

SAC J

1 LISSETE GARCIA, Counsel (SBN 211552)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6982
6 Direct: (213) 576-6914
7 Fax: (213) 576-6917
8
9

FILED

JUL 18 2012

DEPARTMENT OF REAL ESTATE
BY: C.2

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

11 In the Matter of the Accusation of) NO. H-38271 LA
12)
13 BLUESTONE MORTGAGE, INC.,) A C C U S A T I O N
14 LORENZO LAZARO, individually and)
15 as former designated officer of)
16 Bluestone Mortgage, Inc., and)
17 ANA E. LAZARO,)
18 Respondents.)
19)
20)
21)
22)
23)
24)
25)
26)
27)
28)

18 The Complainant, Robin Trujillo, a Deputy Real Estate
19 Commissioner of the State of California, for cause of Accusation
20 against BLUESTONE MORTGAGE, INC., LORENZO LAZARO, individually
21 and as former designated officer of Bluestone Mortgage, Inc.,
22 and ANA E. LAZARO ("Respondents"), is informed and alleges as
23 follows:

1.

25 The Complainant, Robin Trujillo, a Deputy Real Estate
26 Commissioner of the State of California, makes this Accusation
27 in her official capacity.
28

2.

From July 19, 2007, through July 18, 2011, Respondent BLUESTONE MORTGAGE, INC. ("BLUESTONE") was licensed by the Department of Real Estate ("Department") as a corporate real estate broker, Department ID 01817809.

3.

From June 9, 2009, through the present, Respondent LORENZO LAZARO has been licensed by the Department as a real estate broker, Department ID 01862498.

4.

From July 2, 2009 through July 18, 2011, Respondent BLUESTONE was acting by and through Respondent LORENZO LAZARO as its officer pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

5.

From February 23, 1980, through the present, Respondent ANA E. LAZARO was licensed by the Department as a real estate salesperson, Department ID 00772552. At all times relevant, Respondent ANA E. LAZARO was licensed under the employment of LORENZO LAZARO.

6.

Respondent BLUESTONE is a California corporation. Respondents LORENZO LAZARO and ANA E. LAZARO are officers and directors of BLUESTONE.

///

///

///

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
28

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
28

11.

Pursuant to Code Section 10131, a real estate broker is defined as a person who: (a) sells or offers to sell, buys or offers to buy, solicits prospective sellers or purchasers of, solicits or obtains listings of, or negotiates the purchase, sale or exchange of real property or a business opportunity; or (d) solicits borrowers or lenders for or negotiates loans or collects payment or performs services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

12.

Code Section 10131.2 defines a real estate broker as a person who engages in the business of claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee in connection with any employment undertaken to promote the sale or lease of real property or of a business opportunity by advance fee listing, advertisement or other offering to sell, lease, exchange or rent property or a business opportunity, or to obtain a loan or loans thereon.

13.

Code Section 10026, in pertinent part, defines an advance fee as a fee that is claimed, demanded, charged, received, or collected by a licensee for services requiring a license. A person who proposes to collect an advance fee as defined in Code Section 10026 must submit to the Commissioner not less than ten calendar days before publication or other use, all materials to be used in advertising, promoting, soliciting

1 and negotiating an agreement calling for the payment of an
2 advance fee including the form of advance fee agreement proposed
3 for use, pursuant to Section 2970, Regulations of the Real
4 Estate Commissioner, Title 10, Chapter 6, California Code of
5 Regulations ("Regulations"). Code Section 10085 also allows the
6 Commissioner to require that any and all materials used in
7 obtaining advance fee agreements, including contract forms, be
8 submitted at least 10 calendar days before they are used.

9 14.

10 In, or around July of 2009, Respondent ANA E. LAZARO,
11 while working as an agent on behalf of BLUESTONE, solicited and
12 offered loan services to Maxwell B., including services to
13 assist him in negotiating with lenders, foreclosure forbearance,
14 loan modification, or obtaining a short sale of his real
15 property. Respondents engaged in the business of claiming,
16 demanding, charging receiving, collecting or contracting for the
17 collection of advance fees, within the meaning of Code Section
18 10026, for activities with respect to loans which were secured
19 by liens on real property.

20 15.

21 On October 6, 2009, Maxwell B. paid an advance fee of
22 \$1,875 to BLUESTONE for short sale, loan modification or
23 negotiation services. On May 7, 2010, Maxwell B. paid an
24 additional advance fee of \$2,000 to BLUESTONE for said services.
25 Respondent ANA E. LAZARO made misrepresentations to Maxwell B.
26 in order to induce Maxwell B. to enter into an advance fee
27 agreement including, among others, that BLUESTONE could obtain a
28 loan modification for Maxwell B. Respondents failed to perform
the short sale, loan modification or negotiation services that

1 had been promised to Maxwell B. Respondents failed to provide
2 an accounting of any services done for Maxwell B. or an
3 accounting of the advance fees collected from Maxwell B.

