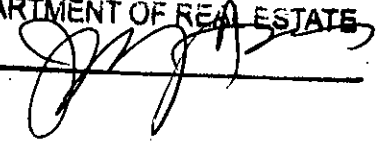


PLAD

1 CHERYL D. KEILY, SBN# 94008  
2 Department of Real Estate  
3 320 West Fourth Street, Ste. 350  
4 Los Angeles, California 90013  
5 Telephone: (213) 576-6982  
6 (Direct) (213) 576-6905

**FILED**

JAN 25 2012

DEPARTMENT OF REAL ESTATE  
BY: 

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \* \*

12 In the Matter of the Accusation No. H-37605 LA.

13 FRANK H. WHITEHEAD III, and ) FIRST AMENDED  
14 EVELYN VELASQUEZ, ) ACCUSATION  
15 )  
16 Respondents. )  
\_\_\_\_\_)

17  
18 This First Amended Accusation amends the Accusation  
19 filed on October 19, 2011.

20 The Complainant, Robin Trujillo, a Deputy Real Estate  
21 Commissioner of the State of California, for cause of Accusation  
22 against FRANK H. WHITEHEAD ("WHITEHEAD"), individually, and doing  
23 business as Blue Light Investments ("BLUE LIGHT"); and EVELYN  
24 VELASQUEZ ("VELASQUEZ") alleges as follows:

25 1.

26 The Complainant, Robin Trujillo, a Deputy Real Estate  
27 Commissioner of the State of California, makes this Accusation in

her official capacity.

2.

WHITEHEAD is presently licensed and/or has license rights under the Real Estate Law as real estate broker.

3.

At all times relevant herein WHITEHEAD was authorized to utilize the fictitious business name BLUE LIGHT for activities requiring the issuance of a real estate license.

4.

Since on or about November 17, 2009, VELASQUEZ has been licensed and/or has license rights under the Real Estate Law as a real estate salesperson. Prior to November 17, 2009, VELASQUEZ was not licensed by the Department in any capacity. At no time mentioned herein was VELASQUEZ employed by a licensed broker, including WHITEHEAD.

5.

At no time herein mentioned has Gustavo Ruiz ("Ruiz") been licensed by the Department in any capacity.

6.

Whenever acts referred to below are attributed to BLUE LIGHT, those acts are alleged to have been done by WHITEHEAD, acting by himself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including but not limited to each of those named herein, and using the name BLUE LIGHT or "C & L Financial", or any fictitious name unknown at this time.

FIRST CAUSE OF ACCUSATION  
(Advance Fee Violation)

7.

At all times mentioned herein, WHITEHEAD engaged in the business of a real estate broker in the State of California within the meaning of Code Sections 10131(d) and 10131.2 including brokering mortgage loans and performing loan modification activities and claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee, within the meaning of Code Section 10026, including, but not limited to, the following loan modification activities with respect to loans which were secured by liens on real property:

a. On or about November 22, 2008, Paul A. paid an advance fee of \$1,000 to BLUE LIGHT. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by BLUE LIGHT with respect to a loan secured by the real property at 805 Kerr Avenue, Modesto, California.

b. On or about April 17, 2009, as a result of being solicited by Ruiz, Raul Lopez S. ("Raul") paid a series of advance fees to Ruiz and VELASQUEZ on behalf of BLUE LIGHT. At the direction of Ruiz on or about April 17, 2009, Raul gave Ruiz an advance fee in the amount of \$1,995 by a check made payable to "C & L Financial." Ruiz represented to Raul that the foregoing check was being collected on behalf of BLUE LIGHT.

1 Additionally, Raul gave VELASQUEZ and Ruiz personal money orders  
2 in the amounts of \$1,000 and \$800 which were made payable to  
3 BLUE LIGHT. The foregoing advance fees were collected pursuant  
4 to the provisions of an agreement pertaining to loan  
5 solicitation, negotiation, and modification services to be  
6 provided by BLUE LIGHT, Ruiz and VELASQUEZ with respect to a  
7 loan secured by real property.

8 c. On or about December 21, 2009, Evaristo F. paid  
9 an advance fee of \$3,000 to VELASQUEZ on behalf of BLUE LIGHT.  
10 The advance fee was collected pursuant to the provisions of an  
11 agreement pertaining to loan solicitation, negotiation, and  
12 modification services to be provided by VELASQUEZ and BLUE LIGHT  
13 with respect to a loan secured by real property located at 702  
14 E. 84<sup>th</sup> Place, Los Angeles, California.

