

FILED

APR 24 2010

DEPARTMENT OF REAL ESTATE

BEFORE THE DEPARTMENT OF REAL ESTATE

K. Contreras

STATE OF CALIFORNIA

In the Matter of the Accusation of)	
)	No. H-35946 LA
<u>PEOPLE'S HOME LOAN & REALTY INC.</u> ,)	
a corporate real estate broker; and)	
SOCORRO SORIA, individually and as)	
designated officer of)	
People's Home Loan & Realty Inc.,)	
)	
<u>Respondents</u>)	

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 March 22, 2010, 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

1.

On May 11, 2009, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the Department of Real Estate, State of California ("Department").

a) On May 12, 2009, the Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, return receipt requested, to Respondent PEOPLE'S HOME LOAN & REALTY INC. at its main office and mailing address at 2515 West Woodland Drive, Anaheim, CA 92801. This mailing was signed for on May 28, 2009.

b) On June 12, 2009, the Department received a Notice of Defense from Respondent PEOPLE'S HOME LOAN & REALTY INC., signed by corporate secretary Esther De Leon. On June 22, 2009, the Department received a Notice of Defense from Respondent SOCORRO SORIA, designated broker-officer of PEOPLE'S HOME LOAN & REALTY INC. Respondents requested that a hearing be set.

Respondents requested that a hearing be set.

c) On December 2, 2009, Esther De Leon withdrew the Notice of Defense she had submitted on behalf of Respondent PEOPLE'S HOME LOAN & REALTY. No further Notice of Defense had been received from the corporation.

d) The Notice of Defense having been withdrawn and no further Notice of Defense or communications from PEOPLE'S HOME LOAN & REALTY having been received, Respondent PEOPLE'S HOME LOAN & REALTY's default was entered herein on March 22, 2010.

2.

Respondent PEOPLE'S HOME LOAN & REALTY INC. ("PHLR"), is licensed under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code") as a corporate real estate broker. Between August 21, 2003 and January 31, 2008, and from March 21, 2008 through August 17, 2009, Respondent PHLR was authorized to act by and through SOCORRO SORIA as its broker-officer designated pursuant to Code Section 10159.2 to be responsible for the supervision and control of the activities conducted on behalf of Respondent by its officers, agents and employees to ensure compliance with the Real Estate Law. Respondent SORIA resigned from her position as designated broker-officer of PHLR on August 17, 2009, and Respondent PHLR has not been broker affiliated since that time.

3.

Respondent SOCORRO SORIA ("SORIA") is licensed by the Department as a real estate broker. Respondent SORIA has been licensed by the Department since 1993. At all times relevant herein, she was the broker-officer designated pursuant to Code Section 10159.2 to be responsible for ensuring PHLR's compliance with the Real Estate Law. On or about December 7, 2009, Respondent SORIA petitioned the Department to voluntarily surrender her real estate license.

4.

At all times relevant herein, Jaime Aviles was the corporate president of PHLR. Aviles was licensed by the Department as a restricted real estate broker. Aviles died on October 28, 2009.

5.

At all times material herein, Respondent PHLR, for or in expectation of compensation, 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 Code Sections 10131 (a) and (d). Said activities included the operation and conduct of a real estate sales and mortgage lending business with the public wherein Respondent. represented purchasers, sellers, borrowers and/or lenders, in connection with the sale of real property and/or loans secured directly or collaterally by liens

on real property.

6.

All further reference to "Respondents" include the parties listed in Findings 2 and 3 above, as well as the officers, agents and employees of the parties listed in Findings 2 and 3 above.

7.

During the period between January 1, 2006 and March 31, 2008, in connection with the aforesaid real estate mortgage loan activities, Respondents accepted or received funds, including funds in trust ("trust funds") from or on behalf of actual an prospective purchasers, sellers, lenders and borrowers on loans secured by real property and made deposits and/or disbursements of such funds. From time to time herein mentioned, said trust funds were deposited into accounts maintained by Respondents, identified as follows:

A. Account No. 26483453, entitled, "People's Home Loan & Realty Inc. Escrow Division/Trust Account" (hereinafter referred to as "Trust Account 1" or "T/A 1"), maintained at 1st Centennial Bank, 10 Pointe Drive, Suite 130, Brea CA, 92821. During the audit period, this account was maintained for the receipts and disbursements of trust funds received in connection with Respondents' escrow activity. There were three signatories on this account: Jaime Aviles, Marilyn Joy Aviles (unlicensed), and Esther De Leon (unlicensed). One signature was required to make disbursements and withdrawals.

