

**FILED**  
JUN 30 2009  
DEPARTMENT OF REAL ESTATE

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

By 

\* \* \* \*

|                                      |                |
|--------------------------------------|----------------|
| In the Matter of the Accusation of ) |                |
| TRUST DEED SERVICES, INC., )         | No. H-35325 LA |
| and SANDRA LEE CROUCH, )             |                |
| individually, and as )               |                |
| designated officer of )              |                |
| the corporation, )                   |                |
| Respondents. )                       |                |

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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 May 22, 2009, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

I

On September 15, 2008, Robin L. Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California.

On May 22, 2009, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents' default was entered herein.

II

TRUST DEED SERVICES, INC. and SANDRA LEE CROUCH (hereinafter referred to as "Respondents") are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as a real estate broker. Respondents previously had their broker license suspended for 60 days stayed for two years on terms and conditions as a result of the Decision in case No. H-32316 LA effective February 8, 2007.

### III

At all times herein mentioned, Respondents, on behalf of others in expectation of compensation, engaged in the business, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California within the meaning of Section 10131(d) and (e) of the Code, and broker escrow activity pursuant to Financial Code Section 17004(a)(4).

### IV

On or about June 10, 2008, the Department completed an examination of Respondent's books and records pertaining to the activities described in Paragraph III above covering a period from February 8, 2007, through April 30, 2008, which examination revealed violations of the Code and of the California Code of Regulations, Title 10, Chapter 6 (Regulations) as set forth below.

### V

The examination described in Paragraph IV above determined that in connection with the activities described in Paragraph III above Respondents accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of principals and thereafter made deposit or disbursement of such funds.

### VI

In the course of activities described in Paragraphs III and V and during the examination period described in Paragraph IV Respondents acted in violation of the Code and the Regulations as follows, and as more specifically set forth in Audit Report Nos. LA 070262 and LA 070334 and related exhibits.

1. Violated Code Section 10145(a) and Regulation 2832.1 in that as of April 30, 2008, trust account No. 05853-04913 contained a shortage of \$3,338.20. As of April 30, 2008, trust account No. 05858-06924 contained a shortage of \$10,226.53.
2. Violated Regulation 2831 in that the control record for the trust accounts was inaccurate and incomplete. The records did not indicate from whom the funds were received and the daily balance.
3. Violated Regulation 2831.1 in that the separate records maintained of all receipts and disbursements for escrow activity were inaccurate

and incomplete. Separate records were not maintained for loan servicing activity.

4. Violated Regulation 2831.2 by not performing a monthly reconciliation of the trust fund records.
5. Violated Code Sections 10232.2(a), 10238(o), and 10238(k)(3) by failing to file with the Department the Annual Report of a Review of Trust Fund Financial Statements for the year ended 2007. In addition, Respondent met the requirement for the threshold and the multi-lender criteria and failed to file such report for the years ended 2005 and 2006.
6. Violated Code Sections 10232.2(c) and 10238(p) by failing to file the Business Activity Report for the year ended 2007. In addition, Respondent met the requirement for the threshold and the multi-lender criteria and failed to file such report for the years ended 2005 and 2006.
7. Violated Code Section 10232.25 by failing to file Quarterly Threshold Reports from April 1, 2007 to March 31, 2008. Respondent failed to file such reports from April 1, 2005 to March 31, 2007.
8. Violated Code Sections 10238(k)(3) and 10238(i)(6) by failing to file Quarterly Multi-Lender Servicing Reports for 2005, 2006, and 2007.
9. Violated Code Section 10238(a) by failing to notify the Department that they met the requirements for multi-lender payments.
10. Violated Code Sections 10232.6 and 10238(h)(3) by failing to provide the lenders a copy of the appraisal report or broker's evaluation of the fair market value for the property securing the notes.
11. Violated Code Section 10238(f) by failing to maintain the lender's signed statement indicating that his investment in the loan transaction does not exceed either 10% of his net worth or 10% of his adjusted gross income.
12. Violated Regulation 2715 by failing to notify the Department by the next business day following a change of the Broker's main office address.

DETERMINATION OF ISSUES

I

Cause for disciplinary action against Respondents TRUST DEED SERVICES, INC. and SANDRA LEE CROUCH exist pursuant to Business and Professions Code Sections 10177(d) and 10177(g) for violation of Code Sections 10145(a), 10232.2(a), 10232.2(c), 10232.25, 10232.6, 10238(a), 10238(f), 10238(h)(3), 10238(i)(6), 10238(k)(3), 10238(o), 10238(p) and Regulations 2715, 2831, 2831.1, 2831.2, 2832.1.

II

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

ORDER

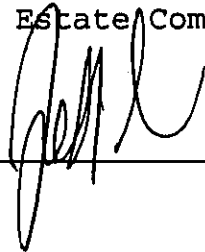
All licenses and license rights of Respondents TRUST DEED SERVICES, INC. and SANDRA LEE CROUCH under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon July 20, 2009.

