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**FILED**

DEC 18 2017

**BUREAU OF REAL ESTATE**

By 

BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

\*\*\*\*\*

In the Matter of the Accusation of	)	No. H-40892 LA
	)	
LANCE RICHARD HALL;	)	<u>A C C U S A T I O N</u>
	)	
	)	
Respondent.	)	
	)	

17 The Complainant, a Supervising Special Investigator of the State of California, for  
18 cause of Accusation against Respondents LANCE RICHARD HALL, AMERICO MORTGAGE  
19 CORPORATION, and SCOTT JAMES WEIDENHAMMER, (collectively, "Respondents"), is  
20 informed and alleges as follows:

21 1.

22 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
23 State of California, makes this Accusation in her official capacity.

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2.

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

**RESPONDENTS**

**Respondent LANCE RICHARD HALL ("HALL")**

3.

LANCE RICHARD HALL ("HALL") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a restricted real estate salesperson ("RRES" or "restricted RES"), Bureau of Real Estate ("Bureau" or "BRE") license ID 01352343. HALL's BRE mailing address of record is: 1933 Upper Rim Rock Canyon, Laguna Beach, California 92651.

4.

HALL was first licensed as a RRES on or about August 30, 2004, in CalDRE<sup>1</sup> Case No. H-30841 LA<sup>2</sup>. According to the BRE's records, Realty One Group, Inc. (BRE license ID 01878341) is HALL's employing real estate broker ("REB") of record. HALL's BRE license will expire on August 29, 2020.

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<sup>1</sup> Prior to July 1, 2013, the California Bureau of Real Estate was the Department of Real Estate ("DRE").

<sup>2</sup> On or about August 23, 2002, HALL filed an application with the BRE for a RES license. On or about April 14, 2004, the DRE filed a Statement of Issues pursuant to Code Sections 10177(g) and 480(a) in the matter of the RES application of HALL. On or about July 29, 2004, by Stipulation and Waiver, the DRE granted HALL the right to apply for and be granted a RRES. A RRES was issued to HALL on August 30, 2004, under which HALL has operated since that time. On May 19, 2008, HALL petitioned the DRE for the removal of restrictions attached to his RES license; on January 25, 2010, HALL's petition for removal of restrictions was denied.

1  
2 5.

3 At all times mentioned herein, in Orange County, California, Respondent HALL  
4 engaged in the performance of activities requiring a real estate license pursuant to Code Section  
5 10130. Respondent acted and ordered, caused, authorized or participated in licensed activities  
6 within the meaning Code Section 10131.

7 **FACTS DISCOVERED BY THE BUREAU**

8 6.

9 Americo Mortgage Corporation

10 According to a Statement of Information ("SOP") filed with the California  
11 Secretary of State on or about October 16, 2012, Americo Mortgage Corporation (C2806555)  
12 ("Americo") is a mortgage broker and Scott James Weidenhammer ("Weidenhammer") is its  
13 agent for service of process and its Chief Executive Officer, Secretary, and Chief Financial  
14 Officer. Also according to the October 16, 2012 SOI, Weidenhammer and Mishele  
15 Weidenhammer are Americo's Directors<sup>3</sup>.

16 7.

17 Silver Rock Advisors, Inc.

18 According to a SOI filed by Silver Rock Advisors, Inc. ("Silver Rock") with the  
19 California Secretary of State on or about March 29, 2012, Silver Rock is a real estate business,  
20 and Weidenhammer is its agent for service of process, its Chief Executive Officer, and its Chief  
21  
22

23 \_\_\_\_\_  
24 <sup>3</sup> According to the BRE's records, Americo is presently licensed and/or has license rights under the Real Estate  
25 Law, Part 1 of Division 4 of the Code as a real estate corporation ("REC"), BRE license ID 01525272, and  
26 Weidenhammer (REB, BRE license ID 01064318) is its designated officer ("D.O.") of record until his officer  
27 expiration date of September 7, 2018.

1 Financial Officer. Also according to the March 29, 2012 SOI, Weidenhammer and Robert  
2 Castaneda are Silver Rock's Directors.

3 8.

