

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 23, 2011, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents FUNDING HOME LOANS INC., QUEST HOME LOANS INC., REAL ESTATE VISION INC., OSCAR VASQUEZ's, and RUEBEN R. ZAMUDIO's express admissions; (2) affidavits; and (3) other evidence.

FACTUAL FINDINGS

1.

On November 15, 2010, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondents FUNDING HOME LOANS INC., QUEST HOME LOANS INC., REAL ESTATE VISION INC., OSCAR VASQUEZ, and RUEBEN R. ZAMUDIO. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, to Respondents' last known mailing addresses on file with the Department on November 18, 2010 and by regular mail on December 14, 2010 and January 26, 2011.

2.

On March 23, 2011, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents FUNDING HOME LOANS INC.'s, QUEST HOME LOANS INC.'s, and REAL ESTATE VISION INC.'s default was entered herein.

3.

A. At all times mentioned, FUNDING HOME LOANS INC. ("FHLI") was licensed or had license rights issued by the Department of Real Estate ("Department") as a corporate real estate broker. On November 9, 2007, FHLI was originally licensed as a corporate real estate broker.

B. At all times mentioned, RUEBEN R. ZAMUDIO ("ZAMUDIO") was licensed or had license rights issued by the Department as a real estate broker. On April 18, 2002, ZAMUDIO was originally licensed as a real estate broker.

C. At all times mentioned, OSCAR VASQUEZ ("VASQUEZ") was licensed or had license rights issued by the Department as a real estate broker. On May 26, 2006, VASQUEZ was originally licensed as a real estate broker.

D. At all times material herein, FHLI was licensed by the Department as a corporate real estate broker by and through ZAMUDIO and formerly through VASQUEZ, as the designated officer and formerly designated officer and brokers responsible, pursuant to Code Sections 10159.2 and 10211 of the Business and Professions Code ("Code") for supervising the activities requiring a real estate license conducted on behalf FHLI of by FHLI's officers, agents and employees, including ZAMUDIO and VASQUEZ.

E. FHLI is owned by OSCAR VASQUEZ.

F. ZAMUDIO was a designated officer of FHLI from June 27, 2008 to August 23, 2010. VASQUEZ was a designated officer of FHLI from December 1, 2007 to July 23, 2007.

Mortgage and Loan Broker Audit
(FHLI)

4.

At all times mentioned, in City of Oxnard, County of Ventura, FHLI, ZAMUDIO, and VASQUEZ acted as real estate brokers within the meaning of:

A. Code Section 10131(d). Respondents operated a mortgage and loan brokerage dba Quest Mortgage, and engaged in activities with the public where lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, solicited, negotiated, processed and consummated on behalf of others for compensation or in expectation of compensation and for fees often collection in advance.

5.

On February 26, 2010, the Department completed an audit of the books and records of FHLI pertaining to the mortgage and loan activities described in Finding 4 that require a real estate license. The audit covered a period of time beginning on December 1, 2007 to October 31, 2009. The audit examination revealed violations of the Code and the Regulations as set forth in the following Findings and more fully discussed in Audit Report LA 090118 and the exhibits and work papers attached to said audit report.

6.

FHLI did not maintain a trust account during the audit period. ZAMUDIO and VASQUEZ requested a hearing.

7.

In the course of activities described in Finding 4 above and during the examination period described in Finding 5, Respondent FHLI acted in violation of the Code and the Regulations in that FHLI:

(a) Mixed and commingled trust funds by depositing trust funds in the form of credit report and appraisal fees received at the close of escrow into FHLI's general operating account, in violation of Code Section 10145, 10176(e), and/or 10177(g) and Regulation 2832(a).

(b) Failed to maintain a control record in the form of columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", in violation of Code Section 10145 and Regulation 2831. FHLI did not maintain a columnar record for transactions where FHLI collected credit report fees and/or appraisal fees along with real estate commission fees earned at the close of escrow.

(c) Failed to maintain an accurate and complete separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited, and disbursed, in violation of Code Section 10145 and Regulation 2831.1. FHLI did not maintain a separate record for transactions where FHLI

collected credit report fees and/or appraisal fees along with real estate commission fees earned at the close of escrow.

(d) Permitted and/or caused the disbursement of trust funds to credit report companies on the representation that these amounts were needed to pay for credit report fees, which payments exceeded the actual costs of these services. FHLI and ZAMUDIO did not disclose these "mark-ups" to borrowers Arana and Barriga of said trust funds, nor obtained their consent to these "mark-ups". Respondents FHLI and ZAMUDIO retained the difference between the amounts paid and the actual costs of the service, in violation of Code Sections 10176(a) and 10176(g).

