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DEPARTMENT OF REAL ESTATE
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8 BEFORE THE DEPARTMENT OF REAL ESTATE
 9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)	NO. H-38752 LA
12))
13 RELIABLE LENDING CONSULTANTS, INC.)	<u>FIRST AMENDED ACCUSATION</u>
14 and PAUL DAVID CRONIN,))
15))
16 Respondents.))

17 This First Amended Accusation amends the Accusation
 18 filed on March 6, 2013. The Complainant, Robin Trujillo, a
 19 Deputy Real Estate Commissioner of the State of California, for
 20 cause of Accusation against RELIABLE LENDING CONSULTANTS, INC.
 21 and PAUL DAVID CRONIN (collectively "Respondents"), is informed
 22 and alleges as follows:

23 1.

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

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1 2.

2 From January 21, 2010, through the present, Respondent
3 RELIABLE LENDING CONSULTANTS, INC. ("RLCI") has been licensed by
4 the Department of Real Estate ("Department") as a corporate real
5 estate broker, License ID 01875313.

6 3.

7 From November 5, 2010, through the present, Respondent
8 PAUL DAVID CRONIN ("CRONIN"), aka Skip Cronin, has been licensed
9 by the Department as a real estate salesperson, License ID
10 01890458. Respondent has a mortgage loan originator license
11 endorsement, Nationwide Mortgage Licensing System ("NMLS")
12 ID 228290.

13 4.

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

18 FIRST CAUSE OF ACCUSATION

19 (Suspended Corporate Status)

20 5.

21 RLCI is a California corporation formed on or about
22 July 29, 2008. Respondent CRONIN is an officer and director of
23 RLCI. Robin S. Layne, an unlicensed person, is an officer and
24 director of RLCI. The California Franchise Tax Board suspended
25 RLCI's corporate status on April 1, 2011. RLCI's corporate
26 status remains suspended.

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1 6.

2 The suspension of Respondent RLCI's corporate status
3 is a violation of Regulation 2742, subdivision (c) and
4 constitutes grounds to suspend or revoke Respondent RLCI's
5 corporate real estate broker license pursuant to Code Sections
6 10177(d), 10177(f), and/or 10177(g).

7 SECOND CAUSE OF ACCUSATION

8 (Unlicensed Activity/Advance Fee Violations/Fraud/Dishonest Dealing)

9 7.

10 From January 21, 2010, through July 8, 2010, David
11 Robert Campbell ("Campbell") served as the designated officer
12 for RLCI. Campbell canceled his designation as of July 8, 2010.
13 As of July 8, 2010, RLCI was licensed in a non-working status
14 meaning the licensee is prohibited from performing activities
15 for which a license is required in California.

16 8.

17 Code Section 10131 defines a real estate broker as a
18 person who: (d) solicits borrowers or lenders for or negotiates
19 loans or collects payment or performs services for borrowers or
20 lenders or note owners in connection with loans secured directly
21 or collaterally by liens on real property or on a business
22 opportunity.

23 9.

24 Code Section 10131.2 defines a real estate broker as
25 "a person who engages in the business of claiming, demanding,
26 charging, receiving, collecting or contracting for the
27 collection of an advance fee in connection with any employment
28 undertaken to promote the sale or lease of real property or of a

1 business opportunity by advance fee listing, advertisement or
2 other offering to sell, lease, exchange or rent property or a
3 business opportunity, or to obtain a loan or loans thereon."

4 10.

5 Code Section 10085.5 states: "(a) It shall be
6 unlawful for any person to claim, demand, charge, receive,
7 collect, or contract for an advance fee (1) for soliciting
8 lenders on behalf of borrowers or performing services for
9 borrowers in connection with loans to be secured directly or
10 collaterally by a lien on real property, before the borrower
11 becomes obligated to pay the complete loan or, (2) for
12 performing any other activities for which a license is required,
13 unless the person is a licensed real estate broker and has
14 complied with the provisions of this part."

15 11.

16 Code Section 10085.6 states: "(a) Notwithstanding
17 any other provision of law, it shall be unlawful for any
18 licensee who negotiates, attempts to negotiate, arranges,
19 attempts to arrange, or otherwise offers to perform a mortgage
20 loan modification or other form of mortgage loan forbearance for
21 a fee or other compensation paid by the borrower, to do any of
22 the following:

23 (1) Claim, demand, charge, collect, or receive any
24 compensation until after the licensee has fully performed
25 each and every service the licensee contracted to perform
26 or represented that he, she, or it would perform.

