LISSETE GARCIA, Counsel (SBN 211552)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105
Telephone: (213) 576-6982
Direct: (213) 576-6914
Fax: (213) 576-6917
Attorney for Department of Real Estate

FILED
APR 12 2022
DEPT. OF REAL ESTATE
By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation against NEWPORT CAPITAL REAL ESTATE, INC., and JOHN THORFIN TAIT, individually and as designated officer for Newport Capital Real Estate, Inc., Respondents.	DRE No. 42273 LA **ACCUSATION**

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the Department of Real Estate[1] ("Department") of the State of California, makes this Accusation in her official capacity for cause of Accusation against NEWPORT CAPITAL REAL ESTATE, INC. and JOHN THORFIN TAIT, individually and as designated officer for Newport Capital Real Estate, Inc. (collectively "Respondents"), is informed and alleges as follows:

1. All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to the Regulations of the Real Estate Commissioner,

[1] Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

Title 10, Chapter 6, California Code of Regulations.

2. Respondents are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

Statement of Facts

Licenses

3. On June 29, 2016, the Department issued a real estate corporation license to Respondent NEWPORT CAPITAL REAL ESTATE, INC. ("NCREI"), License ID 02010996.

4. Respondent NCREI's license expired on June 30, 2021. Respondent NCREI has renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to Code section 10103.

5. On or about September 17, 2005, the Department issued a real estate broker license to Respondent JOHN THORFIN TAIT ("TAIT, Sr."), License ID 01701522.

6. Respondent TAIT, Sr.'s license expired on January 22, 2022. Respondent TAIT, Sr. has renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to Code section 10103.

7. From June 29, 2016, through June 30, 2021, Respondent NCREI was licensed by the Department as a corporate real estate broker, by and through Respondent TAIT, Sr. as designated officer-broker of Respondent NCREI to qualify said corporation and to act for said corporation as a real estate broker.

8. At all times relevant herein, Respondent TAIT, Sr. was licensed as the designated officer-broker for Respondent NCREI, pursuant to section 10211 of the Code. As said designated officer-broker, Respondent TAIT, Sr., was, at all times mentioned herein, responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees, and employees of Respondent NCREI for which a license

is required.

9. Whenever reference is made in an allegation in this Accusation to an act or omission of Respondent NCREI, such allegation shall be deemed to mean that the officers, directors, employees, agents and/or real estate licensees employed by or associated with Respondent NCREI committed such act or omission while engaged in the furtherance of the business or operations of such corporate respondent and while acting within the course and scope of their authority and employment.

10. John Robert Tait ("Tait, Jr.") was licensed by the Department as a real estate salesperson from January 3, 2005 through October 20, 2010, License ID 01466684. The Department revoked John Tait, Jr.'s real estate salesperson on October 21, 2010. Tait, Jr. is believed to be the son of Respondent TAIT, Sr.

11. On May 22, 2012, the Department issue a real estate salesperson license to Jodi Trycha Gonzalez ("Gonzalez"), License ID 01895861.

12. Christopher Anthony Zarbo ("Zarbo") was licensed by the Department as a real estate salesperson from April 25, 2006 through June 26, 2012, License ID 01747323. Zarbo surrendered his real estate salesperson license on or about June 26, 2012.

Prior Discipline

13. On February 22, 2010, the Department filed a First Amended Accusation in Case No. H-36110 LA against Tait, Jr., among others. The First Amended Accusation alleged cause to suspend or revoke Tait, Jr.'s license pursuant to Code section 10177, subdivisions (d) and/or (g), based on unlawful compensation and unlicensed activities conducted by individuals including Jodi Gonzalez, an unlicensed person at the time. An administrative hearing was held and Tait, Jr.'s license was revoked effective October 21, 2010, pursuant to Code section 10177, subdivisions (d) and (g).

14. On August 3, 2009, the Department filed an Order to Desist and Refrain in Case No. H-36152 LA against Tait, Jr. for alleged unlicensed activities in violation of Code section 10130.

15. On August 4, 2010, the Department filed an Amended Order to Desist and Refrain in Case No. H-36589 LA against several entities and individuals including Zarbo and Jodi Gonzalez for alleged unlicensed activities and unlawful collection of advance fees.

16. On August 18, 2011, the Department filed an Order to Desist and Refrain in Case No. H-37451 LA against Zarbo and Jodi Gonzalez, among others, for alleged unlicensed activities and unlawful collection of advance fees.