4 HALL's Independent Contractor Agreement with Realty One Group, Inc.

5 On or about July 29, 2013, HALL (as "Contractor/Salesperson") signed an  
6 "Independent Contractor Agreement" with Tony Faulkner/Realty One Group, Inc. (as "Broker")  
7 ("ROG Agreement"). As stated in the "Duties And Obligations" portion of the Agreement,  
8 "Contractor/Salesperson acknowledges that all agency relationships entered into for any real  
9 estate transaction exist solely between the Realty ONE [sic] Group as Broker and the transaction  
10 principal (the "Client") and that at all times, the Contractor/Salesperson owes a duty of  
11 reasonable care to the Broker and the Broker's Client. During the term of this Agreement,  
12 Contractor/Salesperson shall diligently represent Realty ONE Group and shall perform any and  
13 all general Real Estate services for real property required or reasonably requested in connection  
14 with its business."

15 9.

16 HALL's Independent Contractor Agreement with Silver Rock Advisors, Inc.

17 On or about November 25, 2013, HALL (as "Independent Contractor") signed an  
18 "Independent Contractor Agreement" with Weidenhammer/Silver Rock (SRA) ("SRA  
19 Agreement"), which defined commissions as "any brokerage fee or commission earned and  
20 received during the term of this Agreement resulting from Independent Contractor's solicitation,  
21 negotiation and placing transactions by or on behalf of SRA, net of fees or expenses incurred by  
22 third party contractors used in connection with transaction." According to this Agreement,  
23 HALL was to receive compensation in the form of a thirty percent (30%) commission for net  
24  
25

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1 profits earned upon final sale of property known as 12 Vintage and 21 Princeville guesthouse in  
2 Las Vegas, Nevada.

3 10.

4 On or about October 14, 2014, HALL and Weidenhammer/SRA executed a  
5 modification of the SRA Agreement ("Modified SRA Agreement") to include three properties  
6 located in Laguna Beach: 521 Seaview (closed deal at the time of the Modified SRA  
7 Agreement); 490 Thalia (October 17, 2014 scheduled closing date); and 31711 Seacliff (October  
8 14, 2014 scheduled closing date). Included in the terms of the Modified SRA Agreement are:

9 a. that HALL will represent Weidenhammer or Weidenhammer's entities in the  
10 purchase of these three properties;

11 b. that HALL will share with Weidenhammer 30% of the buy-side commission  
12 when WEIDENHAMMER or his entities are the purchasers;

13 c. that HALL will share with WEIDENHAMMER 30% of the sell-side commission  
14 when he is the selling agent for WEIDENHAMMER or his entities;

15 d. that HALL will receive the exclusive listing of each of the properties for at least  
16 thirty (30) days in order to obtain a flip buyer, which, in the event a flip buyer is not procured for  
17 a property within the thirty-day period, the property will be delisted and removed from the  
18 market to allow time for rehabilitation of the property;

19 e. that, upon the delisting and rehabilitation of a property, HALL will receive the  
20 exclusive listing agreement at a standard five percent (5%) commission (four percent (4%) for  
21 Seacliff) for a period of ninety (90) days with the possibility of time extensions; and

22 f. that HALL will contribute "in raising capital dollars for the remodel of these  
23 acquired properties and contribute in the remodel efforts, as part of his participation in the net  
24 profits from the sale of these homes..."

11.

HALL's Exclusive Listing of 521 Seaview Street

On or about October 20, 2014, seller "Americo Mortgage Company" ("Seller") and REB Realty One Group, Inc. executed a Residential Listing Agreement ("RLA") for the right to sell or exchange the real property located at 521 Seaview Street in Laguna Beach, California ("Seaview" or "Seaview property") beginning October 20, 2014 and ending on November 21, 2014, for a listing price of one million five hundred fifty thousand dollars (\$1,550,000). Weidenhammer signed as Seller Americo Mortgage Company and HALL signed as the agent for ROG.

12.

Matt and Denise B. ("Buyers")

In or about November of 2014, Matt and Denise B. ("Buyers") met HALL and discussed their interest in selling their Bay Area property and purchasing an investment property in Laguna Beach, California. HALL showed two properties to Buyers, 490 Thalia ("Thalia property) and the Seaview property; HALL showed no other properties to Buyers. While HALL disclosed to Buyers that he personally knew the seller of these properties, and that he had or would be getting the listing agreements for the Thalia and Seaview properties, HALL did not disclose to Buyers that the sale of these properties would yield to him a thirty percent (30%) commission on the net profits. Neither did HALL disclose to Buyers that his RES license was a restricted RES license.