B. Account No. 08945-05273, entitled, "People's Home Loan & Realty Inc. Escrow Division/Trust Account (hereinafter referred to as "Trust Account 2"), maintained at Bank of America, P.O. Box 37176, San Francisco, CA 94137. This trust account was maintained for receipts and disbursements of trust funds received in connection Respondents' escrow activity. Trust Account 2 had no activity since September 2006, and was closed on June 29, 2007.

8.

On or about June 26, 2008, the Department completed its examination of Respondent PHLR's books and records pertaining to the real estate sales, mortgage loan, and broker escrow activities described in Finding 5 above, covering a period from January 1, 2006 to March 31, 2008. The primary purpose of the examination was to determine Respondent PHLR's compliance with the Real Estate Law. The examination, Audit Nos. LA 070328, LA 070330, and LA 070331, revealed violations of the Code, and of Title 10, Chapter 6, California Code of Regulations (hereinafter "Regulations"), as set forth below and as more specifically set forth in the Audit Report and Exhibits attached thereto.

///

///

///

In the course of activities described in Findings 5 and 7 above, and during the examination period described in Finding 8, Respondents acted in violation of the Code and the Regulations in that:

a) There was a shortage in T/A 1 of \$5,973 as of March 31, 2008. The shortage was due to bank charges of \$31.00 and a negative balance of escrow accounts totaling \$5,942.36. There were also unidentified and/or unaccounted for funds in the trust account, totaling \$8,324.53. There was no evidence in the files that the owners of the trust funds had given consent to allow the balance of funds to reduce to an amount less than the aggregate trust fund liabilities. The shortage and unidentified overage was in violation of Code Section 10145 and Regulations 2832.1, 2950(d) and 2951.

b) The control record maintained for T/A 1 of all the receipts and disbursements of trust funds in connection with the broker escrow activity was inaccurate and incomplete. Some receipts were deposited into T/A 1, but not recorded on the receipt report. Some receipts were recorded on the receipt report but were not deposited into T/A 1. Some disbursements from T/A 1 were paid by the bank but not reported on the control record (check report). Some checks were recorded on the check report as voided checks, but were paid by the bank. Respondents failed to maintain a columnar record for the appraisal fees that were collected. In addition, the columnar record of trust funds received and not placed in the brokers trust account in connection with the sales activity was incomplete. In two sampled transactions, earnest money deposits received were not recorded. Failure to properly maintain control records was in violation of Code Section 10145 and Regulations 2831, 2950(d) and 2951.

c) Respondents' separate records of receipts and disbursements of trust funds in connection with the broker escrow activity were incomplete and inaccurate. Some of the receipts were deposited into T/A 1 but not recorded on the separate records. Some receipts were recorded on the separate records but not deposited into T/A 1. Some disbursements from T/A 1 were paid by the bank but were not recorded on the separate records, and some checks were recorded on the separate records as voided checks but were paid by the bank. In addition, Respondents failed to maintain a separate record for each loan transaction for the appraisal fees that were collected along with Respondents' fees and commissions from the escrow companies. Failure to maintain proper separate records for each beneficiary or transaction was in violation of Code Section 10145 and Regulation 2831.1, 2950(d) and 2951.

d) Respondents did not maintain a monthly reconciliation of receipts and disbursements of trust funds, or of separate records to the control record in violation of Code Section 10145 and Regulation 2831.2, 2950(d) and 2951.

e) Respondents collected appraisal fees (trust funds) from lenders on behalf of the borrowers and did not deposit such funds into a trust account. In some cases, these fees were never paid to the appraisal companies. In addition, Respondents held earnest money deposits from purchasers for more than three business days following the acceptance of an offer without

the written authorization of the principals. These trust funds were mishandled in violation of Code Section 10145 and Regulations 2832, 2950(d) and 2951.

