

Sado files

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FILED

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BUREAU OF REAL ESTATE

By *[Signature]*

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H- 39394 LA
12)
13 JEFFREY DOUGLAS KRUGER,) A C C U S A T I O N
14)
15 Respondent.)
16)

17 The Complainant, Robin Trujillo, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against JEFFREY DOUGLAS KRUGER ("Respondent") is informed and
20 alleges as follows:

21 1.

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

25 2.

26 Respondent is presently licensed and/or has license
27 rights under the Real Estate Law as a real estate salesperson.

- 1 -

BRE ACCUSATION - JEFFREY DOUGLAS KRUGER

1 Respondent has not at any time mentioned herein obtained a
2 mortgage loan originator endorsement to his real estate
3 salesperson license.

4 3.

5 At all times mentioned herein, Respondent engaged in
6 the business of, acted in the capacity of, and/or advertised a
7 loan modification service offering to perform and performing
8 loan modification and negotiation services with respect to
9 residential mortgage loans which were secured by liens on real
10 property for compensation or in expectation of compensation.

11 4.

12 From in or around April, 2011, to and including the
13 present, Respondent published or caused to be published an
14 advertisement offering to perform loan modification services
15 with respect to loans secured by liens on real property for
16 compensation. Respondent's advertisement represented that he
17 had been providing loan modifications since 2007, and that he
18 had established "inside connections with all the major
19 lenders." The advertisement was posted to the internet at the
20 following website address www.Craigslist.org.

21 5.

22 At all times mentioned herein, Respondent was employed
23 by a licensed real estate broker. From October 23, 2008, through
24 May 22, 2011, and from June 21, 2011, to January 21, 2012,
25 Respondent was employed by Compass Real Estate ("Compass"), a
26 licensed real estate corporation. From January 22, 2012, to the
27

1 present time Respondent was employed by Cobut Holding Inc.
2 ("Cobut"), a licensed real estate corporation. Neither Compass
3 nor Cobut had prior or contemporaneous knowledge of the loan
4 modification activities engaged in by Respondent.

5 6.

6 Respondent's loan modification activities include, but
7 are not limited to the following:

8 a. On or about April 21, 2011, Reza A. entered into
9 a written agreement with Respondent, doing business under the
10 fictitious name "MLSCD, Inc." By the terms of the agreement
11 Respondent agreed to perform loan modification services with
12 respect to a loan secured by the real property located at 11855
13 Goshen Avenue, Unit 201, Los Angeles, Ca 90049. On or about
14 January 15, 2012, Reza A. gave Respondent the sum of \$2,000 in
15 payment for the loan modification services Respondent provided
16 to her.

17 b. On or about May 31, 2012, Annie N. entered into
18 a written agreement with Respondent, doing business under the
19 fictitious name "MLSCD, Inc." By the terms of the agreement
20 Respondent agreed to perform loan modification services with
21 respect to a loan secured by the real property located at 2812
22 Ridgeville Drive, Canyon Country, Ca 91387 in exchange for
23 payment in the amount of \$3,000.

24 c. On or about March 14, 2013, Special Investigator
25 Liu made an undercover telephone call to Respondent at the phone
26 number listed in the website advertisement described in
27

1 Paragraph 4, above. Liu identified herself to Respondent by the
2 fictitious name "Lilan." Liu described herself to Respondent as
3 an individual seeking to refinance the mortgage on her home
4 which was \$250,000. Respondent inquired about Liu's financial
5 circumstances, including the amount of the monthly mortgage
6 payment and the amount of her salary. Liu advised Respondent
7 that she needed to terminate the call, and gave him an e-mail
8 address he could use to provide her with more information about
9 his services. On March 16, 2013, Liu received an e-mail from
10 Respondent in which Respondent provided a list of individuals
11 for whom he had performed loan modifications. Respondent invited
12 Liu to contact these individuals for a reference concerning his
13 business.

14 d. On or about October 7, 2013, Special Investigator
15 Pak ("Pak") of the Bureau made an undercover telephone call to
16 Respondent at the phone number listed in the website
17 advertisement described in Paragraph 4, above. Pak identified
18 himself to Respondent as "Joe" who was seeking a loan
19 modification with respect to a condominium he owned. During the
20 conversation Respondent advised Pak that he could provide him
21 with loan modification services in exchange for a retainer fee
22 of \$1,500, and another fee of \$2,500 if Respondent obtained the
23 loan modification.

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1 FIRST CAUSE OF ACCUSATION

2 (Unlicensed Real Estate Conduct - Code Section 10130)

3 7.

4 The activities described in Paragraph 6, above,
5 require a real estate broker license under Section 10131(d) of
6 the Code.

7 8.

8 Respondent performed and/or participated in loan
9 modification, solicitation, and negotiation activities which
10 require a real estate broker license when Respondent was not
11 licensed by the Bureau as a real estate broker nor employed as a
12 real estate salesperson by the broker on whose behalf the
13 activities were performed in violation of Section 10130 of the
14 Code.

15 9.

16 The conduct, acts and/or omissions of Respondent, as
17 set forth, above, violates Code Section 10130, and is cause for
18 the suspension or revocation of the licenses and license rights
19 of Respondent pursuant to Code Sections 10177(d) and/or
20 10177(g).

21 SECOND CAUSE OF ACCUSATION

22 (Unlicensed Conduct re Mortgage Loan Activities - Code Section
23 10166.02(b))

24 10.

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

27 ///

11.

The activities described in Paragraph 6, above, require a mortgage loan originator endorsement to a real estate license under the provisions of Section 10166.01(b)(1) of the Code.

12.

Respondent performed and/or participated in mortgage loan modifications, negotiating the terms of residential mortgage loans for compensation, and soliciting to perform loan modification negotiations. Respondent conducted these activities without having a mortgage loan originator endorsement to his real estate license in violation of Code Section 10166.02(b).

13.

The conduct, acts and/or omissions of Respondent, as set forth, above, violates Code Section 10166.02(b), and is cause for the suspension or revocation of the real estate license and license rights of Respondent pursuant to Code Sections 10177(d) and/or 10177(g).

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

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 JEFFREY DOUGLAS KRUGER under the Real Estate Law, for the cost
6 of investigation and enforcement as permitted by Code Section
7 10106, and for such other and further relief as may be proper
8 under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 3 day of April, 2014.

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15 Robin Trujillo
16 Deputy Real Estate Commissioner
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21 cc: Jeffrey Douglas Kruger
22 Cobut Holding Inc.
23 Robin Trujillo
24 Sacto.
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