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1 13.

2 In his pitch of the Seaview property to Buyers, HALL represented that the  
3 Seaview Seller (Weidenhammer/Americo) had permits and approved plans for a remodel of the  
4 property, and presented two purchase options:

- 5 a. Option One: Buyers could purchase Seaview in its current state for one  
6 million five hundred fifty thousand dollars (\$1,550,000) and handle the  
7 remodel on their own using the approved remodel plans and permits, or  
8 b. Option Two: Buyers could purchase Seaview for one million eight hundred  
9 fifty thousand dollars (\$1,850,000) and Seller would complete the remodel  
10 within ninety (90) days.

11 HALL represented to Buyers that Option Two would increase the Seaview property value to an  
12 amount ranging from \$2 million to \$2.1 million, which would provide them with instant equity.

13 HALL further assured Buyers that the Seaview Seller was experienced in residential remodels.

14 14.

15 On or about December 11, 2014, Ticor Title issued a Preliminary Title Report  
16 dated December 11, 2014, which included in its "Exceptions" section a list of encumbrances to  
17 which the Seaview property was subject; this list included multiple encumbrances which totaled  
18 approximately \$1.5 million.

19 15.

20 Buyers relied on HALL's representations about the Seaview Seller and post-  
21 remodel valuation and agreed to submit an offer on the Seaview property through HALL and  
22 ROG for one million eight hundred fifty thousand dollars (\$1,850,000). HALL prepared a  
23 Residential Purchase Agreement ("RPA") with an offer to purchase the Seaview property for one  
24 million eight hundred fifty thousand dollars (\$1,850,000) and an initial deposit by Buyers of one  
25

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1 hundred thousand (\$100,000); the RPA also included Buyers' increased deposit of four hundred  
2 thousand dollars (\$400,000) to seller within thirty (30) days after acceptance. HALL also  
3 prepared Addendum No. 1 to the RPA, which affirmed the remodel as "currently permitted by  
4 the City of Laguna Beach" and provided that Buyers would release the \$100,000 from escrow to  
5 seller and would be non-refundable. Addendum No. 1 also provided that Seller would provide  
6 remodel services to Buyers' current residence at actual cost for time and materials only, with no  
7 mark-up to the Buyers. Addendum No. 1 also provided that the purchase price would be  
8 reduced by \$25,000 if the \$400,000 deposit was made non-refundable on or before thirty (30)  
9 days after acceptance of the offer. The Buyers signed the RPA and Addendum No. 1 on or about  
10 December 22, 2014; seller AMERICO signed the same on or about December 23, 2014.

11 16.

12 On or about December 30, 2014, pursuant to the RPA, Buyers wired \$100,000 to  
13 Everest Escrow.

14 17.

15 According to the deposition testimony of Weidenhammer in *Matt and Denise B.*  
16 *vs. Lance Richard Hall; Realty One Group, Inc.; and Does 1-10, inclusive, Orange County*  
17 *Superior Court Case No. 30-2016-00868146-CU-PN-CJC*, the Seaview permitting had not been  
18 approved when the RPA was executed on or about December 22, 2014.

19 18.

20 On or about January 19 or 20, 2015, the Seller and HALL informed Buyers that an  
21 additional \$200,000 was required to assist with the construction and for payment of loans secured  
22 by the Seaview property. The Seller agreed to reduce the Seaview sales price by \$25,000 to  
23 \$1,825,00 in spite of the requirement of Addendum No. 1 that the additional deposit amount be  
24 \$400,000. Buyers relied on HALL and wired \$150,000 not to the escrow company, but to Seller  
25

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1 Americo's CommerceWest Bank account. HALL did not prepare an amendment to memorialize  
2 this modification to the RPA.

3 19.

4 On or about February 19, 2015, Buyers relied on HALL's representations again,  
5 and wired another \$175,000 not to the escrow company, but to Seller AMERICO's  
6 CommerceWest bank account. HALL did not prepare an amendment to memorialize this  
7 modification to the RPA.