(e) Failed to retain a true and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrowers David/Maricela Arana and Barriga, Garcia/Terrazas, Lopez, Cardenas, Gonzalez and Robles. The Mortgage Loan Disclosure Statement for these borrowers failed to set forth all applicable disclosures including but not limited to (1) the anticipated and/or current amount of the lien placed upon the secured real property, (2) the correct amount and classification of fees "Paid to Others", and (3) the yield spread premiums rebates to FHLI paid by the lenders outside of close of escrow, in violation of Code Sections 10240, 10240.3, and 10241 and Regulation 2840.

(f) Failed to display the FHLI's broker license number on the Mortgage Loan Disclosure Statements provided to borrowers, in violation of Code Section 10236.4.

(g) Employed and/or compensated the following persons: Juan Pablo Gonzalez, Sandra Lorena Diaz, and Anthony Flores as loan agents who FHLI and ZAMUDIO knew were not licensed by the Department as a real broker or as a real estate salesperson employed by FHLI, for performing acts for which a real estate license is required, including soliciting and negotiating mortgage loans, in violation of Code Section 10137.

Mortgage and Loan Broker Audit
(QHLI)

8.

A. At all times mentioned, QUEST HOME LOANS INC. ("QHLI") was licensed or had license rights issued by the Department as a real estate broker. On December 19, 2000, QHLI was originally licensed as a corporate real estate broker. On March 15, 2009, QHLI's corporate broker license expired. The Department retains jurisdiction pursuant to Code Section 10130.

B. At all times material herein, QHLI was licensed by the Department as a corporate real estate broker by and through VASQUEZ, as the designated officer and broker responsible pursuant to Code Sections 10159.2 and 10211 of the Business and Professions Code for supervising the activities requiring a real estate license conducted on behalf QHLI.

C. QHLI is owned by OSCAR VASQUEZ.

9.

At all times mentioned, in the City of Oxnard and County of Ventura, QHLI acted as a real estate broker and conducted licensed activities within the meaning of:

A. Code Section 10131(d). Respondents operated a mortgage loan broker dba FHLI, dba Quest Mortgage, and West Coast Real Estate Services, and engaged in activities with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, proceeds and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

10.

On February 26, 2010, the Department completed an audit examination of the books and records of QHLI pertaining to the mortgage and loan activities described in Finding 4 that require a real estate license. The audit examination covered a period of time from January 1, 2007 to March 14, 2009, the audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 090116 and the exhibits and work papers attached to said audit report.

11.

QHLI did not maintain a trust account during the audit period.

12.

In the course of activities described in Finding 9, above, and during the audit examination period described in Finding 10, Respondent QHLI acted in violation of the Code and the Regulations in that:

(a) Mixed and commingled trust funds by depositing trust funds in the form of credit report and appraisal fees received at the close of escrow into QHLI's general operating account, in violation of Code Sections 10145, 10176(e) and/or 10177(g) and Regulation 2832(a).

(b) Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", in violation of Code Section 10145 and Regulation 2831. QHLI did not maintain a columnar record for transactions where QHLI collected credit report fees and/or appraisal fees along with real estate commission fees earned at the close of escrow.

(c) Failed to maintain an accurate and complete separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited and disbursed, in violation of Code Section 10145 and Regulation 2831.1. QHLI did not maintain a columnar record for transactions where QHLI collected credit report fees and/or appraisal fees

along with the real estate commission fees earned at the close of escrow.

(d)(1) Failed to retain a true and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrowers Medina, Munoz, Lopez, Salas, Salgado, Felix, Juarez, Ochoa and Rodriguez. The Mortgage Loan Disclosure Statement for the aforesaid borrowers failed to set forth all applicable disclosures, in violation of Code Sections 10240, 10241 and Regulation 2840.

(d)(2) Failed to provide or retain a true and correct copy of a Mortgage Loan Disclosure Statement, instead, provided a Good Faith Estimate which neglected to satisfy the requirements of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C.A. 2601 et seq.), that sets forth (1) the broker's real estate license number; and (2) a clear and conspicuous statement on the face of the document stating that the Good Faith Estimate does not constitute a loan commitment; and, further sets forth all applicable disclosures including but not limited to (3) the yield spread premiums rebates paid by the lenders outside of closing for borrowers Ochoa, Valeriano and Rodriguez, in violation of Code Section 10240(c).