17. On October 27, 2011, the Department filed a First Amended Accusation in Case No. H-37358 LA against Zarbo, among others for alleged unlawful employment and compensation, use of unlicensed fictitious business names, and office abandonment, among other charges. Gonzalez was one of the individuals alleged to have engaged in unlicensed activities. Zarbo surrendered his real estate salesperson license effective June 26, 2012.

18. On or about May 4, 2021, Zarbo's petition for reinstatement of Zarbo's real estate salesperson license was denied.

First Cause of Accusation

Suspended Corporate Status

19. NCREI is a corporation formed in California, on or about January 5, 2016, California Corporate Number C3860362. The California Secretary of State suspended NCREI's corporation status on July 25, 2018, pursuant to the provisions of the California Corporations Code. The California Franchise Tax Board suspended the entity's powers, rights, and privileges on December 3, 2018, pursuant to the provisions of the California Revenue and Taxation Code. NCREI's powers, rights, and privileges remain suspended.

20. The suspension of Respondent NCREI is in violation of Regulation 2742, subdivision (c) and constitutes grounds to suspend or revoke Respondent NCREI's corporate real estate broker license pursuant to Code section 10177, subdivisions (d) and/or (g).

21. Said corporate suspension would have constituted grounds for the denial of Respondent's corporate real estate broker license under Regulation section 2742 of Chapter 6, Title 10, California Code of Regulations and is now cause to suspend or revoke the license and license rights of Respondent NCREI pursuant to Code section 10177, subdivision (f).

22. The conduct, acts and/or omissions of Respondent TAIT, Sr. as set forth in Paragraphs 18 and 19, above, in failing to adequately supervise the activities of Respondent NCREI is in violation of Section 10159.2 of the Code and constitutes grounds to suspend or revoke the license and/or license rights of Respondent TAIT, Sr. pursuant to Code section 10177, subdivisions (h), (d) and/or (g).

Second Cause of Accusation

Berrendo Property

23. There is hereby incorporated in this Second, separate and distinct Cause of Accusation, all of the allegations contained in Paragraphs 1 through 22, with the same force and effect as if herein fully set forth.

24. On or about February 12, 2018, T.D. and D.D.[2] ("buyers/borrowers") purchased real property located at 24372 Berrendo #7, Laguna Hills ("Berrendo property") from sellers, K.E. and G.S., who are licensed real estate salespersons.

25. NCREI was listed as the broker for the buyers/borrowers in the 2018 purchase transaction. During the 2018 purchase transaction, the buyers/borrowers dealt with Tait, Jr.,

[2] Initials are used in place of individuals' full names to protect their privacy. Documents containing individuals' full names will be provided during the discovery phase of this case to Respondent(s) and/or their attorneys, after service of a timely and proper request for discovery on Complainant's counsel.

who was acting on behalf of NCREI. Respondents misrepresented Tait, Jr.'s licensure and license status by using NCREI'S license number (02010996) for both "John Tait" and NCREI on the purchase agreement and other transaction documents.

26. Both Gonzalez and Zarbo were involved in facilitating the mortgage loan obtained by the buyers/borrowers for the purchase of the Berrendo property in 2018.

27. Due to problems with the loan and payments, the buyers/borrowers decided to sell the Berrendo property. On December 1, 2018, Gonzalez listed the Berrendo property for sale. The listing expired on April 1, 2019.

28. On April 30, 2019, Tait, Jr., acting on behalf of NCREI, entered into a listing agreement with the buyers/borrowers for the sale of the Berrendo property. NCREI's corporate status had been suspended as of July 25, 2018. Respondents misrepresented Tait, Jr.'s licensure and license status by using NCREI'S license number (02010996) for both "John Tait" and NCREI on the listing agreement. According to the listing agreement, NCREI was to receive compensation of six percent (6%) of the listing price.

29. On June 14, 2019, Respondents listed the Berrendo property for sale on the Multiple Listing Service ("MLS"). NCREI was listed as the listing office on the MLS listing. Again, NCREI's corporate status had been suspended as of July 25, 2018. The listing agent on the MLS listing was "John Tait" with TAIT, Sr.'s license number (01701522). The buyers/borrowers dealt with Tait, Jr. regarding the sale of the Berrendo property in 2019.