8 20.

9 According to the deposition testimony of Weidenhammer in *Matt and Denise B.*  
10 *vs. Lance Richard Hall; Realty One Group, Inc.; and Does 1-10, inclusive, Orange County*  
11 *Superior Court Case No. 30-2016-00868146-CU-PN-CJC*, at the time the Seaview RPA was  
12 executed (on or about December 22, 2014), he had advised HALL that the anticipated remodel  
13 completion date was not ninety (90) days, and that summer of 2015 was the anticipated date.

14 21.

15 Between February 2015 and July 2015, the Buyers inquired to HALL regarding  
16 the status of the Seaview remodel, during which time HALL assured Buyers that the remodel  
17 would complete.

18 22.

19 HALL did not disclose to the Buyers at any time whether the Seaview property  
20 was affected by any encumbrances. The Buyers were unaware that, at the time the parties  
21 executed the RPA, and well before the Buyers' initial non-refundable \$100,000 deposit, HALL  
22 was in possession of the Ticor Title Preliminary Title Report. At no time did HALL provide or  
23 review the Seaview Preliminary Title Report with the Buyers.

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23.

On or about July 17, 2015, without notice to Buyers, Seller Americo transferred the title to the Seaview property via a Deed in Lieu of Foreclosure to two of its creditors. This transfer was recorded by the Orange County Recorder on July 20, 2015. Subsequent to this transfer, the Buyers were able to buy out the creditors who received the Seaview property in the July 20, 2015 transfer for \$100,000 and recorded a Quitclaim Deed to the Seaview property (and its encumbrances) on August 24, 2015.

**APPLICABLE SECTIONS OF THE REAL ESTATE LAW**

**Unlawful Employment or Payment of Compensation - Code Section 10137**

24.

Pursuant to Code Section 10137, "It is unlawful for any licensed real estate broker to employ or compensate, directly or indirectly, any person for performing any of the acts within the scope of this chapter who is not a licenses real estate broker, or a real estate salesperson licensed under the broker employing or compensating him or her, or to employ or compensate, directly or indirectly, any licensee for engaging in any activity for which a mortgage loan originator license endorsement is required, if that licensee does not hold a mortgage loan originator license endorsement; provided, however, that a licensed real estate broker may pay a commission to a broker of another state. No real estate salesperson shall be employed by or accept compensation for activity requiring a real estate license from any person other than the broker under whom he or she is at the time licensed. It is unlawful for any licensed real estate salesperson to pay any compensation for performing any of the acts within the scope of this chapter to any real estate licensee except through the broker under whom he or she is at the time licensed. For a violation of any of the provisions of this section, the commissioner may

1 temporarily suspend or permanently revoke the license of the real estate licensee, in accordance  
2 with the provisions of this part relating to hearings.”

3 **Grounds for Revocation or Suspension – Code Section 10176**

4 25.

5 Pursuant to Code Section 10176, “The commissioner may, upon his or her own  
6 motion, and shall, upon the verified complaint in writing of any person, investigate the actions of  
7 any person engaged in the business or acting in the capacity of a real estate licensee within this  
8 state, and he or she may temporarily suspend or permanently revoke a real estate license at any  
9 time where the licensee, while a real estate licensee, in performing or attempting to perform any  
10 of the acts within the scope of this chapter has been guilty of any of the following:

- 11 (a) Making any substantial misrepresentation.
- 12 (b) Making any false promises of a character likely to influence, persuade, or  
13 induce.
- 14 (c) A continued and flagrant course of misrepresentation or making of false  
15 promises through real estate agents or salespersons.
- 16 (g) The claiming or taking by a licensee of any secret or undisclosed amount of  
17 compensation, commission or profit or the failure of a licensee to reveal to the  
18 employer of the licensee the full amount of the licensee’s compensation,  
19 commission, or profit under any agreement authorizing or employing the  
20 licensee to do any acts for which a licensee is required under this chapter for  
21 compensation or commission prior to or coincident with the signing of an  
22 agreement evidencing the meeting of the minds of the contracting parties,  
23 regardless of the form of the agreement, whether evidenced by documents in  
24 an escrow or by any other or different procedure.