15 d. On or about the following dates Rafael R. paid  
16 advance fees in the specified amounts to VELASQUEZ on behalf of  
17 BLUE LIGHT: \$1,000 was paid on March 19, 2009; \$1,000 was paid  
18 on April 17, 2009; two payments of \$3,000 each were paid on  
19 December 18, 2009; and \$500 was paid on January 22, 2010. The  
20 advance fees were collected pursuant to the provisions of an  
21 agreement pertaining to loan solicitation, negotiation, and  
22 modification services to be provided by VELASQUEZ and BLUE LIGHT  
23 with respect to loans secured by real properties located at 2051  
24 E. 76<sup>th</sup> Place, Los Angeles, California 90001 and 4723 E. Compton  
25 Boulevard, Compton, California 90221.  
26

27 ///

1 e. On or about January 27, 2009, Josefina C. paid a  
2 \$1,000 advance fee to VELASQUEZ on behalf of BLUE LIGHT. The  
3 advance fee was collected pursuant to the provisions of an  
4 agreement pertaining to loan solicitation, negotiation, and  
5 modification services to be provided by VELASQUEZ and BLUE LIGHT  
6 with respect to a loan secured by the real property located at  
7 10239 Bartee Avenue, Arleta, California 91331.

8 8.

9 WHITEHEAD collected the advance fees described in  
10 Paragraph 7, above, pursuant to the provisions of a written  
11 agreement which constitutes an advance fee agreement within the  
12 meaning of Code Section 10085.

13 9.

14 WHITEHEAD failed to submit the written agreement  
15 referred to in Paragraphs 7 and 8, above, to the Commissioner ten  
16 days before using it in violation of Code Section 10085 and  
17 Section 2970, Title 10, Chapter 6, Code of Regulations  
18 ("Regulations").  
19

20 10.

21 The conduct, acts and/or omissions of WHITEHEAD, as set  
22 forth above, are cause for the suspension or revocation of the  
23 licenses and license rights of respondent pursuant to Code  
24 Sections 10085, 10177(d) and/or 10177(g).

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SECOND CAUSE OF ACCUSATION

(Unlicensed Activity by Respondent VELAZQUEZ)

11.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 10, above.

12.

On the occasions set forth in Paragraphs 7(b), 7(c), 7(d) and 7(e), above, Respondent VELAZQUEZ engaged in the business of negotiating, or offering to negotiate, loan modifications in connection with loans secured directly or collaterally by liens on real property for compensation or in expectation of compensation from someone other than a broker who then employed her.

13.

Based on the information contained in Paragraphs 4, 7 and 12, above, Respondent VELAZQUEZ performed and/or participated in loan solicitation, negotiation, and modification activities which require a real estate broker license under the provisions of Code Sections 10131(d) during a period of time when Respondent was not licensed by the Department as a real estate broker nor employed as a real estate salesperson by a broker on whose behalf the activities were performed.

14.

The conduct, acts and/or omissions of Respondent VELAZQUEZ violate Code Section 10130, and is cause for the suspension or revocation of the licenses and license rights of

1 Respondent VELAZQUEZ pursuant to Code Sections 10177(d) and/or  
2 10177(g) and/or 10177(j).

3 THIRD CAUSE OF ACCUSATION

4 (Violation of Code Section 10137 by Respondent WHITEHEAD in  
5 Employing and/or Compensating Unlicensed Individuals)

6 15.

7 Complainant hereby incorporates by reference the  
8 allegations set forth in Paragraphs 1 through 14, above.

9 16.

10 The activities described in Paragraph 7, above, require  
11 a real estate license under Sections 10131(d) and 10131.2 of the  
12 Code. WHITEHEAD violated Section 10137 of the Code by employing  
13 and/or compensating individuals who were not licensed as a real  
14 estate salesperson or as a broker to perform activities requiring  
15 a license as follows:

16 a. WHITEHEAD employed and/or compensated Respondent  
17 VELAZQUEZ to perform some or all of the services alleged in  
18 Paragraph 7, subsections (b), (c), (d), and (e), above, though  
19 she was not employed by WHITEHEAD or working under the license of  
20 any other broker.

21 b. WHITEHEAD employed and/or compensated Ruiz to  
22 perform some or all of the services alleged in Paragraph 7,  
23 subsection (a), above, though he was not licensed as a real  
24 estate salesperson or broker.