1 (2) Take any wage assignment, any lien of any type on
2 real or personal property, or other security to secure the
3 payment of compensation.

4 (3) Take any power of attorney from the borrower for
5 any purpose."

6 12.

7 Code Section 10177(q) allows the commissioner to
8 suspend or revoke the license of a real estate licensee, or
9 delay the renewal of a license for a violation or failure to
10 comply with Chapter 2 (commencing with Section 2920) of Title 14
11 of Part 4 of Division 3 of the Civil Code, related to mortgages.

12 13.

13 Civil Code Section 2944.7 states:

14 "(a) Notwithstanding any other provision of law,
15 it shall be unlawful for any person who negotiates,
16 attempts to negotiate, arranges, attempts to arrange, or
17 otherwise offers to perform a mortgage loan modification or
18 other form of mortgage loan forbearance for a fee or other
19 compensation paid by the borrower, to do any of the
20 following:
21

22 (1) Claim, demand, charge, collect, or receive any
23 compensation until after the person has fully performed each and
24 every service the person contracted to perform or represented
25 that he or she would perform.

26 (2) Take any wage assignment, any lien of any type on
27 real or personal property, or other security to secure the
28 payment of compensation.

1 (3) Take any power of attorney from the borrower for
2 any purpose."

3 14.

4 Within the three year period prior to the filing of
5 this Accusation, Respondents, while doing business as RLCI in
6 California, solicited and offered to perform services for
7 borrowers in connection with loans secured directly or
8 collaterally by liens on real property.

9 15.

10 On November 22, 2010, borrowers Ame and Andres R.
11 entered into a loan modification agreement with RLCI.
12 Respondent charged an advance fee totaling \$3,600 from the
13 borrowers for said services. Respondent induced the borrowers
14 to sign a limited power of attorney. On November 23, 2010,
15 Respondent collected an advance fee of \$1,800 from the
16 borrowers. On December 15, 2010, Respondent collected another
17 advance fee of \$1,500 from the borrowers. Respondent failed to
18 provide proof of completing the services promised to the
19 borrowers and refused to provide a refund of the borrowers'
20 advance fees. Respondent provided a refund to the borrowers
21 only after they filed a complaint against Respondent with the
22 Department and other consumer protection agencies.

23 16.

24 On November 30, 2010, borrowers Francisco and Fe D.
25 entered into a loan modification agreement with RLCI.
26 Respondent charged an advance fee totaling \$2,400 from the
27 borrowers for said services. Respondent induced the borrowers
28 to sign a limited power of attorney. On December 9, 2010,

1 Respondent collected an advance fee of \$1,200 from the
2 borrowers. On January 10, 2011, Respondent collected another
3 advance fee of \$1,200 from the borrowers. Respondent made
4 several misrepresentations to the borrowers in order to induce
5 them to enter into the loan modification agreement and pay the
6 advance fee for said services including that Respondent could
7 obtain a lower interest rate and reduce the principal of the
8 borrowers' loan. Respondent failed to provide proof of
9 completing the services promised to the borrowers and refused to
10 provide a refund of the borrowers' advance fees. Respondent
11 provided a refund to the borrowers only after they filed a
12 complaint against Respondent with the Department and other
13 consumer protection agencies.

14 17.

15 On March 17, 2011, borrowers Armando and Filgerina T.
16 entered into a loan modification agreement with RLCI.
17 Respondent charged an advance fee totaling \$5,000 from the
18 borrowers for said services. On March 18, 2011, Respondent
19 collected an advance fee of \$1,500 from the borrowers. On
20 April 11, 2011, Respondent collected another advance fee of
21 \$1,500 from the borrowers. On April 22, 2011, the borrowers
22 cancelled their agreement with RLCI and requested a refund of
23 the \$3,000 in advance fees they had paid. Respondent failed to
24 provide proof of completing the services promised to the
25 borrowers and failed to provide a refund of the borrowers'
26 advance fees.

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1 18.

2 On March 23, 2011, borrower Marie V. entered into a
3 loan modification agreement with RLCI. Respondent charged an
4 advance fee totaling \$5,500 from the borrower for said services.
5 Respondent induced the borrower to sign a limited power of
6 attorney. On March 24, 2011, Respondent collected an advance
7 fee of \$3,000 from the borrower. On April 19, 2011, Respondent
8 collected another advance fee of \$2,500 from the borrower. On
9 August 2, 2011, the borrower cancelled her agreement with RLCI
10 and requested a refund of the \$5,500 in advance fees she had
11 paid. Respondent failed to provide proof of completing the
12 services promised to the borrower and failed to provide a refund
13 of the borrower's advance fees.