DATED: \_\_\_\_\_

6-16-09

JEFF DAVI  
Real Estate Commissioner

  
\_\_\_\_\_

SAND.  
Play

1 JAMES R. PEEL, Counsel (SBN 47055)  
2 Department of Real Estate  
3 320 West Fourth Street, Suite 350  
4 Los Angeles, CA 90013-1105  
5 Telephone: (213) 576-6982  
6 -or- (213) 576-6913 (Direct)

FILED  
SEP 19 2008  
DEPARTMENT OF REAL ESTATE  
*[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-35325 LA  
12 )  
13 TRUST DEED SERVICES, INC., )  
14 and SANDRA LEE CROUCH, )  
15 individually, and as )  
16 designated officer of )  
17 the corporation, )  
18 )  
19 Respondents. )

18  
19 The Complainant, Robin L. Trujillo, a Deputy Real  
20 Estate Commissioner of the State of California, for cause of  
21 accusation against TRUST DEED SERVICES, INC.; and SANDRA LEE  
22 CROUCH, individually, and as designated officer of Trust Deed  
23 Services, Inc., alleges as follows:

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I

The Complainant, Robin L. Trujillo, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against TRUST DEED SERVICES, INC., and SANDRA LEE CROUCH.

II

TRUST DEED SERVICES, INC., and SANDRA LEE CROUCH (hereinafter referred to as "Respondents") are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter Code).

III

At all times herein mentioned, Respondent TRUST DEED SERVICES, INC. was licensed as a real estate broker with Respondent SANDRA LEE CROUCH as its designated officer. Respondents previously had their broker license suspended for 60 days-stayed for two years on terms and conditions as a result of the Decision in case No. H-32316 LA effective Feb. 8, 2007.

IV

At all times material herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California within the meaning of Section 10131(d) and (e) of the Code, and broker escrow activity under the exception set forth in Financial Code Section 17004(a)(4).

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1 V

2 On or about June 10, 2008, the Department completed an  
3 examination of Respondent TRUST DEED SERVICES, INC.'s books and  
4 records, pertaining to the activities described in Paragraph IV  
5 above, covering a period from Feb. 8, 2007, through April 30,  
6 2008, which examination revealed violations of the Code and of  
7 Title 10, Chapter 6, California Code of Regulations (hereinafter  
8 Regulations) as set forth below.

9 VI

10 The examination described in Paragraph V, above,  
11 determined that, in connection with the activities described in  
12 Paragraph IV above, Respondent TRUST DEED SERVICES, INC. accepted  
13 or received funds, including funds in trust (hereinafter "trust  
14 funds") from or on behalf of principals, and thereafter made  
15 deposit or disbursement of such funds.

16 VII

17 In the course of activities described in Paragraphs IV  
18 through VI and during the examination period described in  
19 Paragraph V, Respondents TRUST DEED SERVICES, INC., and SANDRA  
20 LEE CROUCH acted in violation of the Code and the Regulations as  
21 follows, and as more specifically set forth in Audit Report Nos.  
22 LA 070262 and LA 070334 and related exhibits:

23 1. Violated Section 10145(a) of the Code and  
24 Regulation 2832.1 in that as of April 30, 2008, trust account No.  
25 05853-04913 contained a shortage of \$3,338.20. As of April 30,  
26 2008, trust account No. 05858-06924 contained a shortage of  
27 \$10,226.53.

1           2. Violated Regulation 2831 in that the control record  
2 for the trust accounts was inaccurate and incomplete. The records  
3 did not indicate from whom the funds were received and the daily  
4 balance.

5           3. Violated Regulation 2831.1 in that the separate  
6 records maintained of all receipts and disbursements for escrow  
7 activity were inaccurate and incomplete. Separate records were  
8 not maintained for loan servicing activity.

9           4. Violated Regulation 2831.2 by not performing a  
10 monthly reconciliation of the trust fund records.

11           5. Violated Code Sections 10232.2(a), 10238(o), and  
12 10238(k)(3) by failing to file with the Department the Annual  
13 Report of a Review of Trust Fund Financial Statements for the  
14 year ended 2007. In addition, Respondent met the requirement for  
15 the threshold and the multi-lender criteria and failed to file  
16 such report for the years ended 2005 and 2006.

17           6. Violated Code Sections 10232.2(c) and 10238(p) by  
18 failing to file the Business Activity Report for the year ended  
19 2007. In addition, Respondent met the requirement for the  
20 threshold and the multi-lender criteria and failed to file such  
21 report for the years ended 2005 and 2006.

22           7. Violated Code Section 10232.25 by failing to file  
23 Quarterly Threshold Reports from April 1, 2007 to March 31, 2008.  
24 Respondent failed to file such reports from April 1, 2005 to  
25 March 31, 2007.






1 revocation pursuant to Sections 10177(d), 10177(g), and 10177(h)  
2 of the Code.

3 WHEREFORE, Complainant prays that a hearing be  
4 conducted on the allegations of this Accusation and that upon  
5 proof thereof, a decision be rendered imposing disciplinary  
6 action against all licenses and license rights of Respondents  
7 TRUST DEED SERVICES, INC.; and SANDRA LEE CROUCH, individually,  
8 and as designated officer of Trust Deed Services, Inc., under the  
9 Réal Estate Law (Part 1 of Division 4 of the Business and  
10 Professions Code) and for such other and further relief as may be  
11 proper under other applicable provisions of law.

12 Dated at Los Angeles, California  
13 this 15 day of September, 2008.

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16   
17 ROBIN L. TRUJILLO  
18 Deputy Real Estate Commissioner  
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23

24 cc: Trust Deed Services, Inc.  
25 Sandra Lee Crouch  
26 Robin L. Trujillo  
27 Audit Section  
Sacto.  
Phillip Ihde