25 ///

26 ///

17.

1           The conduct, acts and/or omissions of WHITEHEAD, as set  
2 forth in Paragraph 16, above, violates Code Section 10137, and is  
3 cause for the suspension or revocation of the licenses and  
4 license rights of WHITEHEAD pursuant to Code Sections 10137,  
5 10177(d) and/or 10177(g).

7                           FOURTH CAUSE OF ACCUSATION

8           (Record Retention Violation Against Respondent WHITEHEAD)

9                           18.

10           Complainant incorporates by this reference the  
11 allegations set forth in Paragraphs 1 through 17, above.

12                           19.

13           On or about May 17, 2010, the Department completed an  
14 audit examination of the books and records of WHITEHEAD, doing  
15 business under the authorized fictitious business names Blue  
16 Light Investment and Blue Light Investments, pertaining to the  
17 real estate activities described in Paragraph 7, above, covering  
18 a period from August 1, 2008, to January 31, 2010. The audit  
19 examination revealed violations of the Code, as set forth in the  
20 following paragraphs, and more fully discussed in Audit Report  
21 No. LA 090106 along with the exhibits and work papers attached to  
22 the audit report:

23                           In the course of the real estate activities undertaken  
24 by WHITEHEAD, including those described in Paragraph 7, above,  
25 WHITEHEAD failed to retain all records of his activities  
26 requiring a real estate broker license for a period of three  
27



1 years including loan modification files for WHITEHEAD's real  
2 estate clients including listings, real estate contracts,  
3 canceled checks, escrow and trust records, and specifically  
4 including documentation pertaining to the activities alleged in  
5 Paragraph 7, above, as required by Code Section 10148.

6 20.

7 The foregoing violations constitute cause for the  
8 suspension or revocation of the real estate license and license  
9 rights of WHITEHEAD under the provisions of Code Sections  
10 10177(d) for violation of the Real Estate Law and/or 10177(g) for  
11 negligence or incompetence.

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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 all the licenses and license rights of Respondent  
5 FRANK H. WHITEHEAD III and Respondent EVELYN VELASQUEZ under the  
6 Real Estate Law (Part 1 of Division 4 of the Business and  
7 Professions Code), and for such other and further relief as may  
8 be proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 24 day of January, 2012.

11   
12 \_\_\_\_\_  
13 Robin Trujillo  
14 Deputy Real Estate Commissioner

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25 CC: FRANK H. WHITEHEAD III  
26 EVELYN VELASQUEZ  
27 Robin Trujillo  
Sacto.

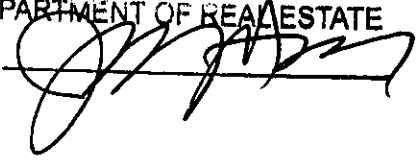
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6 (Direct) (213) 576-6905

**FILED**

OCT 19 2011

DEPARTMENT OF REAL ESTATE

BY: 

9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 \* \* \* \* \*

12 In the Matter of the Accusation

No. H- 37605 LA

13 FRANK H. WHITEHEAD III; and )  
14 EVELYN VELASQUEZ, )  
15 )  
16 Respondents. )  
\_\_\_\_\_)

ACCUSATION

17  
18 The Complainant, Robin Trujillo, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of Accusation  
20 against FRANK H. WHITEHEAD ("WHITEHEAD"), individually, and doing  
21 business as Blue Light Investments ("BLUE LIGHT"); and EVELYN  
22 VELASQUEZ ("VELASQUEZ") alleges as follows:

23 1.

24 The Complainant, Robin Trujillo, a Deputy Real Estate  
25 Commissioner of the State of California, makes this Accusation in  
26 her official capacity.

27 ///

2.

1 WHITEHEAD is presently licensed and/or has license  
2 rights under the Real Estate Law as real estate broker.  
3

3.

4  
5 At all times relevant herein WHITEHEAD was authorized  
6 to utilize the fictitious business name BLUE LIGHT for  
7 activities requiring the issuance of a real estate license.

4.

8  
9 Since on or about November 17, 2009, VELASQUEZ has  
10 been licensed and/or has license rights under the Real Estate  
11 Law as a real estate salesperson. Prior to November 17, 2009,  
12 VELASQUEZ was not licensed by the Department in any capacity. At  
13 no time mentioned herein was VELASQUEZ employed by a licensed  
14 broker, including WHITEHEAD.  
15

5.

