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FILED

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DEPARTMENT OF REAL ESTATE
BY: K. Heiderholt

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	No. H-37807 LA
	)	
LOGICAL LENDING, INC.; and	)	<u>A C C U S A T I O N</u>
RONALD NORMAN MURRAY,	)	
individually and as designated	)	
officer of Logical Lending, Inc.	)	
	)	
Respondents.	)	

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, acting in her official capacity, for cause of Accusation against LOGICAL LENDING, INC. ("LOGICAL LENDING") and RONALD NORMAN MURRAY ("MURRAY"), individually and as designated officer of Logical Lending, Inc., alleges as follows:

1.

The Complainant, Robin Trujillo, acting in her official capacity as Deputy Real Estate Commissioner of the State of California, makes this Accusation.

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2.

All references to the "Code" are to the California Business and Professions Code, and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations unless otherwise specified.

3.

A. LOGICAL LENDING: At all times mentioned, Respondent LOGICAL LENDING was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On January 26, 2009, LOGICAL LENDING was originally licensed as a corporate real estate broker. Respondent LOGICAL LENDING was authorized to act by and through Respondent MURRAY as LOGICAL LENDING's designated broker pursuant to Code Sections 10159.2 and 10211 to be responsible for ensuring compliance with Real Estate Law.

B. MURRAY: At all times mentioned, Respondent MURRAY was licensed or had license rights issued by the Department as a real estate broker. On December 2, 2000, MURRAY was originally licensed as a real estate broker. From December 2, 2000 to October 18, 2010, MURRAY was the designated officer of LOGICAL LENDING.

4.

At all times mentioned, in the City of Santa Ana, County of Orange, LOGICAL LENDING and MURRAY acted as real estate brokers and conducted licensed activities within the meaning of:

1 A. Code Section 10131(d): Respondents LOGICAL
2 LENDING and MURRAY engaged in activities with the public wherein
3 lenders and borrowers were solicited for loans secured directly
4 or collaterally by liens on real property, wherein such loans
5 were arranged, negotiated, processed, and consummated on behalf
6 of others for compensation or in expectation of compensation and
7 for fees often collected in advance.

8 B. LOGICAL LENDING negotiated mortgage loans for
9 borrowers and submitted loan packages to institutional lenders
10 for funding. During the audit period of January 26, 2009 to
11 March 31, 2010, LOGICAL LENDING closed a total of two hundred
12 seventy-six (276) loans amounting to approximately \$90,390,000
13 in total loan amount.

14
15 FIRST CAUSE OF ACCUSATION

16 (Mortgage Loan Audit)

17 5.

18 On August 12, 2010, the Department completed an audit
19 examination of the books and records of LOGICAL LENDING limited
20 to the mortgage loan brokerage activities only, as described in
21 Paragraph 4, herein, which require a real estate license. The
22 audit examination covered a period of time beginning on January
23 26, 2009 and ended on March 31, 2010. The audit examination
24 revealed violations of the Code and the Regulations set forth in
25 the following paragraphs, and more fully discussed in Audit
26 Report LA 090187 and the exhibits and work papers attached to
27 said audit report.

6.

During the audit period, LOGICAL LENDING did not maintain a trust account.

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period in Paragraph 5, Respondents LOGICAL LENDING and MURRAY, acted in violation of the Code and the Regulations in which Respondents:

(a) Failed to notify the Department of the employment of Kimberly Shona Swanigan ("Swanigan"), in violation of Code Section 10161.8 and Regulation 2752. The Department was not notified of the employment of Swanigan until December 8, 2009.

(b) Employed and/or compensated Swanigan as a loan agent between the period from November 16, 2009 to December 2, 2009 who MURRAY knew was not licensed by the Department as a real estate broker or as a real estate salesperson employed by LOGICAL LENDING, for performing acting for which a real estate license is required, including soliciting mortgage loans from borrowers Francis D. and Michael D., Jr. in violation of Code Section 10137. Between November 16, 2009 to December 2, 2009, Swanigan was licensed to Yeager Inland Empire, Inc.

(c) (1) Failed to retain a true and correct copy of a Department approved California Mortgage Loan Disclosure Statements signed by the broker for borrowers M.B. of 6062 Vane Circle, Huntington Beach, California and F.P. of 31346 Jan St. Court, Winchester, California.

1 (c) (2) Failed to disclose yield spread premiums
2 from lenders on the approved Mortgage Loan Disclosure Statement
3 for the aforesaid two borrowers, in violation of Code Section
4 10240 and Regulation 2840.