(e) Failed to display the QHLI's broker license number on the Mortgage Loan Disclosure Statements provided to borrowers, in violation of Code Section 10236.4.

(f) Employed and compensated the unlicensed loan agent, Delia Vasquez, wife of VASQUEZ, who was not licensed by the Department as a salesperson until June 19, 2009, to wit, after the Median loan transaction of March 17, 2008, who VASQUEZ knew was not licensed by the Department as a real estate broker or as a real estate salesperson employed by a real estate broker, for performing acts for which a real estate license is required, including soliciting and negotiating mortgage loans, in violation of Code Section 10137.

Residential Resale Audit
(REVI)

13.

A. At all times mentioned, REVI was licensed or had licensed rights issued the Department as a real estate broker. On July 10, 2006, REVI was originally licensed as a corporate real estate broker. On July 9, 2010, REVI's corporate real estate license expired. The Department retains jurisdiction pursuant to Code Section 10103.

B. At all times mentioned, REVI was licensed by the Department as corporate real estate broker by and through VASQUEZ, as the designated officer and broker, responsible pursuant to Code Sections 10159.2 and 10211 of the Business and Professions Code for supervising the activities requiring a real estate license conducted on behalf REVI by REVI's officers, agents, and employees, including VASQUEZ, as herein set forth.

C. REVI is owned by OSCAR VASQUEZ.

14.

At all times mentioned, in the City of Oxnard and County of Ventura, REVI acted as a real estate broker and conducted licensed activities within the meaning of:

A. Code Section 10131(a). Respondents REVI and VASQUEZ operated a residential resale realty dba Century 21 New Vision and engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker, including the solicitation for listings of and the negotiation of the sale of real property as the agent of others.

15.

On February 26, 2010, the Department completed an audit examination of the books and records of REVI pertaining to the residential resale activities described in Finding 4 that require a real estate license. The audit examination covered a period of time from January 1, 2007 to October 31, 2009. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs,

and more fully discussed in Audit Report LA 090117 and the exhibits and work papers attached to said audit report.

16.

REVI did not maintain a trust account during the audit period.

17.

In the course of activities described in Finding 14, above, and during the examination period described in Finding 15, Respondent REVI acted in violation of the Code and the Regulations in that:

(a) Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", in violation of Code Section 10145 and Regulation 2831. REVI failed to record all earnest deposits from buyers.

(b) Failed to place trust funds, including earnest money deposits for borrowers Gonzales, Larios, Wang, Landeros, Ann M. Baker, Davis and Anne Baker, accepted on behalf of another into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account in the name of the trustee at a bank or other financial institution not later than three business days following receipt of the funds by the broker or by the broker's salesperson, in violation of Code Section 10145 and Regulation 2832(d).

(c) Misrepresented to sellers that QHLI held earnest money deposit for Gonzales, Larios, Wang, Landeros, Ann M. Baker, Davis, and Anne Baker, in violation of Code Section 10176(a).

(d) Failed to retain salesperson license certificates and make said certificates available for inspection, in violation of Code Section 10160 and Regulation 2753.

18.

The overall conduct of Respondent FHLI, QHLI, and REVI constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

19.

The overall conduct of Respondent FHLI, QHLI, and REVI constitutes a breach of fiduciary duty with respect to the said Respondent's real estate consumers and clientele. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to Code Section 10176(i) and 10177(g).

DETERMINATION OF ISSUES

1.

The conduct of Respondent FHLI as described herein above, is in violation of Code Sections 10137, 10145, 10240, 10240.3, 10241, 10236.4., and 10236.4(b), and Regulations 2831, 2831.1, 2832(a), and 2840, and is cause for disciplinary action pursuant to Code Sections 10137, 10176(a), 10176(e), 10176(g), 10176(i), 10177(d), and 10177(g).

2.

The conduct of Respondent QHLI as described herein above, is in violation of Code Sections 10145, 10236.4, 10240, 10240(c), and 10241, and Regulations 2831, 2831.1, 2832(a), and 2840, and is cause for disciplinary action pursuant to Code Sections 10137, 10176(e), 10176(i), 10177(d), and 10177(g).

3.

The conduct of Respondent REVI, as described herein above, is in violation of Code Sections 10145 and 10160, and Regulations 2753, 2831, and 2832(d), and is cause for disciplinary action pursuant to Code Sections 10176(a), 10176(i), 10177(d), and 10177(g).

