


1 Julie L. To (SBN 219482)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 (213) 576-6982 (office)
6 (213) 576-6916 (direct)
7 julie.to@dre.ca.gov
8 *Counsel for Complainant*

FILED
SEP 02 2021
DEPT. OF REAL ESTATE
By 

10 DEPARTMENT OF REAL ESTATE
11 STATE OF CALIFORNIA

12 * * * * *

13 In the Matter of the Accusation of) No. H-42105 LA
14)
15 KENT MORTGAGE CORPORATION;) ACCUSATION
16)
17 ALICE IRENE WILLIAMSON, as designated)
18 officer of Kent Mortgage Corporation;)
19)
20 NICOLE ANNE BABYAK; and)
21)
22 ROGER KENT WILLIAMSON,)
23)
24 Respondents.)

21 The Complainant, Veronica Kilpatrick, acting in her official capacity as a
22 Supervising Special Investigator of the State of California, for cause of Accusation against
23 KENT MORTGAGE CORPORATION, ALICE IRENE WILLIAMSON, NICOLE ANNE
24

25 DRE Accusation of Kent Mortgage Corporation et al.

1 BABYAK, and ROGER KENT WILLIAMSON (collectively, "Respondents"), is informed and
2 alleges as follows:

3 1.

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

6 **DRE LICENSE HISTORY**

7 2.

8 **KENT MORTGAGE CORPORATION ("KMC")** is presently licensed and/or
9 has license rights as a real estate corporation (broker) ("REC") under the Real Estate Law (Part
10 1 of Division 4 of the Code), Department of Real Estate ("DRE") license ID 00998432. KMC
11 was originally licensed on or about August 9, 1988 and also holds a mortgage loan originator
12 license endorsement ("MLO"), Nationwide Multistate Licensing System ("NMLS") ID 264661.

13 3.

14 KMC is affiliated with real estate broker ("REB") ALICE IRENE WILLIAMSON
15 as its designated officer of record ("D.O.") until the officer affiliation expiration date of August
16 8, 2024, and REB NICOLE ANNE BABYAK as its one (1) REB associate.

17 4.

18 On or about November 6, 1990, KMC was issued a Desist and Refrain Order
19 ("D&R") in DRE Case H-1015 SA.

20 5.

21 KMC's REC license will expire on August 8, 2024.

22 ///

23 ///

24
25 DRE Accusation of Kent Mortgage Corporation et al.

1 6.

2 ALICE IRENE WILLIAMSON (“A. WILLIAMSON” or “AW”) is presently
3 licensed and/or has license rights as a REB, DRE license ID 01012155. AW was originally
4 licensed on or about January 4, 1989 as a real estate salesperson (“RES”), and on or about March
5 28, 1996 as a REB. AW also holds an MLO endorsement, NMLS ID 264710.

6 7.

7 AW is affiliated with KMC as its D.O. (until August 8, 2024), and also with
8 Main Beach Realty Inc. as its D.O. (until September 13, 2023).

9 8.

10 AW’s REB license will expire on March 27, 2024.

11 9.

12 NICOLE ANNE BABYAK (“BABYAK”) f.k.a. Nicole Anne Williamson, is
13 presently licensed and/or has license rights as a REB, DRE license ID 01262926. BABYAK
14 was originally licensed on or about July 17, 1999 as a RES, and on or about August 1, 2019 as a
15 REB. BABYAK also holds an MLO endorsement, NMLS ID 288406.

16 10.

17 BABYAK is a REB associate for KMC.

18 11.

19 BABYAK’s REB license will expire on July 31, 2023.

20 12.

21 ROGER KENT WILLIAMSON (“R. WILLIAMSON” or “RW”) is presently
22 licensed and/or has license rights as a RES, DRE license ID 01019678. RW was originally
23 licensed on or about March 10, 1989. RW also holds an MLO endorsement, NMLS ID 288251.

24
25 DRE Accusation of Kent Mortgage Corporation et al.

1 13.

2 RW is licensed under KMC.

3 14.

