

FILED

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DEPARTMENT OF REAL ESTATE

By *By dew*

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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 BAY MOUNTAIN CORP.)
13 and STEVEN JAMES LANG,)
14 Respondents.)

No. H-12512 SF
ACCUSATION

15 The Complainant, STEPHANIE YEE, acting in her official capacity as a
16 Supervising Special Investigator of the State of California, for cause of Accusation against
17 Respondents BAY MOUNTAIN CORP. (BMC) and STEVEN JAMES LANG (LANG),
18 sometimes collectively referred to as Respondents, is informed and alleges as follows:

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

22 2

23 At all times mentioned, BMC was and is licensed by the State of California
24 Department of Real Estate (Department) as a real estate broker corporation and mortgage loan
25 originator.

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2 At all times mentioned herein, LANG was and is licensed by the Department
3 individually as a real estate broker, mortgage loan originator, and as the designated broker
4 officer of BMC. As the designated broker officer, LANG was responsible, pursuant to Section
5 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees
6 and employees of BMC for which a real estate license is required to ensure the compliance of
7 the corporation with the Real Estate Law and Regulations.

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

14
15 At all times herein mentioned, Respondents engaged in the business of, acted in
16 the capacity of, advertised, or assumed to act as real estate brokers within the State of California
17 within the meaning of Section 10131(b) of the Code, including the operation and conduct of a
18 property management business with the public wherein, on behalf of others, for compensation or
19 in expectation of compensation, Respondents leased or rented or offered to lease or rent, or
20 placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or
21 negotiated the sale, purchase or exchanges of leases on real property, or on a business
22 opportunity, or collected rents from real property, or improvements thereon, or from business
23 opportunities.

24
25 At all times herein mentioned, Respondents engaged in the business of, acted in
26 the capacity of, advertised, or assumed to act as a real estate broker within the State of
27 California within the meaning of Section 10131 (d) of the Code, including solicitation of

1 borrowers or lenders for or negotiation of loans or performance of services for borrowers or
2 lenders or note owners in connection with loans secured directly or collaterally by liens on real
3 property or on a business opportunity for or in expectation of compensation.

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5 At all times herein mentioned, Respondent engaged in the business of, acted in
6 the capacity of, advertised, or assumed to act as a mortgage loan originator within the State of
7 California within the meaning of Section 10166.01 (b) of the Code, including taking residential
8 mortgage loan applications or offering or negotiating terms of a residential mortgage loan for
9 compensation or gain.

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11 In or about June 2020, Respondents agreed to provide mortgage loan services
12 related to refinancing the loan secured by the real property located at 1818 Brommer Street,
13 Santa Cruz, CA on behalf of the owners, Ashley M. and Edmund M. (Borrowers).

14 9

15 On or about June 11, 2020, Respondents provided to Borrowers a Loan Estimate
16 on a 30 year conventional loan approved for a \$442,500 loan amount, 2.875% interest rate,
17 \$8,955 closing costs and \$5,226 lender credit. The interest rate was locked until July 1, 2020.

18 10

19 On or about June 12, 2020, Borrowers acknowledged the terms of the loan by
20 signing the June 11, 2020 Loan Estimate.

21 11

22 Due to numerous delays, Respondents obtained a five (5) day rate lock extension
23 which would expire on July 6, 2020. However, the terms of the loan had changed by increasing
24 the loan amount (\$446,000), increasing closing costs (\$9,041.86) and reducing the lender credit
25 (\$3,541.24).

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On or about June 30, 2020, Borrowers met with the notary to sign the loan documents. Upon reviewing the loan documents and noticing the changes in the loan, Borrowers immediately attempted to reach LANG. Unable to reach LANG and with the knowledge the loan could be cancelled within 3 business days, Borrowers finished signing the loan documents. Eventually, Borrowers reached LANG by telephone. Borrowers expressed their concern with the changes in the loan specifically that the lender fees had increased. Borrowers told LANG they needed to speak with him right away because it was their intention to cancel the loan.

13

On or about July 1, 2020, Borrowers informed LANG they wished to cancel the loan. In response, LANG acting through BMC, verbally promised to pay Borrowers \$2,000 out of LANG's compensation.

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On or about July 2, 2020, LANG acting through BMC, emailed Borrowers and stated, in part, "To make up for the pricing change due to delays beyond my control I will cut you a check for \$2000 from my compensation."

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In reliance upon Respondents' July 1, 2020 conversation and July 2, 2020 email, Borrowers did not cancel the loan.

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On or about July 31, 2020, LANG acting through BMC, emailed Borrowers and stated, in part,

"During our conversation while I was driving over the 4th of July holiday without being at my desk and able to reference your file, I did agree to a refund. Now that I have had a chance to carefully review all dates in your file and in light of your delays no refund will be issued.

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The acts and/or omissions described above constitute violations of Sections 10176 (a) (Substantial Misrepresentation), 10176 (b) (False Promises), (10176 (i) (Dishonest Dealings), 10177(d) (Willful Disregard of Real Estate Laws), 10177(g) (Negligence/Incompetence Licensee) and/or 10177(j) (Dishonest Dealings) of the Code.

COST RECOVERY

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 Respondents under the Real Estate Law, for the cost of the investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law.



STEPHANIE YEE
Supervising Special Investigator

Dated at Oakland, California,
this 4th day of June, 2021.

DISCOVERY DEMAND

Pursuant to Sections 11507.6, et seq. of the *Administrative Procedure Act*, the Department of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate may result in the exclusion of witnesses and documents at the hearing or other sanctions that the Office of Administrative Hearings deems appropriate.