f) Respondents allowed two unlicensed employees, Marilyn Joy Aviles and Esther De Leon, to be signatories on Trust Account 1 without fidelity bond coverage, and the designated broker, Respondent SORIA, was not a signatory on the account. This was in violation of Code Section 10145 and Regulation 2834, 2950(d) and 2951.

g) On December 28, 2006, Respondents transferred escrow funds in the amount of \$8,000.00 from T/A 1 to a General Account (Account No. 26483875). On January 2, 2007, Respondents transferred the same amount back into T/A 1 from another General Account (Account No. 26483461). This commingling of trust funds with broker controlled funds in the general accounts constitutes commingling, in violation of Code Section 10176(e) and Regulations 2835, 2950(d) and 2951.

h) In six out of fifteen files examined during the audit, Respondents failed to advise all parties in writing of their ownership interest in the escrow division when the escrow instructions were provided, in violation of Regulation 2950(h) and Code Sections 10176(i), 10177(d) and/or 10177(g).

i) Respondents used the unlicensed fictitious business names "Peoples Home Loan," in connection with the broker escrow activity and "Peoples Home Loan & Realty," in connection with the mortgage loan broker and sales activities during the audit period without first obtaining a license from the Department bearing the fictitious names. This was in violation of Code Section 10159.5 and Regulation 2731.

j) In eight out of sixteen files examined, Respondents did not disclose the yield spread premium/rebate paid by the lender on the Mortgage Loan Disclosure Statements. In addition, some of the files examined did not contain a completed DRE approved Mortgage Loan Disclosure Statement as signed by the broker and/or her representative, in violation of Code Section 10240(a) and Regulation 2840.

k) Respondents did not disclose the corporate real estate license number when the mortgage loan disclosure statements were provided to borrowers in any of the sixteen sampled files, in violation of Code Section 10236.4.

l) Between February 1, 2008 and March 21, 2008, Respondent PHLR conducted real estate transactions when it had no active broker-officer of record, in violation of Code Section 10130 and 2740.

m) Respondents failed to retain the original license certificates of eight salesperson at its main business office, in violation of Code Section 10160 and Regulation 2753.

n) Respondents employed an unlicensed agent, Brandon Rodriguez, to perform activities requiring a real estate license, including negotiating a loan on behalf of borrower Benevides. This was in violation of Code Section 10137.

o) Respondent SORIA failed to exercise adequate supervision of the activities of PHLR, and failed to ensure compliance with the Real Estate Laws, in violation of Code Sections 10177(h) and 10159.2 and Regulation 2725.

10.

The conduct, acts and/or omissions of Respondent PHLR, as described in Paragraph 9, above, violated the Code and Regulations in the following ways:

FINDING OF FACT

PROVISIONS VIOLATED

- | | |
|-------|---|
| 9 (a) | Code Section 10145 and Regulations 2832.1, 2950(d) and 2951. |
| 9 (b) | Code Sections 10145 and Regulations 2831 and 2950(d) and 2951. |
| 9 (c) | Code Section 10145 and Regulations 2831.1, 2950(d) and 2951. |
| 9 (d) | Code Section 10145 and Regulations 2831.2, 2950(d) and 2951. |
| 9 (e) | Code Section 10145 and Regulations 2832, 2950(d) and 2951. |
| 9 (f) | Code Section 10145 and Regulation 2834, 2950(d) and 2951. |
| 9 (g) | Code Section 10176(e) and Regulations 2835, 2950(d) and 2951. |
| 9 (h) | Code Sections 10176(i), 10177(d), and 10177(g), and Regulation 2950(h). |
| 9 (i) | Code Section 10159.5 and Regulation 2731. |
| 9 (j) | Code Section 10240(a) and Regulation 2840. |
| 9 (k) | Code Section 10236.4. |
| 9 (l) | Code Section 10130 and Regulation 2740. |
| 9 (m) | Code Section 10160 and Regulation 2753. |
| 9 (n) | Code Section 10137. |

9 (o)

Code Sections 10177(h) and 10159.2 and
Regulation 2725.