4 16.

5 Respondents BLUESTONE and LORENZO LAZARO failed to
6 comply with the requirements of advance fee agreements pursuant
7 to Code Section 10085 and Regulation 2970.

8 17.

9 Respondents failed to comply with the requirements for
10 handling of advance fees in violation of Code Section 10146.

11 18.

12 On October 11, 2009, then Governor Arnold
13 Schwarzenegger signed Senate Bill 94 (Calderon), and the
14 legislation took effect immediately upon his signature. Thus,
15 California law prohibited any person, including real estate
16 licensees and attorneys, from demanding or collecting an advance
17 fee from a consumer for loan modification or mortgage loan
18 forbearance services affecting 1 - 4 unit residential dwellings.

19 19.

20 The following notice was prominently featured on the
21 Department's website as of October 11, 2009:

22 "IF YOU ARE A REAL ESTATE BROKER, OR THE DESIGNATED
23 OFFICER OF A LICENSED CORPORATION, WHO HAS BEEN ISSUED A "NO
24 OBJECTION" LETTER BY THE DEPARTMENT OF REAL ESTATE FOR LOAN
25 MODIFICATION OR OTHER MORTGAGE LOAN FORBEARANCE SERVICES, YOU
26 CAN NO LONGER ENTER INTO THESE AGREEMENTS EFFECTIVE AS OF
27 OCTOBER 11, 2009, NOR CAN YOU COLLECT ANY ADVANCE FEES FOR SUCH
28 SERVICES. Agreements entered into and advance fees collected

1 prior to October 11, 2009 are not affected. Advance fees
2 inadvertently collected after October 11, 2009 must be fully
3 refunded. All real estate licensees should become familiar with
4 the provisions of SB94 as there are substantial administrative
5 and criminal penalties for violations."

6 20.

7 The conduct, acts and/or omissions of Respondents as
8 set forth above, are in violation of Code Sections 10085,
9 10085.5, 10085.6 and 10146 and Regulation Section 2970 and
10 constitute grounds for the suspension or revocation of the
11 licenses and license rights of Respondents pursuant to Code
12 Sections 10177(d) and/or 10177(g).

13 21.

14 Respondents' conduct, acts and/or omissions as set
15 forth above, constitute grounds for the suspension or revocation
16 of the licenses and license rights of Respondents pursuant to
17 Code Sections 10176(a) (making any substantial
18 misrepresentation), 10176(b) (making any false promises of a
19 character likely to influence, persuade or induce), 10176(i)
20 (conduct...which constitutes fraud or dishonest dealing), 10177(d)
21 (violation of the Real Estate Law), and/or 10177(g)
22 (negligence).

23 22.

24 The conduct, acts and/or omissions of Respondent
25 LORENZO LAZARO, in allowing Respondents BLUESTONE and ANA E.
26 LAZARO to violate the Real Estate Law, as set forth above,
27 constitutes a failure by Respondent LAZARO, as the officer
28 designated by the corporate broker licensee, to exercise the

1 supervision and control over the activities of Respondents
2 BLUESTONE and ANA E. LAZARO, as required by Code Section 10159.2
3 and Regulation 2725, is cause to suspend or revoke the real
4 estate license and license rights of Respondent LORENZO LAZARO
5 under Code Sections 10177(h), 10177(d) and/or 10177(g).

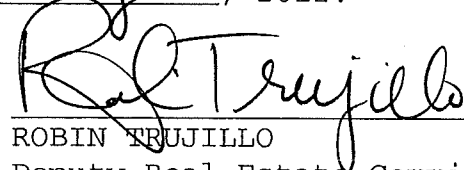
6 23.

7 Code Section 10106 provides, in pertinent part, that
8 in any order issued in resolution of a disciplinary proceeding
9 before the Department of Real Estate, the Commissioner may
10 request the administrative law judge to direct a licensee found
11 to have committed a violation of this part to pay a sum not to
12 exceed the reasonable costs of the investigation and enforcement
13 of the case.

14 WHEREFORE, Complainant prays that a hearing be
15 conducted on the allegations of this Accusation and that upon
16 proof thereof, a decision be rendered imposing disciplinary
17 action against all licenses and/or license rights of Respondents
18 BLUESTONE MORTGAGE, INC., LORENZO LAZARO, individually and as
19 former designated officer of Bluestone Mortgage, Inc., and ANA
20 E. LAZARO under the Real Estate Law (Part 1 of Division 4 of the
21 Business and Professions Code), for the cost of investigation
22 and enforcement as permitted by law, and for such other and
23 further relief as may be proper under other provisions of law.

24 Dated at Los Angeles, California

25 this 17 day of July, 2012.

26
27 
28 ROBIN TRUJILLO
Deputy Real Estate Commissioner

1 cc: Bluestone Mortgage, Inc.
2 Lorenzo Lazaro
3 Ana E. Lazaro
4 Robin Trujillo
5 Sacto
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28