5 (d) Failed to notify the Department of a change of
6 LOGICAL LENDING's main office address by the next business day,
7 in violation of Code Section 10162 and Regulation 2715.

8 (e) Failed to maintain a signed broker-salesperson
9 agreement with salesperson Stephen Christopher Park, in
10 violation of Regulation 2726.

11 (f) Failed to retain the salesperson license
12 certificate for Cynthis M. Kee, in violation of Code Section
13 10160 and Regulation 2753.

14 (g) MURRAY failed to exercise reasonable control and
15 supervision over the activity of LOGICAL LENDING to secure full
16 compliance with the Real Estate Law. Additionally, MURRAY had
17 no system in place for regularly monitoring his compliance with
18 the Real Estate Law especially in regard to establishing,
19 systems, policies, and procedures for handling especially
20 including mortgage loan brokerage administration, in violation
21 of Code Section 10159.2 and 10177(h) and Regulation 2725.

22 8.

23 The conduct of Respondents LOGICAL LENDING and MURRAY,
24 described in Paragraph 7, above, violated the Code and the
25 Regulations as set forth below:

26 ///

27 ///

1	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
2		
3	7(a)	Code Section 10161.8 and Regulation
4		2752
5		
6	7(b)	Code Section 10137
7		
8	7(c)	Code Section 10240 and Regulation 2840
9		
10	7(d)	Code Section 10162 and Regulation 2715
11		
12	7(e)	Regulation 2726
13		
14	7(f)	Code Section 10160 and Regulation 2753
15		
16	7(g)	Code Sections 10159.2 and 10177(h) and
17		Regulation 2725 (MURRAY)
18		
19	The foregoing violations constitute cause for discipline of the	
20	real estate license and license rights of LOGICAL LENDING and	
21	MURRAY under the provisions of Code Sections 10177(d) and/or	
22	10177(g) and 10177(h) (MURRAY).	
23	///	
24	///	
25	///	
26	///	
27	///	

1 SECOND CAUSE OF ACCUSATION

2 (Negligence)

3 9.

4 The overall conduct of Respondents LOGICAL LENDING and
5 MURRAY constitutes negligence and is cause for discipline of the
6 real estate license and license rights of said Respondents
7 pursuant to the provisions of Code Section 10177(g).

8
9 THIRD CAUSE OF ACCUSATION

10 (Fiduciary Duty)

11 10.

12 The conduct, acts, and omissions of Respondents
13 LOGICAL LENDING and MURRAY constitute a breach of fiduciary duty
14 owed the homeowners of good faith, trust, confidence, and candor
15 within the scope of their contractual relationship in violation
16 of Code Sections 10176(i) and/or 10177(g), and constitutes cause
17 for discipline of the real estate license and license rights of
18 said Respondents pursuant to the provisions of Code Sections
19 10177(g).

20
21 FOURTH CAUSE OF ACCUSATION

22 (Supervision and Compliance)

23 11.

24 The overall conduct of Respondent MURRAY constitutes a
25 failure on said Respondent's part, as officer designated by a
26 corporate broker licensee, to exercise the reasonable
27 supervision and control over the licensed activities of LOGICAL

1 LENDING as required by Code Section 10159.2 and Regulation 2725,
2 and to keep LOGICAL LENDING in compliance with the Real Estate
3 Law, with specific regard to trust fund, including but not
4 limited to credit and appraisal fees, earnest money deposits,
5 and advance fees collected for loan modification services, and
6 is cause for discipline of the real estate license and real
7 estate license rights of Respondent pursuant to the Code
8 Sections 10177(d), 10177(g), and 10177(h).

9 WHEREFORE, Complainant prays that a hearing be
10 conducted on the allegations of this Accusation and that upon
11 proof thereof, a decision be rendered imposing disciplinary
12 action against the license and license rights of LOGICAL
13 LENDING, INC. and RONALD NORMAN MURRAY under the Real Estate Law
14 (Part 1 of Division 4 of the California Business and Professions
15 Code) for the cost of investigation and enforcement pursuant to
16 California Business and Professions Code Section 10106 and as
17 permitted by law, and for such other and further relief as may
18 be proper under other applicable provisions of law.

19
20 Dated at Los Angeles, California: January 24, 2012.

21 
22 _____
23 Robin Trujillo
24 Deputy Real Estate Commissioner

25 cc: Logical Lending, Inc.
26 c/o Ronald Norman Murray D.O.
27 Robin Trujillo
Sacto
Enforcement
Audits - Isabel Beltran