DETERMINATION OF ISSUES

1.

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

2.

The violations set forth above constitute cause for the suspension or revocation of the real estate license and license rights of Respondent PEOPLE'S HOME LOAN & REALTY INC. under the provisions of Code Sections 10145, 10130, 10137, 10159.5, 10160, 10177(d), 10176(e), 10176(i), 10177(g), 10236.4, in conjunction with Regulations 2731, 2740, 2753, 2831, 2831.1, 2831.2, 2832, 2832.1, 2834, 2835, 2840, 2950(d), 2950(h), and 2951.

ORDER

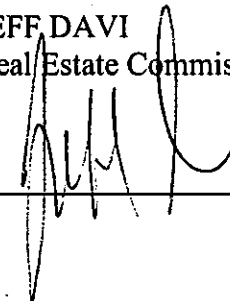
All licenses and license rights of Respondent PEOPLE'S HOME LOAN & REALTY INC. under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on May 14, 2010 .

DATED: _____

3/29/2010

JEFF DAVI
Real Estate Commissioner



FILED

Department of Real Estate
320 West Fourth Street, Suite 350
Los Angeles, CA 90013

MAR 22 2010

(213) 576-6982

DEPARTMENT OF REAL ESTATE
BY: Jane B. Olson

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	NO. H-35946 LA
PEOPLE'S HOME LOAN & REALTY INC.,)	<u>DEFAULT ORDER</u>
a corporate real estate broker;)	
and SOCORRO SORIA, individually)	
and as designated officer of)	
People's Home Loan & Realty, Inc.,)	
Respondents.)	

Respondent PEOPLE'S HOME LOAN & REALTY INC., having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED

JEFF DAVI

Real Estate Commissioner

By:

Dolores Weeks
DOLORES WEEKS

Regional Manager

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

FILED

APR 24 2010

DEPARTMENT OF REAL ESTATE

By K. Contreras

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-35946 LA
)	L-2009070518
PEOPLE'S HOME LOAN & REALTY, INC.,)	
a corporate real estate broker;)	
and SOCORRO SORIA, individually)	
and as designated officer of)	
People's Home Loan & Realty,)	
Inc.)	
)	
Respondents.)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On May 11, 2009, an Accusation was filed in this matter against Respondent SOCORRO SORIA.

On December 7, 2009, Respondent petitioned the Commissioner to voluntarily surrender her real estate broker license(s) pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent SOCORRO SORIA's petition for voluntary surrender of her real estate broker license(s) is accepted as of the effective date of this Order as

1 set forth below, based upon the understanding and agreement
2 expressed in Respondent's Declaration dated December 7, 2009
3 (attached as Exhibit "A" hereto). Respondent's license
4 certificate(s), pocket card(s) and any branch office license
5 certificate(s) shall be sent to the below listed address so that
6 they reach the Department on or before the effective date of this
7 Order:

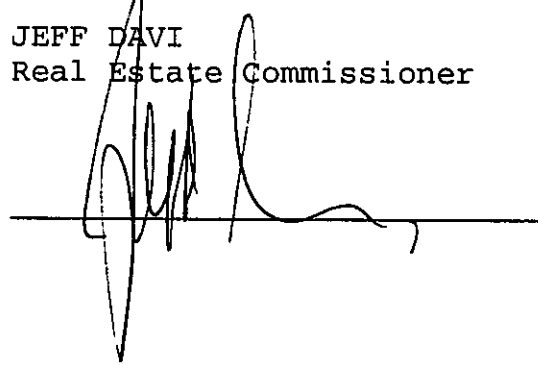
8
9 DEPARTMENT OF REAL ESTATE
10 Attn: Licensing Flag Section
11 P. O. Box 187000
12 Sacramento, CA 95818-7000

13 This Order shall become effective at 12 o'clock noon

14 on May 14, 2010

15 DATED: 3/29/20

16 JEFF DAVI
17 Real Estate Commissioner

18 
19
20
21
22
23
24
25
26
27

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

Ex. "A"

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

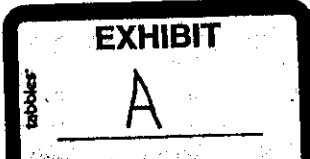
* * *

In the Matter of the Accusation of)	No. H-35946 LA
)	
PEOPLE'S HOME LOAN &)	L-2009070518
REALTY, INC., a corporate real)	
Estate broker; and)	
<u>SOCORRO SORIA</u> , individually and)	
As designated officer of)	
People's Home Loan & Realty, Inc.;)	
)	
Respondents.)	

