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FILED

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BUREAU OF REAL ESTATE
By *Al Solaris*

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BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

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In the Matter of the Accusation of)	No. H- 40232 LA
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)	<u>A C C U S A T I O N</u>
)	
MUTUAL WEST CORPORATION;)	
and JUAN MANUEL QUINONES III)	
individually and as)	
designated officer of)	
Mutual West Corporation,)	
)	
Respondents,)	
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)	

The Complainant, Veronica Kilpatrick, a Supervising
Special Investigator of the State of California, for cause of
accusation against MUTUAL WEST CORPORATION, and JUAN MANUEL
QUINONES III individually and as designated officer of Mutual
West Corporation, alleges as follows:

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1 1. The Complainant, Veronica Kilpatrick, acting in her
2 official capacity as a Supervising Special Investigator of the
3 State of California, makes this Accusation against MUTUAL WEST
4 CORPORATION, and JUAN MANUEL QUINONES III.

5 2. MUTUAL WEST CORPORATION, and JUAN MANUEL QUINONES
6 III individually and as designated officer of Mutual West
7 Corporation (hereinafter referred to as "Respondents") are
8 presently licensed and/or have license rights under the Real
9 Estate Law (Part 1 of Division 4 of the Business and Professions
10 Code, hereinafter Code).

11 3. At all times herein mentioned, Respondents MUTUAL
12 WEST CORPORATION and JUAN MANUEL QUINONES III were licensed as
13 real estate brokers. Respondent QUINONES was the designated
14 officer and pursuant to Code Section 10159.2 was responsible for
15 the supervision and control of the activities conducted on behalf
16 of the corporation by its officers and employees as necessary to
17 secure full compliance with the provisions of the real estate law
18 including supervision of salespersons licensed to the corporation
19 in the performance of acts for which a real estate license is
20 required.

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1 4. At all times material herein, Respondents engaged
2 in the business of, acted in the capacity of, advertised or
3 assumed to act as real estate brokers in the State of California
4 within the meaning of Section 10131(d) of the Code including
5 conducting loan modification services and collecting advance fees
6 from consumers.

7 5. On or about December 18, 2015, the Bureau completed
8 an examination of Respondent MUTUAL WEST CORPORATION's books and
9 records, pertaining to the activities described in Paragraph 4
10 above, covering a period from January 1, 2014, through June 30,
11 2015, which examination revealed violations of the Code and of
12 Title 10, Chapter 6, California Code of Regulations (hereinafter
13 Regulations) as set forth below.

14 6. The examination described in Paragraph 5, above,
15 determined that, in connection with the activities described in
16 Paragraph 4 above, Respondents accepted or received funds,
17 including funds in trust (hereinafter "trust funds") from or on
18 behalf of principals, and thereafter made deposit or disbursement
19 of such funds.

20 7. In the course of activities described in Paragraphs
21 4 through 6 and during the examination period described in
22 Paragraph 5, Respondents MUTUAL WEST CORPORATION, and JUAN MANUEL
23 QUINONES III acted in violation of the Code and the Regulations
24 as follows, and as more specifically set forth in Audit Report
25 No. LA 140217 and related exhibits:

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1 a. Violated Code Section 10145 by collecting a total
2 of \$8,130 from Enrique A. for loan modification services for
3 property at 1186 E. 55th St., Los Angeles, CA. and not
4 maintaining the funds in a real estate broker trust account.

5 b. Violated Code Section 10176(i) by misappropriating
6 the funds to their own use and benefit without the knowledge and
7 permission of the borrower Enrique A.

8 c. Violated Code Section 10148 by not providing the
9 Bureau their records for loan transactions for review and copying
10 at the request of the Bureau. The records include receipts and
11 disbursements, deposit slips, bank statements related to the loan
12 modification transaction files examined.

13 d. Violated Code Section 10176(e) by commingling the
14 funds of Enrique A. with their own personal funds.

15 e. Violated Code Section 10085.6 by offering to
16 perform mortgage loan modification and received compensation
17 before fully performing every service contracted to perform.

18 f. Violated Regulation 2731 by using fictitious
19 business name Mutual West without first obtaining a license
20 bearing such name.

21 g. Violated Code Section 10140.6(b) in that the
22 mortgage loan applications did not always include broker license
23 number at the first point of contact with consumers.

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1 h. Violated Code Section 10240 in that the mortgage
2 loan disclosure statement did not always include broker license
3 number. Respondent did not maintain a copy of the statement
4 provided to borrowers to show that said statements were provided
5 to borrowers within three business days after the borrowers
6 signed their loan application.

7 8. The conduct, acts and/or omissions of Respondents
8 MUTUAL WEST CORPORATION, and JUAN MANUEL QUINONES III, as alleged
9 above, subjects their real estate licenses and license rights to
10 suspension or revocation pursuant to Sections 10177(d), 10177(g)
11 and 10176(i).

12
13 FAILURE TO SUPERVISE

14 9. The conduct, acts and/or omissions of Respondent
15 QUINONES, in failing to ensure full compliance with the Real
16 Estate Law is in violation of Code Section 10159.2 and subjects
17 his real estate licenses and license rights to suspension or
18 revocation pursuant to Sections 10177(d), 10177(g), and 10177(h)
19 of the Code.

20 COST RECOVERY

21 Code Section 10106 provides, in pertinent part, that in
22 any order issued in resolution of a disciplinary proceeding
23 before the bureau, the commissioner may request the
24 administrative law judge to direct a licensee found to have
25 committed a violation of this part to pay a sum not to exceed the
26 reasonable costs of the investigation and enforcement of the
27 case.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents MUTUAL WEST CORPORATION, and JUAN MANUEL QUINONES III individually and as designated officer of Mutual West Corporation under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law. Dated at San Diego, California this 21st day of April, 2016.


VERONICA KILPATRICK
Supervising Special Investigator

cc: Mutaul West Corporation
Juan Manuel Quinones III
Veronica Kilpatrick
Sacto.