14 19.

15 The activities described in Paragraphs 15 through 18
16 involved soliciting borrowers for loan modifications or
17 foreclosure forbearance services and charging, demanding, or
18 collecting advance fees for said services. Respondents RLCI and
19 CRONIN violated the restrictions regarding advance fees as set
20 forth in Code Sections 10085.5 and 10085.6 and Civil Code
21 2944.7. Cause exists to discipline all licenses and/or license
22 rights of Respondents RLCI and CRONIN pursuant to Code Sections
23 10177(d) and/or 10177(g) for violation of Code Sections 10085.5
24 and 10085.6. Further, cause also exists to discipline all
25 licenses and/or license rights of Respondents RLCI and CRONIN
26 pursuant to Code Sections 10177(q) and/or 10177(g) for violation
27 of Civil Code Section 2944.7.

28

1 20.

2 The activities described in Paragraphs 15 through 18,
3 above, require a real estate broker license under Code Sections
4 10131(d) and 10131.2. At all times relevant, Respondent RLCI
5 was licensed in a non-working status which meant that the
6 licensee could not perform any acts for which a real estate
7 license is required in California. RLCI was operating out of an
8 office located in California. Cause exists to discipline all
9 licenses and/or license rights of Respondent RLCI pursuant to
10 Code Sections 10177(d) and/or 10177(g) for violation of Code
11 Sections 10130, 10137, and 10139.

12 21.

13 Respondent RLCI failed to comply with the requirements
14 for handling of advance fees in violation of Code Sections
15 10145, 10146, and Regulations 2831, 2832, and 2972. Cause
16 exists to discipline all licenses and/or license rights of
17 Respondent RLCI pursuant to Code Sections 10177(d) and/or
18 10177(g) for violation of Code Sections 10145, 10146, and
19 Regulations 2740, 2742, subdivision (c), 2831, 2832, 2970, and
20 2972.

21 22.

22 The activities described in Paragraphs 15 through 18,
23 above, require a real estate broker license under Code Sections
24 10131(d) and 10131.2 or to be done by a licensed salesperson
25 under the employment and supervision of a licensed real estate
26 broker pursuant to Code Section 10132. At all times relevant,
27 Respondent CRONIN was licensed under the employment of Pacific
28 Lending & Realty, Inc. Cause exists to discipline all licenses,

1 endorsements and/or license rights of Respondent CRONIN pursuant
2 to Code Sections 10166.05(c), 10166.051, 10139, 10177(d) and/or
3 10177(g) for violation of Code Sections 10130, 10137 and 10139.

4 23.

5 Respondents' conduct, acts and/or omissions as set
6 forth above in Paragraphs 15 through 18 constitute grounds for
7 the discipline of all licenses, endorsements and/or license
8 rights of Respondents RLCI and CRONIN pursuant to Code Sections
9 10176(a) (making any substantial misrepresentation), 10176(b)
10 (making any false promises of a character likely to influence,
11 persuade or induce), 10176(i) (conduct...which constitutes fraud
12 or dishonest dealing), 10177(d) (violation of the Real Estate
13 Law), and/or 10177(g) (negligence).

14 24.

15 Code Section 10106 provides, in pertinent part, that
16 in any order issued in resolution of a disciplinary proceeding
17 before the Department of Real Estate, the Commissioner may
18 request the administrative law judge to direct a licensee found
19 to have committed a violation of this part to pay a sum not to
20 exceed the reasonable costs of the investigation and enforcement
21 of the case.

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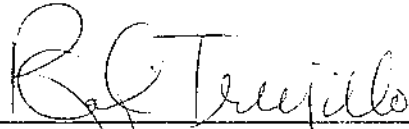
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses, endorsements, and/or license rights
5 of Respondents RELIABLE LENDING CONSULTANTS, INC. and PAUL DAVID
6 CRONIN under the Real Estate Law (Part 1 of Division 4 of the
7 Business and Professions Code), for the cost of investigation
8 and enforcement as permitted by law, and for such other and
9 further relief as may be proper under other provisions of law.

10 Dated at Los Angeles, California

11 this 10 day of April, 2013.

12
13 
14 ROBIN TRUJILLO
15 Deputy Real Estate Commissioner
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23 cc: Reliable Lending Consultants, Inc.
24 Paul David Cronin
25 Pacific Home Loans, Inc.
26 Robin Trujillo
27 Sacto
28 OAH