4 RW's license will expire on August 16, 2023.

5 **APPLICABLE SECTIONS OF THE REAL ESTATE LAW**

6 **Disclosure Statement**

7 **(Code Sections 10240 and 10241 and Regulation 2840)**

8 15.

9 Pursuant to Code Section 10240 *Written Disclosure Statement*:

10 “(a) Every real estate broker, upon acting within the meaning of subdivision (d)
11 of Section 10131, who negotiates a loan to be secured directly or collaterally by a lien on real
12 property shall, within three business days after receipt of a completed written loan application
13 or before the borrower becomes obligated on the note, whichever is earlier, cause to be
14 delivered to the borrower a statement in writing, containing all the information required by
15 Section 10241. It shall be personally signed by the borrower and by the real estate broker
16 negotiating the loan or by a real estate licensee acting for the broker in negotiating the loan.
17 When so executed, an exact copy thereof shall be delivered to the borrower at the time of its
18 execution. The real estate broker negotiating the loan shall retain on file for a period of three
19 years a true and correct copy of the statement as signed by the borrower. No real estate licensee
20 shall permit the statement to be signed by a borrower if any information required by Section
21 10241 is omitted.

22 (b) For the purposes of applying the provisions of this article, a real estate broker
23 is acting within the meaning of subdivision (d) of Section 10131 if he or she solicits borrowers,
24

25 DRE Accusation of Kent Mortgage Corporation et al.

1 or causes borrowers to be solicited, through express or implied representations that the broker
2 will act as an agent in arranging a loan, but in fact makes the loan to the borrower from funds
3 belonging to the broker.

4 (c) In a federally regulated residential mortgage loan transaction in which the
5 principal loan amount exceeds the principal loan levels set forth in Section 10245, a real estate
6 broker satisfies the requirements of this section if the borrower receives (1) a "good faith
7 estimate" that satisfies the requirements of the Real Estate Settlement Procedures Act of 1974
8 (12 U.S.C.A. 2601 et seq.), and that sets forth the broker's real estate license number and a clear
9 and conspicuous statement on the face of the document stating that the "good faith estimate"
10 does not constitute a loan commitment, (2) all applicable disclosures required by the Truth in
11 Lending Act (15 U.S.C.A. 1601 et seq.), and (3) if the loan contains a balloon payment
12 provision, the disclosure described in subdivision (h) of Section 10241, the balloon disclosure
13 required for that loan by Fannie Mae or Freddie Mac, or an alternative disclosure determined by
14 the commissioner to satisfy the requirements of the Truth in Lending Act. Prior to becoming
15 obligated on the loan the borrower shall acknowledge, in writing, receipt of the "good faith
16 estimate" and all applicable disclosures required by the Truth in Lending Act. The real estate
17 broker shall retain on file for a period of three years a true and correct copy of the signed
18 acknowledgment and a true and correct copy of the "good faith estimate" and all applicable
19 disclosures required by the Truth in Lending Act as acknowledged by the borrower."

20 ///

21 ///

22 ///

23 ///

Pursuant to Code Section 10241 *Statement Content*:

“The statement required by Section 10240, the form of which shall be approved by the commissioner, shall set forth separately the following items:

(a) The estimated maximum costs and expenses of making the loan, which are to be paid by the borrower, including but not limited to, the following:

- (1) Appraisal fees.
- (2) Escrow fees.
- (3) Title charges.
- (4) Notary fees.
- (5) Recording fees.
- (6) Credit investigation fees.

If a real estate licensee performs or is to perform any of the services for which costs and expenses are disclosed pursuant to this subdivision, the licensee shall be entitled to those costs and expenses in addition to the charges specified in subdivision (b).

(b) The total of the brokerage or commissions contracted for, or to be received by, the real estate broker for services performed as an agent in negotiating, procuring, or arranging the loan or the total of loan origination fees, points, bonuses, and other charges in lieu of interest to be received by the broker if he or she elects to act as a lender rather than agent in the transaction.

(c) Any liens against the real property, as disclosed by the borrower, the approximate amount thereof, and whether each lien will remain senior, or will be subordinate, to the lien that will secure the loan.