30. On September 17, 2019, Tait, Jr. negotiated an agreement with the buyers/borrowers of the Berrendo property, and executed a "Modification of Listing, Buyer Representation or Other Agreement Between Principal and Broker." According to the agreement, the buyers' agent commission would be 2.25% and the selling agent commission would be a flat fee of $500 paid by the seller. The Respondents misrepresented Tait, Jr.'s

licensure and license status by using NCREI'S license number (02010996) for both "John Tait" and NCREI on the agreement.

31. Tait, Jr. negotiated with the buyers/borrowers of the Berrendo property regarding the sale of the Berrendo property. Tait, Jr. charged and demanded an advance fee of $13,500.00 from the buyers/borrowers for performing services related to the sale and/or modification or refinance of loans secured by liens on the Berrendo property.

32. Sigma Spectrum, Inc. is a corporation formed in Nevada, which is owned and/or controlled by Tait, Jr. Sigma Spectrum, Inc. has never been licensed by the Department in any capacity.

33. On September 18, 2019, Tait, Jr. charged and collected an advance fee of $7,000.00 from the buyers/borrowers of the Berrendo property. The buyers/borrowers paid a fee of $30.00 to wire the advance fee funds to Tait, Jr. through Sigma Spectrum, Inc.

34. On October 11, 2019, Tait, Jr. charged and collected an advance fee of $6,500.00 from the buyers/borrowers of the Berrendo property. The buyers/borrowers paid a fee of $30.00 to wire the advance fee funds to Tait, Jr. through Sigma Spectrum, Inc.

35. The buyers/borrowers of the Berrendo property were unable to sell or refinance the Berrendo property. In or around May, 2020, the buyers/borrowers asked Tait, Jr. for a refund of the $13,500.00 advance fees that they had paid to Tait, Jr. through Sigma Spectrum, Inc. Tait, Jr. refused to refund the $13,500.00 in advance fees that Tait, Jr. had collected in violation of Code sections 10085, 10085.5, and/or 10085.6.

36. On March 8, 2021, the buyers/borrowers submitted a complaint to the Department against Respondents, Tait, Jr., and others.

///

///

Unlicensed Activity/Unlawful Compensation

37. NCREI and Tait, Jr., engaged in activities which require a real estate broker license under Code section 10131, subdivisions (a) and/or (d), for compensation or in expectation of compensation, in violation of Code sections 10130, 10137, and Regulation 2742, subdivision (c).

Advance fees

38. Tait, Jr. and Sigma Spectrum, Inc. charged and collected advance fees for performing or offering to perform activities for borrowers in connection with loans secured by a lien on real property, or performing or offering to perform activities which require a real estate broker license, in violation of Code sections 10085, 10085.5, 10085.6, 10146, and Regulations 2970 and 2972.

Misrepresentations/Fraud or Dishonest Dealing

39. The conduct, acts and/or omissions of NCREI and Tait, Jr., as described above in Paragraphs 23 through 36, involved making substantial misrepresentations to the buyers/borrowers of the Berrendo property, which constitutes cause to suspend or revoke the real estate licenses and license rights of Respondents NCREI and TAIT, Sr. pursuant to Code section 10176, subdivision (a), and/or Code section 10177, subdivision (j).

NCREI and TAIT, Sr.

40. The conduct, acts and/or omissions of Respondents, as described above, constitutes cause to suspend or revoke the real estate licenses and license rights of Respondents NCREI and TAIT, Sr. pursuant to Code section 10176, subdivision (a), and Code section 10177, subdivisions (d), (j), and/or (g), for violation of Code sections 10130, 10137, and Regulation 2742, subdivision (c).

/ / /

Broker Supervision-TAIT, Sr.

41. The conduct, acts and/or omissions of Respondent TAIT, Sr., in allowing NCREI and Tait, Jr. to violate Code sections 10176, subdivision (a), 10177, subdivision (j), 10130, 10137, 10085, 10085.5, 10085.6, 10146, and Regulations 2970, 2972, and 2742, subdivision (c), constitutes cause to suspend or revoke the real estate license and license rights of Respondent TAIT, Sr. pursuant to Code section 10177, subdivision (h), for violation of Code section 10159.2.

Investigation and Enforcement Costs

42. Code section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department 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 the investigation and enforcement of the case.