4.

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

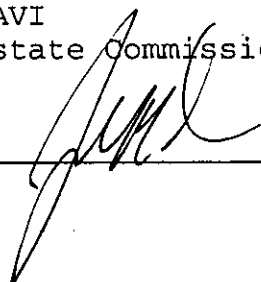
ORDER

The real estate broker license and license rights of Respondents FUNDING HOME LOANS INC., QUEST HOME LOANS INC., and REAL ESTATE VISION 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 25, 2011

DATED: 4-25, 2011

JEFF DAVI
Real Estate Commissioner



1 Department of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105

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(213) 576-6982

FILED

MAR 23 2011

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-36926 LA
)
) FUNDING HOME LOANS INC., a corporate)
) real estate broker doing business as) DEFAULT ORDER
) Quest Mortgage;)
)
) QUEST HOME LOANS INC., a corporate real)
) estate broker doing business as Quest)
) Mortgage and West Coast Real Estate)
) Services;)
)
) REAL ESTATE VISION INC. a corporate)
) real estate broker doing business as)
) Century 21 New Vision;)
)
) OSCAR VASQUEZ, individually and as)
) former designated officer of Funding)
) Home Loans Inc., and as designated)
) officer of Quest Home Loans Inc. and)
) Real Estate Vision Inc.;)
)
) and RUEBEN R. ZAMUDIO, as designated)
) officer of Funding Home Loans Inc.,)
)
) Respondents.)

1 Respondents FUNDING HOME LOANS INC., QUEST HOME LOANS INC.,
2 and REAL ESTATE VISION INC. having failed to file a Notice of
3 Defense within the time required by Section 11506 of the
4 Government Code, are now in default. It is, therefore, ordered
5 that a default be entered on the record in this matter.

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IT IS SO ORDERED March 23, 2011
JEFF DAVI
Real Estate Commissioner

Dolores Weeks
By: DOLORES WEEKS
Regional Manager

FILED

NOV 18 2010

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

1 ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
2 320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

3 Telephone: (213) 576-6911 (direct)
4 -or- (213) 576-6982 (office)

5
6
7 BEFORE THE DEPARTMENT OF REAL ESTATE

8 STATE OF CALIFORNIA

9 * * * * *

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11 In the Matter of the Accusation of)
12 FUNDING HOME LOANS INC., a corporate)
real estate broker doing business)
13 as Quest Mortgage;)
14 QUEST HOME LOANS INC., a corporate)
real estate broker doing business)
15 as Quest Mortgage and)
16 West Coast Real Estate Services;)
17 REAL ESTATE VISION INC. a corporate)
real estate broker doing business)
18 as Century 21 New Vision;)
19 OSCAR VASQUEZ,)
individually and as former designated)
20 officer of Funding Home Loans Inc., and)
as designated officer of Quest Home)
21 Loans Inc. and Real Estate Vision Inc.;)
22 and RUEBEN R. ZAMUDIO, as designated)
23 officer of Funding Home Loans Inc.,)
24 Respondents.)

No. H-36926 LA

A C C U S A T I O N

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1 The Complainant, Robin Trujillo, a Deputy Real Estate
2 Commissioner, for cause of Accusation against FUNDING HOME LOANS
3 INC. doing business as Quest Mortgage; QUEST HOME LOANS INC.
4 doing business as Quest Mortgage and West Coast Real Estate
5 Services; REAL ESTATE VISION INC. doing business as Century 21
6 New Vision; OSCAR VASQUEZ, individually and as former designated
7 officer of Funding Home Loans Inc., and as designated officer of
8 Quest Home Loans Inc. and Real Estate Vision Inc.; and RUEBEN R.
9 ZAMUDIO, as designated officer of Funding Home Loans Inc.,
10 alleges as follows:

11 1.

12 The Complainant, Robin Trujillo, a Deputy Real Estate
13 Commissioner of the State of California, makes this Accusation in
14 her official capacity.

15 2.

16 All references to the "Code" are to the California
17 Business and Professions Code and all references to "Regulations"
18 are to Title 10, Chapter 6, California Code of Regulations.

19 3.

20 A. At all times mentioned, FUNDING HOME LOANS
21 INC. ("FHLI) was licensed or had license rights issued by the
22 Department of Real Estate ("Department") as a corporate real
23 estate broker. On November 9, 2007, FHLI was originally licensed
24 as a corporate real estate broker.