1 (d) The estimated amounts to be paid on the order of the borrower, as disclosed by the
2 borrower, including, but not limited to:

3 (1) Fire insurance premiums.

4 (2) Amounts due on prior liens, including interest or other charges arising in
5 connection with the payment, release, reconveyance, extinction, or other removal
6 of record of the prior liens.

7 (3) Amounts due other creditors.

8 (4) Assumption, transfer, forwarding, and beneficiary statement fees.

9 (e) The estimated balance of the loan funds to be paid to the borrower after deducting the
10 total of amounts disclosed pursuant to subdivisions (a), (b), and (d).

11 (f) The principal amount of the loan.

12 (g) The rate of interest.

13 (h) The term of the loan, the number of installments, the amount of each installment, and
14 the approximate balance due at maturity, and the following notice in 10-point bold
15 typeface:

16 **“NOTICE TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO**
17 **PAY THE BALLOON PAYMENT WHEN IT COMES DUE, YOU MAY**
18 **HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO**
19 **MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN**
20 **HAVE TO PAY COMMISSIONS, FEES, AND EXPENSES FOR THE**
21 **ARRANGING OF THE NEW LOAN. IN ADDITION, IF YOU ARE**
22 **UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON**
23 **PAYMENT, YOU MAY LOSE THE PROPERTY AND ALL OF YOUR**

24
25 DRE Accusation of Kent Mortgage Corporation et al.

**EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN
DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN.”**

(i) A statement containing the name of the real estate broker negotiating the loan, his or her license number, and the address of his or her licensed place of business.

(j) If the broker anticipates that the loan to the borrower may be made wholly or in part from broker-controlled funds, a statement to that effect. For purposes of this section, “broker-controlled funds” means funds owned by the broker, by a spouse, child, parent, grandparent, brother, sister, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the broker, or by any entity in which the broker alone or together with any of the above relatives of the broker has an ownership interest of 10 percent or more.

(k) The terms of prepayment privileges and penalties, if any.

(l) A statement that the purchase of credit or credit disability insurance is not required as a condition for the making of the loan.

(m) If the loan is one that is within the limits specified in Section 10245, a certification by the real estate licensee negotiating the loan that the loan is being made in compliance with the provisions of this article.”

17.

Pursuant to Regulation 2840 *Approved Borrower Disclosure Statements*:

“(a) The Commissioner shall publish and make available to interested persons as official forms of the Bureau of Real Estate Forms RE 882 (Rev. 8/08) and RE 883 (Rev. 8/08) which are incorporated by reference. Forms RE 882 and RE 883 contain approved format and content for the disclosure statement required by subdivision (a) of Section 10240 of the Code and Section 10241 of the Code.

DRE Accusation of Kent Mortgage Corporation et al.

1 (b) The publication of the forms pursuant to subdivision (a) hereof is for the
2 purpose of aiding real estate licensees in providing the disclosure of material information to
3 prospective borrowers in a uniform and effective manner.

4 (c) A real estate broker must obtain the prior written approval of the
5 Commissioner if he/she wishes to use forms different than those referred to in (a). Forms that
6 do not adequately provide the information required by the forms in subsection (a) above, as
7 appropriate, and in a format that is easily used by the Bureau will not be approved.”

8 18.

9 **Broker Supervision**

10 **(Code Section 10159.2 and Regulation 2725)**

11 Pursuant to Code Section 10159.2 *Responsibility of Corporate Officer in Charge:*

12 “(a) The officer designated by a corporate broker licensee pursuant to Section
13 10211 shall be responsible for the supervision and control of the activities conducted on behalf
14 of the corporation by its officers and employees as necessary to secure full compliance with the
15 provisions of this division, including the supervision of salespersons licensed to the corporation
16 in the performance of acts for which a real estate license is required.

17 (b) A corporate broker licensee that has procured additional licenses in accordance
18 with Section 10158 through officers other than the officer designated pursuant to Section 10211
19 may, by appropriate resolution of its board of directors, assign supervisory responsibility over
20 salespersons licensed to the corporation to its broker-officers.