Statutory Provisions

43. Regulation 2742 provides:

"Regulation 2742. Certificate of Status, Qualification or Good Standing.

(a) An applicant for an original broker license for a domestic corporation shall submit with the application, a Certificate of Status (Domestic Corporation) executed by the California Secretary of State not earlier than 30 days before the date of mailing or delivering the application to the headquarters office of the Bureau. However, if the applicant is a domestic corporation which filed its original Articles of Incorporation not earlier than six (6) months before the date of mailing or delivering the application to the headquarters office of the Bureau, Articles of Incorporation executed by the California Secretary of State may be submitted instead of a Certificate of Status.

(b) An applicant for an original broker license for a foreign corporation shall submit with the application, a Certificate of Qualification or a Certificate of Good Standing (Foreign Corporation) executed by the California Secretary of State not earlier than 30 days before the date of mailing or delivering the application to the headquarters office of the Bureau.

(c) A corporation licensed under Section 10211 of the Code shall not engage in the business of a real estate broker while not in good legal standing with the Office of the Secretary of State."

44. Code section 10130 provides:

"It is unlawful for any person to engage in the business of, act in the capacity of, advertise as, or assume to act as a real estate broker or a real estate salesperson within this state without first obtaining a real estate license from the department, or to engage in the business of, act in the capacity of, advertise as, or assume to act as a mortgage loan originator within this state without having obtained a license endorsement.

The commissioner may prefer a complaint for violation of this section before any court of competent jurisdiction, and the commissioner and his or her counsel, deputies, or assistants may assist in presenting the law or facts at the trial.

It is the duty of the district attorney of each county in this state to prosecute all violations of this section in their respective counties in which the violations occur."

45. Code section 10131 provides:

"A real estate broker within the meaning of this part is a person who, for a compensation or in expectation of a compensation, regardless of the form or time of payment, does or negotiates to do one or more of the following acts for another or others:

(a) Sells or offers to sell, buys or offers to buy, solicits prospective sellers or buyers of, solicits or obtains listings of, or negotiates the purchase, sale, or exchange of real property or a business opportunity.

(b) Leases or rents or offers to lease or rent, or places for rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase, or exchanges of leases on real property, or on a business opportunity, or collects rents from real property, or improvements thereon, or from business opportunities.

(c) Assists or offers to assist in filing an application for the purchase or lease of, or in locating or entering upon, lands owned by the state or federal government.

(d) Solicits borrowers or lenders for or negotiates loans or collects payments or performs services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

(e) Sells or offers to sell, buys or offers to buy, or exchanges or offers to exchange a real property sales contract, or a promissory note secured directly or collaterally by a lien on real property or on a business opportunity, and performs services for the holders thereof."

46. Code section 10137 provides:

"It is unlawful for any licensed real estate broker to retain, compensate, directly or indirectly, any person for performing any of the acts within the scope of this chapter who is not a licensed real estate broker, or a real estate salesperson licensed under the responsible broker retaining or compensating him or her, or to retain 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 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. A licensee may enter into an agreement with another licensee to share that compensation provided that any compensation is paid through the responsible broker.

For a violation of any of the provisions of this section, the commissioner may temporarily suspend or permanently revoke the license of the real estate licensee, in accordance with the provisions of this part relating to hearings."

47. Code section 10026 provides:

"(a) The term "advance fee," as used in this part, is a fee, regardless of the form, that is claimed, demanded, charged, received, or collected by a licensee for services requiring a license, or for a listing, as that term is defined in Section 10027, before fully completing the service the licensee contracted to perform or represented would be performed. Neither an advance fee nor the services to be performed shall be separated or divided into components for the purpose of avoiding the application of this division.

(b) For the purposes of this section, the term "advance fee" does not include:

(1) "Security" as that term is used in Section 1950.5 of the Civil Code.

(2) A "screening fee" as that term is used in Section 1950.6 of the Civil Code.

(3) A fee that is claimed, demanded, charged, received, or collected for the purpose of advertising the sale, lease, or exchange of real estate, or of a business opportunity, in a newspaper of general circulation, any other written publication, or through electronic media comparable to any type of written publication, provided that the electronic media or the publication is not under the control or ownership of the broker.