16  
17 At no time herein mentioned has Gustavo Ruiz ("Ruiz")  
18 been licensed by the Department in any capacity.

6.

19  
20 Whenever acts referred to below are attributed to BLUE  
21 LIGHT, those acts are alleged to have been done by WHITEHEAD,  
22 acting by himself, or by and/or through one or more agents,  
23 associates, affiliates, and/or co-conspirators, including but not  
24 limited to each of those named herein, and using the name BLUE  
25 LIGHT or "C & L Financial", or any fictitious name unknown at  
26 this time.

27 ///

FIRST CAUSE OF ACCUSATION  
(Advance Fee Violation)

7.

At all times mentioned herein, WHITEHEAD engaged in the business of a real estate broker in the State of California within the meaning of Code Sections 10131(d) and 10131.2 including brokering mortgage loans and performing loan modification activities and claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee, within the meaning of Code Section 10026, including, but not limited to, the following loan modification activities with respect to loans which were secured by liens on real property:

a. On or about November 22, 2008, Paul A. paid an advance fee of \$1,000 to BLUE LIGHT. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by BLUE LIGHT with respect to a loan secured by the real property at 805 Kerr Avenue, Modesto, California.

b. On or about April 17, 2009, as a result of being solicited by Ruiz, Raul Lopez S. ("Raul") paid a series of advance fees to Ruiz and VELASQUEZ on behalf of BLUE LIGHT. At the direction of Ruiz on or about April 17, 2009, Raul gave Ruiz an advance fee in the amount of \$1,995 by a check made payable to "C & L Financial." Ruiz represented to Raul that the foregoing check was being collected on behalf of BLUE LIGHT.

1 Additionally, Raul gave VELASQUEZ and Ruiz personal money orders  
2 in the amounts of \$1,000 and \$800 which were made payable to  
3 BLUE LIGHT. The foregoing advance fees were collected pursuant  
4 to the provisions of an agreement pertaining to loan  
5 solicitation, negotiation, and modification services to be  
6 provided by BLUE LIGHT, Ruiz and VELASQUEZ with respect to a  
7 loan secured by real property.

8 c. On or about December 21, 2009, Evaristo F. paid  
9 an advance fee of \$3,000 to VELASQUEZ on behalf of BLUE LIGHT.  
10 The advance fee was collected pursuant to the provisions of an  
11 agreement pertaining to loan solicitation, negotiation, and  
12 modification services to be provided by VELASQUEZ and BLUE LIGHT  
13 with respect to a loan secured by real property located at 702  
14 E. 84<sup>th</sup> Place, Los Angeles, California.

15 8.

16 WHITEHEAD collected the advance fees described in  
17 Paragraph 7, above, pursuant to the provisions of a written  
18 agreement which constitutes an advance fee agreement within the  
19 meaning of Code Section 10085.  
20

21 9.

22 WHITEHEAD failed to submit the written agreement  
23 referred to in Paragraphs 7 and 8, above, to the Commissioner ten  
24 days before using it in violation of Code Section 10085 and  
25 Section 2970, Title 10, Chapter 6, Code of Regulations  
26 ("Regulations").

27 ///

10.

1 The conduct, acts and/or omissions of WHITEHEAD, as set  
2 forth above, are cause for the suspension or revocation of the  
3 licenses and license rights of respondent pursuant to Code  
4 Sections 10085, 10177(d) and/or 10177(g).  
5

6 SECOND CAUSE OF ACCUSATION

7 (Unlicensed Activity by Respondent VELAZQUEZ)

8 11.

9 Complainant hereby incorporates by reference the  
10 allegations set forth in Paragraphs 1 through 10, above.

11 12.

12 On the occasions set forth in Paragraphs 7(b) and  
13 7(c), above, Respondent VELAZQUEZ engaged in the business of  
14 negotiating, or offering to negotiate, loan modifications in  
15 connection with loans secured directly or collaterally by liens  
16 on real property for compensation or in expectation of  
17 compensation from someone other than a broker who then employed  
18 her.  
19

20 13.

21 Based on the information contained in Paragraphs 4, 7  
22 and 12, above, Respondent VELAZQUEZ performed and/or  
23 participated in loan solicitation, negotiation, and modification  
24 activities which require a real estate broker license under the  
25 provisions of Code Sections 10131(d) during a period of time  
26 when Respondent was not licensed by the Department as a real  
27 estate broker nor employed as a real estate salesperson by a

1 broker on whose behalf the activities were performed.