21 (c) A certified copy of any resolution of the board of directors assigning
22 supervisory responsibility over real estate salespersons licensed to the corporation shall be filed
23 with the Real Estate Commissioner within five days after the adoption or modification thereof.”

24
25
26 DRE Accusation of Kent Mortgage Corporation et al.

Pursuant to Regulation 2725 *Broker Supervision*:

“A broker shall exercise reasonable supervision over the activities of his or her salespersons. Reasonable supervision includes, as appropriate, the establishment of policies, rules, procedures and systems to review, oversee, inspect and manage:

- (a) Transactions requiring a real estate license.
- (b) Documents which may have a material effect upon the rights or obligations of a party to the transaction.
- (c) Filing, storage and maintenance of such documents.
- (d) The handling of trust funds.
- (e) Advertising of any service for which a license is required.
- (f) Familiarizing salespersons with the requirements of federal and state laws relating to the prohibition of discrimination.
- (g) Regular and consistent reports of licensed activities of salespersons.

The form and extent of such policies, rules, procedures and systems shall take into consideration the number of salespersons employed and the number and location of branch offices. A broker shall establish a system for monitoring compliance with such policies, rules, procedures and systems. A broker may use the services of brokers and salespersons to assist in administering the provisions of this section so long as the broker does not relinquish overall responsibility for supervision of the acts of salespersons licensed to the broker.”

///

///

///

Grounds for Revocation or Suspension

(Code Section 10176 (selected portions))

Pursuant to Code Section 10176 *Grounds for Revocation or Suspension*:

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

(a) Making any substantial misrepresentation.

...

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

///

///

///

///

///

///

///

Further Grounds for Disciplinary Action

(Code Section 10177 (selected portions))

Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action*:

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

...

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

...

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

(h) As a broker licensee, failed to exercise reasonable supervision over the activities of that licensee’s salespersons, or, as the officer designated by a corporate broker licensee, failed to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required...”

///

///

///

1 **FACTS DISCOVERED BY THE DRE**

2 **Debbie S. Complaint Package to DRE**

3 22.

4 According to an online complaint (“Complaint”) received by the DRE from
5 Debbie S. (“C”), C worked with BABYAK, who she understood to be RW’s daughter, in January
6 2020 to secure a home loan. KMC (through BABYAK) originated a loan with United Wholesale
7 Mortgage (“UWM”) for C’s purchase of real property located in Irvine, California. According to
8 C, BABYAK was aware that C was interested in refinancing soon, but was “never informed
9 either verbally or by written disclosure I would not be allowed to refinance within 6 months...”
10 The loan documents indicated that C’s loan had no prepayment penalty and RW represented to C
11 (via e-mail) that there were no pre payment penalties on her loan.

12 23.

13 C indicated in her complaint that BABYAK was aware of C’s desire to refinance,
14 and that C made multiple unsuccessful attempts to request BABYAK’s assistance with refinance
15 after the close of her loan. According to C, as a result of BABYAK’s failure to render refinance
16 assistance, C was forced to seek an alternate mortgage corporation for refinance assistance.
17 According to C’s Complaint, when KMC and RW received notice from C’s new lender regarding
18 the refinance payoff, RW began to threaten her via telephone and email if she would not agree to
19 RW/KMC’s terms, and RW “tried coercing me to either extend my refinance loan closing date or
20 refinance through his lending company if I did not want to deal with the repercussions.”

21 ///

22 ///

23 ///

24
25 DRE Accusation of Kent Mortgage Corporation et al.

