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DEPARTMENT OF REAL ESTATE

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1 MEGAN LEE OLSEN, Counsel, (SBN 272554)
2 Department of Real Estate
3 P. O. Box 137007
4 Sacramento, CA 95813-7007

4 Telephone: (916) 576-8700
5 (916) 263-3767 (Fax)
6 (916) 576-7846 (Direct)

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

FIRST AMENDED
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).

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

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

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California within the meaning of Section 10131 (d) of the Code, including solicitation of borrowers or lenders for or negotiation of loans or performance of services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity for or in expectation of compensation.

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

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

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

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

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

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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.

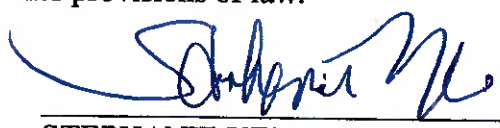
COST RECOVERY

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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

1 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
2 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the
4 allegations of this Accusation and that upon proof thereof a decision be rendered imposing
5 disciplinary action against all licenses and license rights of Respondents under the Real Estate
6 Law, for the cost of the investigation and enforcement as permitted by law, and for such other
7 and further relief as may be proper under other provisions of law.

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10 STEPHANIE YEE
11 Supervising Special Investigator

12 Dated at Oakland, California,
13 this 27th day of October, 2021.

14 DISCOVERY DEMAND

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

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