1 ...  
2 (i) Any other conduct, whether of the same or of a different character than  
3 specified in this section, which constitutes fraud or dishonest dealing..”

4 **Further Grounds for Disciplinary Action – Code Section 10177**

5 26.

6 Pursuant to Code Section 10177, “The commissioner may suspend or revoke the  
7 license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the  
8 issuance of a license to an applicant, who has done any of the following:

9 ...  
10 (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing  
11 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2  
12 or the rules and regulations of the commissioner for the administration and  
13 enforcement of the Real Estate Law and Chapter 1 (commencing with Section  
14 11000) of Part 2.

15 (g) Demonstrated negligence or incompetence in performing an act for which he  
16 or she is required to hold a license.

17 ...  
18 (j) Engaged in any other conduct, whether of the same or a different character than  
19 specified in this section, that constitutes fraud or dishonest dealing.

20 ...  
21 (o) Failed to disclose to the buyer of real property, in a transaction in which the  
22 licensee is an agent for the buyer, the nature and extent of a licensee’s direct or  
23 indirect ownership interest in that real property. The direct or indirect  
24 ownership interest in the property by a person related to the licensee by blood  
25

1 or marriage, by an entity in which the licensee has an ownership interest, or by  
2 any other person with whom the licensee has a special relationship shall be  
3 disclosed to the buyer.”

4 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

5 27.

6 Complainant re-alleges and incorporates by reference the preceding paragraphs as  
7 set forth herein.

8 28.

9 In the course of the activities described above in Paragraph 5, and based on the  
10 facts discovered by the Bureau, Respondent LANCE RICHARD HALL acted in violation of the  
11 Code and Regulations, as described below.

12 29.

13 Respondent RES LANCE RICHARD HALL engaged in the business of, or acted  
14 in the capacity of a RES and received compensation from Americo Mortgage Corporation and/or  
15 Scott James Weidenhammer for the performance of licensed activities. HALL’s receipt of such  
16 compensation is in violation of **Code Section 10137**.

17 30.

18 Respondent RES LANCE RICHARD HALL has, while engaging in the business  
19 of or acting in the capacity of a RES, willfully disregarded the Real Estate Law by engaging in a  
20 continuous course of making substantial misrepresentations and false promises to induce, by  
21 acting negligently, and by engaging in fraudulent or dishonest dealing. On or about October 14,  
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23  
24  
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1 2014, HALL and Weidenhammer/Silver Rock Advisors, Inc. executed an agreement in which  
2 HALL would represent Weidenhammer or Weidenhammer's entities in the purchase and  
3 subsequent sale of three specific properties, for a thirty percent (30%) commission on the buy-  
4 side and a thirty percent (30%) commission on the sell-side.

5 31.

6  
7 When Buyers enlisted HALL to find investment properties for their purchase,  
8 HALL showed Buyers only two properties, both of which would yield a thirty-percent (30%)  
9 commission to HALL as his share of Weidenhammer/Silver Rock Advisors' profits. At no time  
10 did HALL show other properties to Buyers besides the properties through which he stood to  
11 financially gain. At no time did HALL disclose to Buyers the nature of his financial relationship  
12 with the subject properties. At no time did HALL disclose to Buyers the encumbrances on the  
13 Seaview property. At all times HALL understood that Buyers relied on his representations, and  
14 with this understanding, HALL induced Buyers to purchase the Seaview property via the Option  
15 Two purchase price and remodel plan.  
16

17 32.

18 Respondent LANCE RICHARD HALL's acts and/or omissions in his  
19 representation of and communications with the Buyers, including but not limited to his  
20 inducement of Buyers to purchase a property through which he would reap a secret profit, is in  
21 violation of Code Sections 10176 (a), (b), (c), (g), and (i) and Code Sections 10177(d), (g), (j),  
22 and (o).  
23

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COSTS

33.

**Code Section 10106** provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, 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.

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 the licenses and license rights of Respondent LANCE RICHARD HALL under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California

this 15 day of December 2017.



Veronica Kilpatrick  
Supervising Special Investigator

cc: Lance Richard Hall  
V. Kilpatrick/M. Suarez  
Sacto.