According to C's DRE Complaint package:

- 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
- A. 12/18/19 E-mail Assurance from RW/KMC Regarding No Prepays: On or about December 18, 2019 at 7:17 P.M., C e-mailed RW and inquired, among other things, as to whether there would be prepayment penalties for her loan. C directly asked, "Also, can you let me know if there would be prepayment penalties for the loans?" On the same day, at 10:11 P.M., RW replied to C's e-mail and answered, "No pre pays ever."
- B. 12/19/19 Loan Estimate Denoting No Prepayment Penalty: On or about December 19, 2019, C signed and confirmed receipt of a Loan Estimate that identified C as the Applicant to Loan ID #####8011, United Wholesale Mortgage as the Lender, and KMC as the mortgage broker (BABYAK as the loan officer) and signified "No" in the field for "Prepayment Penalty." At Page 2 of 3 of the Loan Estimate, <\$,6,107> was delineated as "Lender Credits."
- C. 1/10/20 Estimated Buyer/Borrower Statement Delineating Lender Charge and Lender Credit: A Buyer/Borrower Statement (Estimated) generated on January 10, 2020 listed a closing date of January 13, 2020 for Loan #####8011 and included under "Lender Charges" a line item for "Origination Fee: Kent Mortgage Corporation PBO \$8,220.00" and a credit line item for "Lender Credit: United Wholesale Mortgage" in the amount \$6,106.53.
- D. 3/9/20 Refinance E-Mail from C to BABYAK: On March 9, 2020 at 11:06 A.M., C e-mailed BABYAK with the inquiry, "...Would it be a good idea to refinance to 15 year mortgage rate (I've heard interest rates for this term is

1 around 2.75% right now). I am currently on the 20 year term for 3.875%.
2 Please let me know, thanks!" On the same day, at 8:10 P.M., BABYAK
3 replied to C's email with, "Let me pull some information and I will be in
4 touch tomorrow." On the next day, March 10, 2020 at 7:24 P.M., BABYAK
5 again replied to C's email and stated, "...I just pulled your loan scenarios and
6 believe it or not the rate is the same today as what you have. With that said,
7 the market has gone down and the treasuries have fallen to all time lows but
8 the lender have risen rates to slow down business as they don't know where
9 things are going to go. I will keep an eye on your rate and contact you once
10 the rate comes back down as we DO expect it to drop again for your loan..."

11 E. 6/11/20 Refinance E-Mail from BABYAK to C: On June 11, 2020 at 2:36
12 P.M., BABYAK e-mailed C: "...As stated in our conversation, I appreciate
13 your understanding of waiting to payoff and close your loan till after 7/17/20
14 and if there is any extension fees that you are charged I will pay them along
15 with the prorated interest. I just need a copy of the extensions and the closing
16 disclosure..." to which C responded on the same day at 10:06 P.M.: "I am
17 sorry to inform you I do not want to extend my loan date...I assumed you
18 were unable to secure me a good interest rate since I didn't hear back from you
19 for 3 months. I wish you reached out to me sooner so I didn't have to look
20 elsewhere for assistance..."

21 F. 6/12/20 Refinance E-mail from RW to C: On June 12, 2020 at 10:35 A.M.,
22 RW emailed C and indicated, "...Nicole mentioned that all loans have a
23 penalty buyback for lenders if the loan is paid off in less than 6 months. The
24

1 penalty to Nicole is \$14,324.72. The amount is charged back to stop lenders
2 like us from refinancing your loan every several months as rates go down and
3 causing the current lender to lose money. They paid Kent Mortgage and paid
4 all of your closing costs of \$6,100 and paid the secondary market to close your
5 loan. It takes them six months of payments just to break even. That is why
6 they have the penalty..." (emphasis added)

7 G. 6/15/20 Refinance E-mail from RW to C: On June 15, 2020 at 11:07 P.M.,
8 RW emailed C and introduced options to persuade her to extend the closing
9 date on her new loan and "avoid an EPO (Early Pay Off) charge to Kent
10 Mortgage of \$14,324.72 that will be assessed by Freddie Mac, your current
11 lender...I am forced to ask you for your decision by noon (12:00 P.M.) on
12 Tuesday, June 16, 2020. If we have not agreed on a satisfactory solution, at
13 that time, I intend to pursue all legal remedies to the fullest extent of the law.
14 I cannot allow another lender with your knowledge to financially harm my
15 employees and my company by knowingly closing a refinance during the six
16 month period after closing a loan with Freddie Mac..."

17 25.