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1 B. At all times mentioned, RUEBEN R. ZAMUDIO
2 ("ZAMUDIO") was licensed or had license rights issued by the
3 Department as a real estate broker. On April 18, 2002, ZAMUDIO
4 was originally licensed as a real estate broker.

5 C. At all times mentioned, OSCAR VASQUEZ ("VASQUEZ")
6 was licensed or had license rights issued by the Department as a
7 real estate broker. On May 26, 2006, VASQUEZ was originally
8 licensed as a real estate broker.

9 D. At all times material herein, FHLI was licensed by
10 the Department as a corporate real estate broker by and through
11 ZAMUDIO and formerly through VASQUEZ, as the designated officer
12 and formerly designated officer and brokers responsible, pursuant
13 to Code Sections 10159.2 and 10211 of the Business and
14 Professions Code for supervising the activities requiring a real
15 estate license conducted on behalf FHLI by FHLI's officers,
16 agents and employees, including ZAMUDIO and VASQUEZ, as herein
17 set forth.

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BROKER	TENURE AS DESIGNATED OFFICER OF FHLI
Rueben R. Zamudio	July 24, 2008 to present
Oscar Vasquez	December 1, 2007 to July 23, 2007

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26 E. FHLI is owned by OSCAR VASQUEZ.
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1 6.

2 FHLI did not maintain a trust account during the audit
3 period.

4 7.

5 In the course of activities described in Paragraph 4,
6 above, and during the audit examination period described in
7 Paragraph 5, Respondents FHLI, ZAMUDIO and VASQUEZ, acted in
8 violation of the Code and the Regulations in that Respondents:

9 (a) (ZAMUDIO and VASQUEZ) Mixed and commingled trust
10 funds by depositing trust funds in the form of credit report and
11 appraisal fees received at the close of escrow into FHLI's
12 general operating account, in violation of Code Sections 10145,
13 10176(e) and/or 10177(g) and Regulation 2832(a).

14 (b) (ZAMUDIO and VASQUEZ) Failed to maintain a control
15 record in the form of a columnar record in chronological order of
16 all "Trust Funds Received, Not Placed Broker's Trust Account", in
17 violation of Code Section 10145 and Regulation 2831. FHLI did
18 not maintain a columnar record for transactions where FHLI
19 collected credit report fees and/or appraisal fees along with
20 real estate commission fees earned at the close of escrow.

21 (c) (ZAMUDIO and VASQUEZ) Failed to maintain an
22 accurate and complete separate record for each beneficiary or
23 transaction, thereby failing to account for all trust funds
24 received, deposited and disbursed, in violation of Code Section
25 10145 and Regulation 2831.1. FHLI did not maintain a separate
26 record for transactions where FHLI collected credit report fees
27 and/or appraisal fees along with real estate commission fees

1 earned at the close of escrow.

2 (d) (ZAMUDIO) Permitted and/or caused the disbursement
3 of trust funds to credit report companies on the representation
4 that these amounts were needed to pay for credit report fees,
5 which payments exceeded the actual costs of these services.
6 FHLI and ZAMUDIO did not disclose these "mark-ups" to borrowers
7 Arana and Barriga of said trust funds, nor obtained their consent
8 to these "mark-ups". Respondents FHLI and ZAMUDIO retained the
9 difference between the amounts paid and the actual costs of the
10 services, in violation of Code Sections 10176(a) and 10176(g).

11 (e) (ZAMUDIO and VASQUEZ) Failed to retain a true and
12 correct copy of a Department of Real Estate approved Mortgage
13 Loan Disclosure Statement signed by the broker for borrowers
14 David/Maricela Arana and Barriga, Garcia/Terrazas, Lopez,
15 Cardenas, Gonzalez and Robles. The Mortgage Loan Disclosure
16 Statement for these borrowers failed to set forth all applicable
17 disclosures including but not limited to (1) the anticipated
18 and/or current amount of lien placed upon the secured real
19 property, (2) the correct amount and classification of fees "Paid
20 to Others", and (3) the yield spread premium rebates to FHLI paid
21 by the lenders outside of close of escrow, in violation of Code
22 Sections 10240, 10240.3 and 10241 and Regulation 2840.

23 (f) (ZAMUDIO and VASQUEZ) Failed to display the FHLI's
24 broker license number on the Mortgage Loan Disclosure Statements
25 provided to borrowers, in violation of Code Section 10236.4.

26 (g) (ZAMUDIO) Employed and/or compensated the following
27 persons below, as loan agents who FHLI and ZAMUDIO knew were not

8.