DECLARATION

My name is SOCORRO SORIA, and I am currently licensed as a real estate broker and/or have license rights with respect to said license. I am representing myself in this matter.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code), I wish to voluntarily surrender my real estate license issued by the Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.



1 I understand that by so voluntarily surrendering my
2 license, I may be relicensed as a broker or as a salesperson
3 only by petitioning for reinstatement pursuant to Section 11522
4 of the Government Code. I also understand that by so
5 voluntarily surrendering my license(s), I agree to the
6 following:

7 1. The filing of this Declaration shall be deemed as
8 my petition for voluntary surrender.

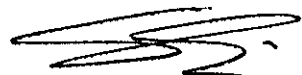
9 2. It shall also be deemed to be an understanding
10 and agreement by me that I waive all rights I have to require
11 the Commissioner to prove the allegations contained in the
12 Accusation filed in this matter at a hearing held in accordance
13 with the provisions of the Administrative Procedure Act
14 (Government Code Sections 11400 et seq.), and that I also waive
15 other rights afforded to me in connection with the hearing such
16 as the right to discovery, the right to present evidence in
17 defense of the allegations in the Accusation and the right to
18 cross-examine witnesses.

19 3. I further agree that upon acceptance by the
20 Commissioner, as evidenced by an appropriate order, all
21 affidavits and all relevant evidence obtained by the Department
22 in this matter prior to the Commissioner's acceptance, and all
23 allegations contained in the Accusation filed in the Department
24 Case No. H-35946 LA may be considered by the Department to be
25 true and correct for the purpose of deciding whether to grant
26 relicensure or reinstatement pursuant to Government Code Section
27 11522.

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

4. I freely and voluntarily surrender all my licenses and license rights under the Real Estate Law.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this declaration was executed Dec. 7, 2009, at Los Angeles, California.



SOCORRO SORIA

*Sacto
Jag*

MARTHA J. ROSETT, Counsel (SBN 142072)
Department of Real Estate
320 West Fourth St. #350
Los Angeles, CA 90013

FILED
MAY 11 2009
DEPARTMENT OF REAL ESTATE

James B. Dem

(213) 576-6982
(213) 620-6430

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-35946 LA
PEOPLE'S HOME LOAN & REALTY INC.,)	<u>A C C U S A T I O N</u>
a corporate real estate broker;)	
and SOCORRO SORIA, individually)	
and as designated officer of)	
People's Home Loan & Realty Inc.,)	
Respondents.)	

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner, for cause of Accusation against PEOPLE'S HOME LOAN & REALTY INC.; and SOCORRO SORIA, is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

///

2.

1
2 Respondent PEOPLE'S HOME LOAN & REALTY INC. ("PEOPLE'S
3 HOME LOAN"), was and still is licensed under the Real Estate Law
4 (Part 1 of Division 4 of the Business and Professions Code) as a
5 corporate real estate broker. Respondent PEOPLE'S HOME LOAN was
6 originally licensed by the Department of Real Estate
7 ("Department") as a corporate real estate broker on or about
8 January 31, 2001. At all times relevant herein, Respondent
9 PEOPLE'S HOME LOAN was and is authorized to act by and through
10 Respondent SOCORRO SORIA as its broker designated pursuant to
11 Business and Professions Code (hereinafter "Code") Section
12 10159.2 to be responsible for ensuring compliance with the Real
13 Estate Law.

3.

14
15 Respondent SOCORRO SORIA ("SORIA") is licensed as a
16 real estate broker. Respondent SORIA was first licensed as a
17 real estate broker on or about January 12, 1993. At all times
18 relevant herein, Respondent SORIA was and continues to be the
19 designated broker-officer of Respondent PEOPLE'S HOME LOAN.