18 **Records Produced by KMC to DRE With Respect to C's Loan**

19 Pursuant to Code Section 10148, the DRE sent a letter dated December 8, 2020 to
20 AW/KMC to request copies of KMC's books and records relating to KMC's origination of a loan
21 for C in or around December 2019. On or about January 6, 2021, AW/KMC produced loan
22 documents relating to C's loan.

23 ///

24
25
26 DRE Accusation of Kent Mortgage Corporation et al.

According to KMC's responsive documents to the DRE's December 8, 2020

request:

A. 1/31/17 Wholesale Broker Agreement: On January 31, 2017, KMC (as "Broker") and United Shore Financial Services LLC, DBA United Wholesale Mortgage ("UWM") executed a Wholesale Broker Agreement ("Agreement"). Included in Article VII. "Miscellaneous Provisions" of the Agreement is the following term regarding Early Payoff ("EPO") :

- i. **"7.17 Early Payoffs.** UWM is committed to the long term performance of its loans. As such, should any Mortgage Loan delivered hereunder be paid off within one hundred eighty (180) days of the funding of such Mortgage Loan for any reason, Broker shall promptly deliver to UWM the greater of (1) any credit for the rate paid by UWM to the borrower or Broker, in the aggregate, or (b) one (1%) percent of the amount of the Mortgage Loan." (*emphasis added*)

B. 1/2/20 Closing Disclosure: C's Closing Disclosure for Loan #####8011 dated January 2, 2020 showed "No" in the box for "Prepayment Penalty" and in the "Other Disclosures" section included the statement, "Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan." C signed and dated the Closing Disclosure on January 4, 2020.

1 C. 1/17/20 Corner Escrow Settlement Statement: C's loan funded on January 17,
2 2020. According to the January 17, 2020 Corner Escrow Settlement
3 Statement, There was a Lender Credit in the amount of \$6,106.53 and an
4 Origination Fee to KMC PBO \$8,220.00 (total: \$14,326.53).

5 D. [Undated] UWM Invoice Issued to KMC for EPO Balance of \$14,324.72:
6 Shortly after C refinanced her loan with her new lender, KMC received an
7 invoice from UWM for an EPO incurred in the amount of \$14,324.72, for C's
8 loan payoff on July 13, 2020, which, according to the November 1, 2020
9 UWM Early Payoff Monthly Statement was for payoff on the 178th day of the
10 loan funding.

11 27.

12 In RW's responsive letter to the DRE's December 8, 2020 request for records,
13 RW confirmed that C's loan [with UWM] had no prepayment penalties, and recounted that when
14 KMC's BABYAK and notary met C to sign loan documents, it was explained that "there is a six
15 month penalty period imposed on Kent Mortgage if the borrower pays off the loan by selling the
16 home or refinancing the loan...we will be required to pay back the \$8,220 fee paid to Kent
17 Mortgage for originating the loan and an additional penalty to pay back Freddie Mac for the
18 lender credit that paid for the buyer's closing costs...There is no written contract, just a simple
19 verbal request that the borrower wait for at least 6 months before refinancing."

20 28.

21 According to C, RW threatened to hold C accountable "for the early payoff
22 penalty of \$14,324.72 Kent Mortgage had to pay my lender United Wholesale Mortgage. I had
23 every intention of working with him [RW] to delay the closing and see other alternatives to help
24

25 DRE Accusation of Kent Mortgage Corporation et al.
26

1 him but his threats and mannerisms in achieving that were so intimidating and unprofessional to
2 the point that I do not feel safe nor comfortable having him handle my refinance. According to
3 my closing disclosures, I am under no obligation to pay any monetary prepayment penalties.”

4 29.

5 Although C's UWM loan had no prepayment penalties [to be borne by C] and
6 RW confirmed this to her, BABYAK, KMC and RW subsequently attempted to forcibly have C
7 bear the cost of the early payoff amount that UWM invoiced KMC when C's loan was paid off
8 earlier than the 180th day after it was funded (by threatening to sue C for business loss damages).