The conduct of Respondents FHLI, ZAMUDIO, and VASQUEZ, described in Paragraph 7 above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7(a)	Code Sections 10145 and 10176(e) and/or 10177(g) and Regulation 2832(a) (FHLI, ZAMUDIO and VASQUEZ)
7(b)	Code Section 10145 and Regulation 2831 (FHLI, ZAMUDIO and VASQUEZ)
7(c)	Code Section 10145 and Regulation 2831.1 (FHLI, ZAMUDIO and VASQUEZ)
7(d)	Code Sections 10176(a) and 10176(g) (FHLI and ZAMUDIO)
7(e)	Code Sections 10240, 10240.3 and 10241 and Regulation 2840 (FHLI, ZAMUDIO and VASQUEZ)

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1 7(f) Code Section 10236.4(b)
2 (FHLI, ZAMUDIO and VASQUEZ)

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4 7(g) Code Sections 10137 and 10176(i)
5 (FHLI and ZAMUDIO)

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7 These foregoing violations constitute cause for the suspension or
8 revocation of the real estate license and license rights of FHLI
9 MORTGAGE, ZAMUDIO and VASQUEZ, under the provisions of Code
10 Sections 10137, 10176(a), 10176(e), 10176(g), 10176(i), 10177(d)
11 and/or 10177(g).

12 SECOND CAUSE OF ACCUSATION

13 (QUEST HOME LOANS INC.)

14 (Mortgage and Loan Broker Audit)

15 9.

16 The Complainant, Robin Trujillo, acting in her official
17 capacity as a Deputy Real Estate Commissioner of the State of
18 California, makes this Accusation against QUEST HOME LOANS INC.
19 and OSCAR VASQUEZ.

20 10.

21 All references to the "Code" are to the California
22 Business and Professions Code and all references to "Regulations"
23 are to Title 10, Chapter 6, California Code of Regulations.

24 11.

25 A. At all times mentioned, QUEST HOME LOANS
26 INC. ("QHLI) was licensed or had license rights issued by the
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1 Department of Real Estate ("Department") as a real estate broker.
2 On December 19, 2000, QHLI was originally licensed as a corporate
3 real estate broker. On March 15, 2009, QHLI's corporate broker
4 license expired.

5 B. At all times mentioned, OSCAR VASQUEZ ("VASQUEZ")
6 was licensed or had license rights issued by the Department as a
7 real estate broker. On May 6, 2006, VASQUEZ was originally
8 licensed as a real estate broker.

9 C. At all times material herein, QHLI was licensed by
10 the Department as a corporate real estate broker by and through
11 VASQUEZ, as the designated officer and broker responsible,
12 pursuant to Code Sections 10159.2 and 10211 of the Business and
13 Professions Code for supervising the activities requiring a real
14 estate license conducted on behalf QHLI.

15 D. QHLI is owned by OSCAR VASQUEZ.

16 12.

17 At all times mentioned, in the City of Oxnard and
18 County of Ventura, QHLI acted as a real estate broker and
19 conducted licensed activities within the meaning of Code Section
20 10131(d). Respondents operated a mortgage loan broker dba FHLI,
21 dba Quest Mortgage, and West Coast Real Estate Services, and
22 engaged in activities with the public wherein lenders and
23 borrowers were solicited for loans secured directly or
24 collaterally by liens on real property, wherein such loans were
25 arranged, negotiated, processed and consummated on behalf of
26 others for compensation or in expectation of compensation and for
27 fees often collected in advance.

1 13.

2 On February 26, 2010, the Department completed an audit
3 examination of the books and records of QHLI pertaining to the
4 mortgage and loan activities described in Paragraph 4 that
5 require a real estate license. The audit examination covered a
6 period of time from January 1, 2007 to March 14, 2009. The audit
7 examination revealed violations of the Code and the Regulations
8 as set forth in the following paragraphs, and more fully
9 discussed in Audit Report LA 090116 and the exhibits and work
10 papers attached to said audit report.

11 14.

12 QHLI did not maintain a trust account during the audit
13 period.

14 15.

15 In the course of activities described in Paragraph 12,
16 above, and during the audit examination period described in
17 Paragraph 13, Respondents QHLI and VASQUEZ, acted in violation of
18 the Code and the Regulations in that QHLI and VASQUEZ:

19 (a) Mixed and commingled trust funds by depositing
20 trust funds in the for of credit report and appraisal fees
21 received at the close of escrow into QHLI's general operating
22 account, in violation of Code Sections 10145, 10176(e) and/or
23 10177(g) and Regulation 2832(a).