4.

20
21
22 Jaime Aviles is licensed by the Department as a
23 restricted real estate broker. Aviles was first licensed as a
24 real estate broker on or about April 10, 1990. His broker
25 license was revoked and a restricted broker license was granted
26 on or about April 1, 1997, pursuant to the Commissioner's Order
27

1 in Department Case No. H-26338 LA. Aviles' broker license
2 remains restricted. Aviles is the corporate president of
3 PEOPLE'S HOME LOAN. At all times relevant herein, Aviles has
4 owned or controlled more than 10% of Respondent PEOPLE'S HOME
5 LOAN stock.

6 5.

7 At all times material herein, Respondents PEOPLE'S HOME
8 LOAN and SORIA engaged in the business of, acted in the capacity
9 of, advertised or assumed to act as real estate brokers in the
10 State of California, within the meaning of Code Sections 10131(a)
11 and (d), for or in expectation of compensation. Said activity
12 included representing sellers and purchasers of residential real
13 property, representing borrowers and lenders of loans secured by
14 real property, and performing loan servicing and escrow
15 activities in relation to those loans pursuant to the exemption
16 set forth in Financial Code Section 17006(a)(4).
17

18 6.

19 All further references to "Respondents" include the
20 parties listed in Paragraphs 2 and 3 above, as well as the
21 officers, agents and employees of the parties listed in
22 Paragraphs 2 and 3 above.

23 (Audit Nos. LA 070328; 070330; 070331)

24 7.

25 During the period between January 1, 2006 and March 31,
26 2008, in connection with the aforesaid real estate mortgage loan
27

1 activities, Respondents accepted or received funds, including
2 funds in trust (hereinafter "trust funds"), from or on behalf of
3 actual and prospective purchasers, sellers, lenders and borrowers
4 on loans secured by real property, and made deposits and/or
5 disbursements of such funds. From time to time herein mentioned,
6 said trust funds were deposited into accounts maintained by
7 Respondents, identified as follows:

8 A. Account No. 26483453, entitled, "People's Home Loan
9 & Realty Inc. Escrow Division/Trust Account" (hereinafter
10 referred to as "Trust Account 1" or "T/A 1"), maintained at 1st
11 Centennial Bank, 10 Pointe Drive, Suite 130, Brea CA, 92821.
12 During the audit period, this account was maintained for the
13 receipts and disbursements of trust funds received in connection
14 with Respondents' escrow activity. There were three signatories
15 on this account: Jaime Aviles, Marilyn Joy Aviles (unlicensed),
16 and Esther De Leon (unlicensed). One signature was required to
17 make disbursements and withdrawals.
18

19 B. Account No. 08945-05273, entitled, "People's Home
20 Loan & Realty Inc. Escrow Division/Trust Account (hereinafter
21 referred to as "Trust Account 2"), maintained at Bank of America,
22 P.O. Box 37176, San Francisco, CA 94137. This trust account was
23 maintained for receipts and disbursements of trust funds received
24 in connection Respondents' escrow activity. Trust Account 2 had
25 no activity since September 2006, and was closed on June 29,
26 2007. (The Department was unable to determine signatories.)
27

8.

1
2 On or about June 26, 2008, the Department completed its
3 examination of Respondent PEOPLE'S HOME LOAN's books and records
4 pertaining to the real estate sales, mortgage loan, and broker
5 escrow activities described in Paragraph 5 above, covering a
6 period from January 1, 2006 to March 31, 2008. The primary
7 purpose of the examination was to determine Respondent's
8 compliance with the Real Estate Law. The examination, Audit Nos.
9 LA 070328, LA 070330, and LA 070331, revealed violations of the
10 Code, and of Title 10, Chapter 6, California Code of Regulations
11 (hereinafter "Regulations"), as set forth below and as more
12 specifically set forth in the Audit Report and Exhibits attached
13 thereto.

9.

