
3 CORPORATION (SELC) was and is licensed by the State of California Bureau of Real Estate
4 (Bureau) as a real estate broker corporation.

5 4

6 At all times mentioned, Respondent JEFFERY BRIAN MAYNE (MAYNE) was
7 and is licensed by the Bureau individually as a real estate broker, and as the designated broker-
8 officer of SELC. As said designated officer-broker, MAYNE was responsible pursuant to
9 Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate
10 licensees and employees of SELC for which a license is required.

11 5

12 Whenever reference is made in an allegation in this Accusation to an act or
13 omission of SELC, such allegation shall be deemed to mean that the officers, directors,
14 employees, agents and real estate licensees employed by or associated with SELC committed
15 such acts or omissions while engaged in furtherance of the business or operation of SELC and
16 while acting within the course and scope of their corporate authority and employment.

17 6

18 At all times mentioned, Respondents engaged in the business of, acted in the
19 capacity of, advertised or assumed to act as a real estate broker in the State of California within
20 the meaning of Sections 10131(d) and 10131(e) of the Code, including the operation and
21 conduct of a mortgage loan brokerage business with the public wherein Respondent solicited
22 lenders and borrowers for loans secured directly or collaterally by liens on real property or a
23 business opportunity, and wherein such loans were arranged, negotiated, processed, and
24 consummated by Respondents on behalf of others and wherein promissory notes or interests
25 therein were sold or purchased on behalf of another or others for compensation or in expectation
26 of a compensation.

27 ///

From on or about August 8, 2014 to March 13, 2015, the Bureau conducted an audit of the records of SELC. The auditor examined the records for the period of January 1, 2013, through July 31, 2014.

FIRST CAUSE OF ACTION

Each and every allegation in Paragraphs 1 through 7, inclusive, above are incorporated by this reference as if fully set forth herein.

In acting as a real estate broker, as described in Paragraph 6, Respondents accepted or received funds in trust (trust funds) from or on behalf of lenders, investors, note purchasers, borrowers, and others in connection with the servicing, solicitation, negotiation, processing, and consummation of mortgage loan investments by Respondents.

The aforesaid trust funds accepted or received by Respondents were deposited or caused to be deposited by Respondents into one or more bank accounts (trust accounts) maintained by Respondents for the handling of trust funds, including but not limited to the following:

ACCOUNT # 1	
Bank Name and Location:	Summit State Bank 500 Bicentennial Way Santa Rosa, CA 95406
Account No.:	XXXXXX6652
Entitled:	Sonoma Equity Lending Inc. Trust Account

///

///

///

///

///

ACCOUNT # 2	
Bank Name and Location:	Umpqua Bank P.O. Box 1820 Roseburg, OR 97470-4717
Account No.:	XXXX0911
Entitled:	Sonoma Equity Lending Inc. Jeff Mayne

ACCOUNT # 3	
Bank Name and Location:	Umpqua Bank P.O. Box 1820 Roseburg, OR 97470-4717
Account No.:	XXXX6074
Entitled:	Sonoma Equity Lending INC. Jeff Mayne

11

In the course of activities described in Paragraph 6, Respondents:

- (a) Caused, suffered, or permitted the balance of funds in Account #1 to be reduced to an amount which, as of June 30, 2014, was approximately \$698.70 less than the aggregate liability of Account #1 to all owners of such funds in violation of Section 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulations);
- (b) Caused, suffered, or permitted the balance of funds in Account #2 to be reduced to an amount which, as of December 31, 2013, was approximately \$44,118.75 less than the aggregate liability of Account #2 to all owners of such funds in violation of Section 10145 of the Code and Section 2832.1 of the Regulations;
- (c) Failed to deposit trust funds into one or more trust accounts in the name of Respondents as trustee at a bank or other financial institution, in conformance with Section 10145 of the Code and Section 2832 of the Regulations for each of the trust accounts identified in Paragraph 10;