24 (b) Failed to maintain a control record in the form of
25 a columnar record in chronological order of all "Trust Funds
26 Received, Not Placed Broker's Trust Account", in violation of
27 Code Section 10145 and Regulation 2831. QHLI did not maintain a

1 columnar record for transactions where QHLI collected credit
2 report fees and/or appraisal fees along with real estate
3 commission fees earned at the close of escrow.

4 (c) Failed to maintain an accurate and complete
5 separate record for each beneficiary or transaction, thereby
6 failing to account for all trust funds received, deposited and
7 disbursed, in violation of Code Section 10145 and Regulation
8 2831.1. QHLI did not maintain a columnar record for transactions
9 where QHLI collected credit report fees and/or appraisal fees
10 along with the real estate commission fees earned at the close of
11 escrow.

12 (d) (1) Failed to retain a true and correct copy of a
13 Department of Real Estate approved Mortgage Loan Disclosure
14 Statement signed by the broker for borrowers Medina, Munoz,
15 Lopez, Salas, Salgado, Felix, Juarez, Ochoa and Rodriguez. The
16 Mortgage Loan Disclosure Statement for the aforesaid borrowers
17 failed to set forth all applicable disclosures including but not
18 limited to (1) the anticipated and/or current amount of lien
19 placed upon the secured real property, (2) the correct amount and
20 classification of fees "Paid to Others", and (3) the yield spread
21 premium rebates to QHLI paid by the lenders outside of close of
22 escrow, in violation of Code Sections 10240, 10240.3 and 10241
23 and Regulation 2840; and

24 (d) (2) Failed to provide or retain a true and correct
25 copy of a Mortgage Loan Disclosure Statement, instead, provided
26 a Good Faith Estimate which neglected to satisfy the requirements
27 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C.A

1 2601 et seq.), that sets forth (1) the broker's real estate
2 license number; and (2) a clear and conspicuous statement on the
3 face of the document stating that the Good Faith Estimate does
4 not constitute a loan commitment; and, further sets forth all
5 applicable disclosures including but not limited to (3) the yield
6 spread premiums rebates paid by the lenders outside of closing
7 for borrowers Ochoa, Valeriano and Rodriguez, in violation of
8 Code Section 10240(c).

9 (e) Failed to display the QHLI's broker license number
10 on the Mortgage Loan Disclosure Statements provided to borrowers,
11 in violation of Code Section 10236.4.

12 (f) Employed and compensated the unlicensed loan agent,
13 Delia Vasquez, wife of Vasquez, who was not licensed by the
14 Department as a salesperson until June 19, 2009, to wit, after
15 the Medina loan transaction of March 17, 2008, who VASQUEZ knew
16 was not licensed by the Department as a real estate broker or as
17 a real estate salesperson employed by a real estate broker, for
18 performing acts for which a real estate license is required,
19 including soliciting and negotiating mortgage loans, in violation
20 of Code Sections 10137 and 10176(i).

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16.

The conduct of Respondents QHLI and VASQUEZ, described in Paragraph 16 above, violated the Code and the Regulations as set forth below:

PARAGRAPH

PROVISIONS VIOLATED

15(a)

Code Sections 10145 and 10176(e) and/or 10177(g) and Regulation 2832(a)

15(b)

Code Section 10145 and Regulation 2831

15(c)

Code Section 10145 and Regulation 2831.1

15(d)

Code Sections 10240, 10240(c), 10240.3 and 10241 and Regulation 2840

15(e)

Code Section 10236.4(b)

15(f)

Code Sections 10137 and 10176(i)

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of QHLI and VASQUEZ, under the provisions of Code Sections 10137, 10176(e) and 10176(i), 10177(d) and/or 10177(g).

1 pursuant to Code Sections 10159.2 and 10211 of the Business and
2 Professions Code for supervising the activities requiring a real
3 estate license conducted on behalf REVI by REVI's officers,
4 agents and employees, including VASQUEZ, as herein set forth.

5 D. REVI is owned by OSCAR VASQUEZ.

6 20.

7 At all times mentioned, in the City of Oxnard and
8 County of Ventura, REVI acted as a real estate broker and
9 conducted licensed activities within the meaning of Code Section
10 10131(a). Respondents REVI and VASQUEZ operated a residential
11 resale realty dba Century 21 New Vision and engaged in the
12 business of, acted in the capacity of, advertised or assumed to
13 act as a real estate broker, including the solicitation for
14 listings of and the negotiation of the sale of real property as
15 the agent of others.