14
15 In the course of activities described in Paragraphs 5
16 and 7 above, and during the examination period described in
17 Paragraph 8, Respondents acted in violation of the Code and the
18 Regulations in that:
19

20 a) There was a shortage in T/A 1 of \$5,973 as of March
21 31, 2008. The shortage was due to bank charges of \$31.00 and a
22 negative balance of escrow accounts totaling \$5,942.36. There
23 were also unidentified and/or unaccounted for funds in the trust
24 account, totaling \$8,324.53. There was no evidence in the files
25 that the owners of the trust funds had given consent to allow the
26 balance of funds to reduce to an amount less than the aggregate
27

1 trust fund liabilities. The shortage and unidentified overage
2 was in violation of Code Section 10145 and Regulations 2832.1,
3 2950(d) and 2951.

4 b) The control record maintained for T/A 1 of all the
5 receipts and disbursements of trust funds in connection with the
6 broker escrow activity was inaccurate and incomplete. Some
7 receipts were deposited into T/A 1, but not recorded on the
8 receipt report. Some receipts were recorded on the receipt
9 report but were not deposited into T/A 1. Some disbursements
10 from T/A 1 were paid by the bank but not reported on the control
11 record (check report). Some checks were recorded on the check
12 report as voided checks, but were paid by the bank. Respondents
13 failed to maintain a columnar record for the appraisal fees that
14 were collected. In addition, the columnar record fro trust funds
15 received and not placed in the brokers trust account in
16 connection with the sales activity was incomplete. In two
17 sampled transactions, earnest money deposits receive were not
18 recorded. Failure to properly maintain control records was in
19 violation of Code Section 10145 and Regulations 2831, 2950(d) and
20 2951.
21

22 c) Respondents' separate records of receipts and
23 disbursements of trust funds in connection with the broker escrow
24 activity were incomplete and inaccurate. Some of the receipts
25 were deposited into T/A 1 but not recorded on the separate
26 records. Some receipts were recorded on the separate records but
27

1 not deposited into T/A 1. Some disbursements from T/A 1 were
2 paid by the bank but were not recorded on the separate records,
3 and some checks were recorded on the separate records as voided
4 checks but were paid by the bank. In addition, Respondents
5 failed to maintain a separate record for each loan transaction
6 for the appraisal fees that were collected along with
7 Respondents' fees and commissions from the escrow companies.
8 Failure to maintain proper separate records for each beneficiary
9 or transaction was in violation of Code Section 10145 and
10 Regulation 2831.1, 2950(d) and 2951.

11 d) Respondents did not maintain a monthly
12 reconciliation of receipts and disbursements of trust funds, or
13 of separate records to the control record in violation of Code
14 Section 10145 and Regulation 2831.2, 2950(d) and 2951.

15 e) Respondents collected appraisal fees (trust funds)
16 from lenders on behalf of the borrowers and did not deposit such
17 funds into a trust account. In some cases, these fees were never
18 paid to the appraisal companies. In addition, Respondents held
19 earnest money deposits from purchasers for more than three
20 business days following the acceptance of an offer without the
21 written authorization of the principals. These trust funds were
22 mishandled in violation of Code Section 10145 and Regulations
23 2832, 2950(d) and 2951.

24 f) Respondents allowed two unlicensed employees,
25 Marilyn Joy Aviles and Esther De Leon, to be signatories on Trust
26
27

1 Account 1 without fidelity bond coverage, and the designated
2 broker, Respondent SORIA, was not a signatory on the account.
3 This was in violation of Code Section 10145 and Regulation 2834,
4 2950(d) and 2951.

5 g) On December 28, 2006, Respondents transferred
6 escrow funds in the amount of \$8,000.00 from T/A 1 to a General
7 Account (Account No. 26483875). On January 2, 2007, Respondents
8 transferred the same amount back into T/A 1 from another General
9 Account (Account No. 26483461). This commingling of trust funds
10 with broker controlled funds in the general accounts constitutes
11 commingling, in violation of Code Section 10176(e) and
12 Regulations 2835, 2950(d) and 2951.

13 h) In six out of fifteen files examined during the
14 audit, Respondents failed to advise all parties in writing of
15 their ownership interest in the escrow division when the escrow
16 instructions were provided, in violation of Regulation 2950(h)
17 and Code Sections 10176(i), 10177(d) and/or 10177(g).