- 1 (d) Failed to maintain a written control record of all trust funds received and
2 disbursed for Account #3, containing all information required by Section 2831 of
3 the Regulations;
- 4 (e) Failed to keep accurate separate records for each beneficiary or transaction,
5 accounting therein for all funds which were deposited into Account #2, containing
6 all of the information required by Section 2831.1 of the Regulations;
- 7 (f) Submitted Trust Account Review (TAR) Reports dated March 31, 2014 and
8 June 24, 2014, which were incomplete and misleading in that: (1) financial
9 statements were not included with the Independent Accountant's Report, (2) the
10 TARs were not prepared by a licensed independent public accountant, and (3) the
11 records were not properly documented and balanced as represented in the
12 Independent Accountant's Report as required under Sections 10232.2(a),
13 10232.25, and/or 10238(o) of the Code;
- 14 (g) Failed to file an amended Multi-Lender Transaction Notice (RE 860) within thirty
15 days of becoming the servicing agent for multi-lender notes, in violation of
16 Section 10238(a) of the Code;
- 17 (h) Failed to submit to the Bureau in a timely manner Quarterly Trust Account
18 Reports (Multi-Lender Transactions) (RE 852's) for the 1st quarter of 2014 and
19 the 2nd quarter of 2014, in violation of Section 10238(k)(3) of the Code;
- 20 (i) The Lender/Purchaser Disclose Statements for loans SE-0441 and SE-0463 did
21 not include all required information in violation of Section 10232.5 of the Code;
22 and
- 23 (j) The Statements of Investor Qualification present in loan SE-0441 were
24 incomplete for investors Plessas Inc. and Nelson Builders, Inc. as the statement of
25 "Net Worth" or "Adjusted Gross Income" were not marked in violation of Section
26 10238(f) of the Code.

26 ///

27 ///

The facts alleged in the First Cause of Action are grounds for the suspension or revocation of Respondents' licenses and license rights under the following sections of the Code and Regulations:

As to Paragraphs 11(a) and 11(b), under Section 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

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

As to Paragraph 11(d), under Section 10177(d) and/or 10177(g) of the Code in conjunction with Section 2831 of the Regulations;

As to Paragraph 11(e), under Section 10177(d) and/or 10177(g) of the Code in conjunction with Section 2831.1 of the Regulations;

As to Paragraph 11(f), under Section 10177(d) and/or 10177(g) of the Code in conjunction with Sections 10232.2(a), 10232.25 and/or 10238(o) of the Code;

As to Paragraph 11(g), under Section 10177(d) and/or 10177(g) of the Code in conjunction with Section 10238(a) of the Code;

As to Paragraph 11(h), under Section 10177(d) and/or 10177(g) of the Code in conjunction with Section 10238(k)(3) of the Code;

As to Paragraph 11(i), under Section 10177(d) and/or 10177(g) of the Code in conjunction with Section 10232.5 of the Code; and

As to Paragraph 11(j), under Section 10177(d) and/or 10177(g) of the Code in conjunction with Section 10238(f) of the Code.

SECOND CAUSE OF ACTION

Each and every allegation in Paragraphs 1 through 12, inclusive, is incorporated by this reference as if fully set forth herein.

///

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

14

Respondent MAYNE failed to exercise reasonable supervision over the acts of SELC in such a manner as to allow the acts and events described above to occur.

15

The acts and/or omissions of MAYNE as described in Paragraph 14, constitutes failure on the part of MAYNE, as designated broker-officer for SELC, to exercise reasonable supervision and control over the licensed activities of SELC as required by Section 10159.2 of the Code and Section 2725 of the Regulations.

16

The facts described above as to the Second Cause of Action constitute cause for the suspension or revocation of the licenses and license rights of Respondent MAYNE under Section 10177(g) and/or Section 10177(h) of the Code, and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

COST RECOVERY

17

The acts and/or omissions of Respondents as alleged above, entitle the Bureau to reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund handling violation) of the Code.

18

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, 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.

///
///
///
///

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing discipline on all
3 licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the
4 Business and Professions Code), for the cost of the investigation and enforcement of this case as
5 permitted by law, for the cost of the Bureau's audit as permitted by law, and for such other and
6 further relief as may be proper under the provisions of law.

7
8 
9 _____
10 ROBIN S. TANNER
11 Supervising Special Investigator

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
Dated at Oakland, California,
this 20th day of June, 2016