16 21.

17 On February 26, 2010, the Department completed an audit
18 examination of the books and records of REVI pertaining to the
19 residential resale activities described in Paragraph 4 that
20 require a real estate license. The audit examination covered a
21 period of time from January 1, 2007 to October 31, 2009. The
22 audit examination revealed violations of the Code and the
23 Regulations as set forth in the following paragraphs, and more
24 fully discussed in Audit Report LA 090117 and the exhibits and
25 work papers attached to said audit report.

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22.

REVI did not maintain a trust account during the audit period.

23.

In the course of activities described in Paragraph 20, above, and during the examination period described in Paragraph 21, Respondents REVI and VASQUEZ, acted in violation of the Code and the Regulations in that REVI and VASQUEZ:

(a) Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", in violation of Code Section 10145 and Regulation 2831. REVI failed to record all earnest deposits from buyers.

(b) Failed to place trust funds, including earnest money deposits for borrowers Gonzales, Larios, Wang, Landeros, Ann M. Baker, Davis and Anne Baker, accepted on behalf of another into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account in the name of the trustee at a bank or other financial institution not later than three business days following receipt of the funds by the broker or by the broker's salesperson, in violation of Code Section 10145 and Regulation 2832(d).

(c) Misrepresented to sellers that QHLI held earnest money deposit for Gonzales, Larios, Wang, Landeros, Ann M. Baker, Davis, and Anne Baker, in violation of Code Section 10176(a).

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1 (d) Failed to retain salesperson license certificates
2 and make said certificates available for inspection, in violation
3 of Code Section 10160 and Regulation 2753.

4 24.

5 The conduct of Respondents QHLI and VASQUEZ, described
6 in Paragraph 24 above, violated the Code and the Regulations as
7 set forth below:

8 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
9 23(a)	Code Section 10145 and Regulation 10 2831
11	
12 23(b)	Code Section 10145 and Regulation 13 2832(d)
14	
15 23(c)	Code Section 10176(a)
16	
17	
18 23(d)	Code Section 10160 and Regulation 19 2753
20	

21 The foregoing violations constitute cause for the suspension or
22 revocation of the real estate license and license rights of REVI
23 and VASQUEZ, under the provisions of Code Sections 10176(a),
24 10177(d) and/or 10177(g).

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1 25.

2 The overall conduct of Respondents FHLLI, QHLLI, REVI,
3 ZAMUDIO and VASQUEZ constitutes negligence or incompetence. This
4 conduct and violation are cause for the suspension or revocation
5 of the real estate license and license rights of said Respondents
6 pursuant to Code Section 10177(g).

7 26.

8 The overall conduct of Respondents FHLLI, QHLLI, REVI,
9 ZAMUDIO and VASQUEZ constitutes a breach of fiduciary duty with
10 respect to the said Respondent's real estate consumers and
11 clientele. This conduct and violation are cause for the
12 suspension or revocation of the real estate license and license
13 rights of said Respondents pursuant to Code Section 10176(i)
14 and/or 10177(g).

15 FAILURE TO SUPERVISE

16 27.

17 The overall conduct of Respondents ZAMUDIO and VASQUEZ
18 a constitutes a failure on their part, as officers designated by
19 a corporate broker licensee, to exercise the reasonable
20 supervision and control over the licensed activities of FHLLI,
21 QHLLI and REVI, as required by Code Section 10159.2 and Regulation
22 2725, and to keep said corporate real estate brokers, in
23 compliance with the Real Estate Law.

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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 the license and license rights of Respondents
5 FUNDING HOME LOANS INC., QUEST HOME LOANS INC., REAL ESTATE
6 VISIONS INC., OSCAR VASQUEZ and RUEBEN R. ZAMUDIO, under the Real
7 Estate Law (Part 1 of Division 4 of the Business and Professions
8 Code) and for such other and further relief as may be proper
9 under other applicable provisions of law.

10 Dated at Los Angeles, California

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12 this 15 day of November 2010. Robin Trujillo
13 Deputy Real Estate Commissioner
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22 cc: Funding Home Loans Inc.
23 c/o Rueben R. Zamudio D.O.
24 Quest Home Loans Inc.
25 Real Estate Vision Inc.
26 c/o Oscar Vasquez, former D.O.
27 Robin Trujillo
Sacto
Audits - Manijeh Khazrai
Enforcement - Mark Blomquist