18 i) Respondents used the unlicensed fictitious business
19 names "Peoples Home Loan," in connection with the broker escrow
20 activity and "Peoples Home Loan & Realty," in connection with the
21 mortgage loan broker and sales activities during the audit period
22 without first obtaining a license from the Department bearing the
23 fictitious names. This was in violation of Code Section 10159.5
24 and Regulation 2731.

25
26 j) In eight out of sixteen files examined, Respondents
27

1 did not disclose the yield spread premium/rebate paid by the
2 lender on the Mortgage Loan Disclosure Statements. In addition,
3 some of the files examined did not contain a completed DRE
4 approved Mortgage Loan Disclosure Statement as signed by the
5 broker and/or her representative, in violation of Code Section
6 10240(a) and Regulation 2840.

7 k) Respondents did not disclose the corporate real
8 estate license number when the mortgage loan disclose statements
9 were provided to borrowers in any of the sixteen sampled files,
10 in violation of Code Section 10236.4.

11 l) Between February 1, 2008 and March 21, 2008,
12 Respondent PEOPLE'S HOME LOAN conducted real estate transactions
13 when it had no active broker-officer of record, in violation of
14 Code Section 10130 and 2740.

15 m) Respondents failed to retain the original license
16 certificates of eight salesperson at its main business office, in
17 violation of Code Section 10160 and Regulation 2753.

18 n) Respondents employed an unlicensed agent, Brandon
19 Rodriguez, to perform activities requiring a real estate license,
20 including negotiating a loan on behalf of borrower Benevides.
21 This was in violation of Code Section 10137.

22 o) Respondent SORIA failed to exercise adequate
23 supervision of the activities of PEOPLE'S HOME LOAN and failed to
24 ensure compliance with the Real Estate Laws, in violation of Code
25 Sections 10177(h) and 10159.2 and Regulation 2725.
26
27

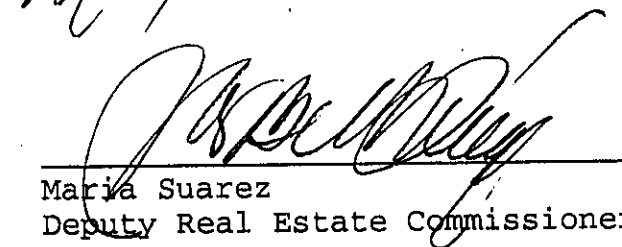
1 The conduct, acts and/or omissions of Respondent
 2 PEOPLE'S HOME LOAN and SORIA, as described in Paragraph 27,
 3 above, violated the Code and Regulations in the following ways:
 4

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
9 (a)	Code Section 10145 and Regulations 2832.1, 2950(d) and 2951.
9 (b)	Code Sections 10145 and Regulations 2831 and 2950(d) and 2951.
9 (c)	Code Section 10145 and Regulations 2831.1, 2950(d) and 2951.
9 (d)	Code Section 10145 and Regulations 2831.2, 2950(d) and 2951.
9 (e)	Code Section 10145 and Regulations 2832, 2950(d) and 2951.
9 (f)	Code Section 10145 and Regulation 2834, 2950(d) and 2951.
9 (g)	Code Sections 10176(e) and 10145, and Regulations 2835, 2950(d) and 2951.
9 (h)	Code Sections 10176(i), 10177(d), and 10177(g), and Regulation 2950(h).
9 (i)	Code Section 10159.5 and Regulation 2731.
9 (j)	Code Section 10240(a) and Regulation 2840.
9 (k)	Code Section 10236.4.

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondents
5 PEOPLES HOME LOAN & REALTY INC. and SOCORRO SORIA under the Real
6 Estate Law and for such other and further relief as may be proper
7 under other applicable provisions of law.

8 Dated at Los Angeles, California

9 this 14 day of May, 2009.

10
11
12
13 
14 Maria Suarez
15 Deputy Real Estate Commissioner
16
17
18
19
20

21 cc: Peoples Home Loan & Realty, Inc.
22 Socorro Soria
23 Maria Suarez
24 Sacto.
25 Audits
26
27