2 14.

3 The conduct, acts and/or omissions of Respondent  
4 VELAZQUEZ violate Code Section 10130, and is cause for the  
5 suspension or revocation of the licenses and license rights of  
6 Respondent VELAZQUEZ pursuant to Code Sections 10177(d) and/or  
7 10177(g) and/or 10177(j).

8 THIRD CAUSE OF ACCUSATION

9 (Violation of Code Section 10137 by Respondent WHITEHEAD in  
10 Employing and/or Compensating Unlicensed Individuals)

11 15.

12 Complainant hereby incorporates by reference the  
13 allegations set forth in Paragraphs 1 through 14, above.

14 16.

15 The activities described in Paragraph 7, above, require  
16 a real estate license under Sections 10131(d) and 10131.2 of the  
17 Code. WHITEHEAD violated Section 10137 of the Code by employing  
18 and/or compensating individuals who were not licensed as a real  
19 estate salesperson or as a broker to perform activities requiring  
20 a license as follows:

21 a. WHITEHEAD employed and/or compensated Respondent  
22 VELAZQUEZ to perform some or all of the services alleged in  
23 Paragraph 7, subsections (b) and (c), above, though she was not  
24 employed by WHITEHEAD or working under the license of any other  
25 broker.  
26  
27



1           b.     WHITEHEAD employed and/or compensated Ruiz to  
2 perform some or all of the services alleged in Paragraph 7,  
3 subsection (a), above, though he was not licensed as a real  
4 estate salesperson or broker.

5                                 17.

6           The conduct, acts and/or omissions of WHITEHEAD, as set  
7 forth in Paragraph 16, above, violates Code Section 10137, and is  
8 cause for the suspension or revocation of the licenses and  
9 license rights of WHITEHEAD pursuant to Code Sections 10137,  
10 10177(d) and/or 10177(g).

11                                 FOURTH CAUSE OF ACCUSATION

12                                 (Record Retention Violation Against Respondent WHITEHEAD)

13                                 18.

14           Complainant incorporates by this reference the  
15 allegations set forth in Paragraphs 1 through 17, above.

16                                 19.

17           On or about May 17, 2010, the Department completed an  
18 audit examination of the books and records of WHITEHEAD, doing  
19 business under the authorized fictitious business names Blue  
20 Light Investment and Blue Light Investments, pertaining to the  
21 real estate activities described in Paragraph 7, above, covering  
22 a period from August 1, 2008, to January 31, 2010. The audit  
23 examination revealed violations of the Code, as set forth in the  
24 following paragraphs, and more fully discussed in Audit Report  
25 No. LA 090106 along with the exhibits and work papers attached to  
26 the audit report:  
27

1 In the course of the real estate activities undertaken  
2 by WHITEHEAD, including those described in Paragraph 7, above,  
3 WHITEHEAD failed to retain all records of his activities  
4 requiring a real estate broker license for a period of three  
5 years including loan modification files for WHITEHEAD's real  
6 estate clients including listings, real estate contracts,  
7 canceled checks, escrow and trust records, and specifically  
8 including documentation pertaining to the activities alleged in  
9 Paragraph 7, above, as required by Code Section 10148.

10 20.

11 The foregoing violations constitute cause for the  
12 suspension or revocation of the real estate license and license  
13 rights of WHITEHEAD under the provisions of Code Sections  
14 10177(d) for violation of the Real Estate Law and/or 10177(g) for  
15 negligence or incompetence.

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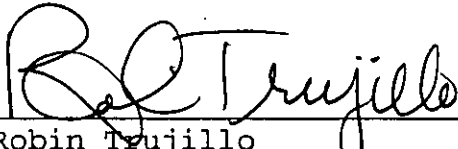
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1                   WHEREFORE, Complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against all the licenses and license rights of Respondent  
5 FRANK H. WHITEHEAD III and Respondent EVELYN VELASQUEZ under the  
6 Real Estate Law (Part 1 of Division 4 of the Business and  
7 Professions Code), and for such other and further relief as may  
8 be proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 17 day of October, 2011.

11  
12   
13 \_\_\_\_\_  
14 Robin Trujillo  
15 Deputy Real Estate Commissioner  
16  
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21  
22  
23  
24

25 cc: FRANK H. WHITEHEAD III  
26 EVELYN VELASQUEZ  
27 Robin Trujillo  
Sacto.