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DEPARTMENT OF REAL ESTATE
BY: *R. Mederholt*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

11	In the Matter of the Accusation of)	
12	AMERICAN EMPIRE MORTGAGE, INC.;)	
13	and CESAR A. HAASLER, individually and)	No. H- 38311 LA
14	as designated officer of American Empire)	
15	Mortgage, Inc.,)	<u>ACCUSATION</u>
	Respondents.)	

16 The Complainant, Veronica Kilpatrick, a Deputy Real Estate Commissioner of the
17 State of California, for cause of Accusation against AMERICAN EMPIRE MORTGAGE, INC.
18 and CESAR A. HAASLER, individually and as designated officer of American Empire
19 Mortgage, Inc., alleges as follows:

1. 20

21 The Complainant, Veronica Kilpatrick, acting in her official capacity as a Deputy
22 Real Estate Commissioner of the State of California, makes this Accusation.

2. 23

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

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1 3.

2 License Status

3 A. AMERICAN EMPIRE MORTGAGE, INC. ("AEMI"). At all times
4 mentioned, Respondent AEMI was licensed or had license rights issued by the Department of
5 Real Estate ("Department") as a real estate broker. On April 17, 2007, AEMI was originally
6 licensed as a corporate real estate broker. Respondent AEMI is authorized to act by and through
7 Respondent CESAR A. HAASLER as AEMI's designated broker pursuant to Code Sections
8 10159.2 and 10211 to be responsible for ensuring compliance with the Real Estate Law.

9 B. CESAR A. HAASLER ("HAASLER"). At all times mentioned, Respondent
10 HAASLER was licensed or had license rights issued by the Department as a real estate broker.
11 On July 3, 1998, HAASLER was originally licensed as a real estate broker. On April 17, 2007,
12 HAASLER became the designated officer of AEMI.

13 C. HAASLER is AEMI's president, Chief Financial Officer, and owner.

14 Brokerage

15 4.

16 At all times mentioned, in the City and County of Riverside, AEMI and
17 HAASLER acted as real estate brokers conducting licensed activities within the meaning of:

18 A. Code Section 10131(a). Respondents engaged in the business of, acted in the
19 capacity of, advertised, or assumed to act as a real estate broker, including the solicitation for
20 listings of and the negotiation of the sale of real property as the agent of others.

21 B. Code Section 10131(d). Respondents engaged in activities with the public
22 wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on
23 real property, wherein such loans were arranged, negotiated, processed, and consummated on
24 behalf of others for compensation or in expectation of compensation and for fees often collected
25 in advance.

26 C. Code Section 10131(d) and 10131.2. Respondents advertised, solicited, and
27 offered to provide loss mitigation and loan modification services to economically distressed

1 homeowners seeking adjustments to the terms and conditions of their home loans including, but
2 not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or
3 interest, extenuations, foreclosure prevention, loan modification services, and short sales.

4
5 FIRST CAUSE OF ACCUSATION

6 (Audit Examination)

7 5.

8 On June 1, 2010, the Department completed an audit examination of the books
9 and records of AEMI limited to the residential resale and mortgage loan brokerage activities
10 only, as described in Paragraph 4, which require a real estate license. The audit examination
11 covered a period of time beginning on January 1, 2008 and ending on April 30, 2010. The audit
12 examination revealed violations of the Code and the Regulations as set forth in the following
13 paragraphs, and more fully discussed in Audit Report SD 090061 and the exhibits and work
14 papers attached to said audit report.

15 Bank Account and Trust Account

16 6.

17 AEMI maintained the following bank account and trust account:

18 "Wells Fargo Bank
19 *****0649"
20 3765 Tyler Street
21 Riverside, CA 92503

(B/A #1)

22 "Bank of America
23 *****0716"
24 10297 Magnolia Avenue
25 Riverside, CA 92503

(T/A #1)

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1 (g) Failed to provide proof of retention of all records of AEMI's activity during
2 the audit period requiring a real estate broker license, including but not limited to, mortgage loan
3 files and log and loan modification files and log of clients, including but not limited to, George
4 Peoples, in violation of Code Section 10148.

5 Discipline Statutes and Regulations

6 8.

7 The conduct of Respondents AEMI and HAASLER, described in Paragraph 7,
8 above, violated the Code and the Regulations as set forth below:

9 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
10 7(a)	Code Section 10145 and Regulation 2832
11 7(b)	Code Section 10146
12 7(c)	Code Sections 10145 and 10176(e) and Regulation 2835
13 7(d)	Code Section 10085 and Regulation 2970
14 7(e)	Code Section 10146 and Regulation 2972
15 7(f)	Code Section 10159.5 and Regulation 2731
16 7(g)	Code Section 10148

17 The foregoing violations constitute cause for discipline of the real estate license and license rights
18 of Respondents AEMI and HAASLER, as the case may be, under the provisions of Code Sections
19 10176(e), 10177(d), and/or 10177(g).

20
21 SECOND CAUSE OF ACCUSATION

22 (Negligence)


23 9.

24 The overall conduct of Respondents AEMI and HAASLER constitute negligence,
25 and is cause for discipline of the real estate license and license rights of said Respondents
26 pursuant to the provisions of Code Section 10177(g).

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1 George People's loan modification transaction; for costs of audit pursuant to Code Section
2 10148, and for costs of investigation and enforcement pursuant to Code Section 10106.

3 Dated at San Diego, California: July 24, 2012

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5 
6 Veronica Kilpatrick
7 Deputy Real Estate Commissioner

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cc: American Empire Mortgage, Inc.
c/o Cesar A. Haasler D.O.
Veronica Kilpatrick
Sacto
Audits - Zaky Wanis