9 **VIOLATIONS OF THE REAL ESTATE LAW - CAUSES FOR DISCIPLINE**

10 30.

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

13 **First Cause for Discipline (KMC, BABYAK & RW):**

14 **Violation of Code Sections 10240 and 10241 and Regulation 2840 - Disclosure Statement(s)**

15 31.

16 In the course of the activities described above, and based on the facts discovered
17 by the Department, also described above, **REC KENT MORTGAGE CORPORATION, RES**
18 **NICOLE ANNE BABYAK, and RES ROGER KENT WILLIAMSON**, in negotiating a loan
19 to be secured by real property failed to cause to be delivered to the borrower a statement in
20 writing, containing all applicable disclosures and all the information required by Section 10241,
21 including information regarding the terms of prepayment privileges and penalties (if any), in
22 violation of **Code Sections 10240 and 10241, in conjunction with Regulation 2840**. In the
23 instant case, BABYAK and RW, as agents of KMC, as supervised by D.O. AW, did not deliver
24

25
26 DRE Accusation of Kent Mortgage Corporation et al.

1 to C a written statement regarding C's obligation to, in the event of early payoff, bear the cost of
2 early payoff penalties to be borne by KMC per its Wholesale Broker Agreement with UWM .
3 Said violation constitutes cause for the suspension or revocation of all licenses and license rights
4 of respondents KMC, AW, BABYAK and RW under the Real Estate Law.

5 **Second and Third Causes for Discipline (KMC, BABYAK & RW):**

6 **Violation of Code Section 10176(a) - Substantial Misrepresentation and**

7 **Violation of Code Section 10176(i) - Dishonest Dealing**

8 32.

9 In the course of the activities described above, and based on the facts discovered
10 by the Department, also described above, **REC KENT MORTGAGE CORPORATION, RES**
11 **NICOLE ANNE BABYAK, and RES ROGER KENT WILLIAMSON** substantially
12 misrepresented to the borrower her obligation to pay penalties imposed on KMC associated with
13 early payoff of borrower's loan, in violation of **Code Section 10176(a) and Code Section**
14 **10176(i)**. Said violations constitute cause for the suspension or revocation of all licenses and
15 license rights of respondents KMC, AW, BABYAK and RW under the Real Estate La

16 **Fourth Cause for Discipline (AW):**

17 **Violation of Code Section 10159.2 and Regulation 2725 and Code Section 10177(h) -**

18 **Broker Supervision**

19 33.

20 In the course of the activities described above, and based on the facts discovered
21 by the Department, also described above, **REB ALICE IRENE WILLIAMSON**, as the
22 designated officer of record for **REC KENT MORTGAGE CORPORATION**, failed to exercise
23 reasonable supervision over the licensed real estate activities of its **RES NICOLE ANNE**

24
25
26 DRE Accusation of Kent Mortgage Corporation et al.

1 BABYAK and ROGER KENT WILLIAMSON, in violation of **Code Section 10159.2 and**
2 **Regulation 2725 and Code Section 10177(h).**

3 **COSTS**

4 34.

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

9 ///
10 ///
11 ///
12 ///
13 ///
14 ///
15 ///
16 ///
17 ///
18 ///
19 ///
20 ///
21 ///
22 ///
23 ///

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all the licenses and license rights of Respondents **KENT MORTGAGE**
4 **CORPORATION, ALICE IRENE WILLIAMSON, NICOLE ANNE BABYAK, AND**
5 **ROGER KENT WILLIAMSON** under the Real Estate Law (Part 1 of Division 4 of the
6 Business and Professions Code), and for such other and further relief as may be proper under
7 other applicable provisions of law.

8 Dated at San Diego, California

9 this 27 day of August 2021.

11
12 
13 Veronica Kilpatrick
14 Supervising Special Investigator

15
16
17 cc: Kent Mortgage Corporation
18 Alice Irene Williamson
19 Nicole Anne Babyak
20 Roger Kent Williamson
21 Veronica Kilpatrick
22 Sacramento D.O.

23
24
25

DRE Accusation of Kent Mortgage Corporation et al.