(4) A fee earned for a specific service under a "limited service" contract. For purposes of this section, a "limited service" contract is a written agreement for real estate services described in subdivision (a), (b), or (c) of Section 10131, and pursuant to which such services are promoted, advertised, or presented as stand-alone services, to be performed on a task-by-task basis, and for which compensation is received as each separate, contracted-for task is completed. To qualify for this exclusion, all services performed pursuant to the contract must be described in subdivision (a), (b), or (c) of Section 10131.

(c) A contract between a real estate broker and a principal that requires payment of a commission to the broker after the contract is fully performed does not represent an agreement for an advance fee.

(d) This section does not exempt from regulation the charging or collecting of a fee under Section 1950.5 or 1950.6 of the Civil Code, but instead regulates fees that are not subject to those sections."

48. Code section 10085 provides:

"The commissioner may require that any or all materials used in obtaining advance fee agreements, including but not limited to the contract forms, letters or cards used to solicit prospective sellers, and radio and television advertising be submitted to him or her at least 10 calendar days before they are used. Should the commissioner determine that any such matter, when used alone or with any other matter, would tend to mislead he or she may, within 10 calendar days of the date he or she receives same, order that it not be used, disseminated, nor published. Any person or entity using, disseminating, or publishing any matter which the commissioner has ordered, pursuant to this section, not to be used, published, or disseminated shall be guilty of a misdemeanor punishable by a fine not exceeding two thousand five hundred dollars ($2,500) or by imprisonment in the county jail not exceeding six months, or both, for each such use, dissemination, or publication.

The commissioner may determine the form of the advance fee agreements, and all material used in soliciting prospective owners and sellers shall be used in

the form and manner which he or she determines is necessary to carry out the purposes and intent of this part.

Any violation of any of the provisions of this part or of the rules, regulations, orders or requirements of the commissioner thereunder shall constitute grounds for disciplinary action against a licensee, or for proceedings under Section 10081 of this code, or both. These sanctions are in addition to the criminal proceedings hereinbefore provided."

49. Code section 10085.5 provides:

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

(b) This section does not prohibit the acceptance or receipt of an advance fee by any bank, savings association, credit union, industrial loan company, or person acting within the scope of a license issued to that person pursuant to Division 9 (commencing with Section 22000) of the Financial Code, in connection with loans to be secured directly or collaterally by a lien on real property. This section does not apply to charges made by title insurers and controlled escrow companies pursuant to Chapter 1 (commencing with Section 12340) of Part 6 of Division 2 of the Insurance Code.

(c) A violation of this section is a public offense punishable by a fine not exceeding ten thousand dollars ($10,000), by imprisonment in the county jail for a term not to exceed six months, or by both that fine and imprisonment, or if by a corporation, the violation is punishable by a fine not exceeding fifty thousand dollars ($50,000)."

50. Code section 10086 provides:

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

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

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

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

(b) A violation of this section by a natural person who is a licensee is a public offense punishable by a fine not exceeding ten thousand dollars ($10,000), by imprisonment in the county jail for a term not to exceed one year, or by both that fine and imprisonment, or if by a corporation, the violation is punishable by a fine not exceeding fifty thousand dollars ($50,000). These penalties are cumulative to any other remedies or penalties provided by law.

(c) This section shall apply only to mortgages and deeds of trust secured by residential real property containing four or fewer dwelling units."

51. Code section 10146 provides:

"Any real estate broker who contracts for or collects an advance fee from any other person, hereinafter referred to as the "principal," shall deposit any such amount or amounts, when collected in a trust account with a bank or other recognized depository. Such funds are trust funds and not the funds of the agent. Amounts may be withdrawn therefrom for the benefit of the agent only when actually expended for the benefit of the principal or five days after the verified accounts mentioned hereinafter have been mailed to the principal. Upon request of the commissioner, a broker shall furnish to the commissioner an authorization for examination of financial records of the trust account in accordance with the procedures set forth in Section 7473 of the Government Code.

The commissioner may issue such rules and regulations as he or she deems necessary to regulate the method of accounting, and to accomplish the purpose of the provisions of this code relating to advance fees including, but not limited to, establishing forms for and determining information to be included in such accountings. Each principal shall be furnished a verified copy of such accountings at the end of each calendar quarter and when the contract has been completely performed by the licensee. The commissioner shall be furnished a verified copy of any account or all accounts on his or her demand therefor.

Where advance fees actually paid by or on behalf of any principal are not handled in accordance with the preceding paragraph, it shall be presumed that the agent has violated Sections 506 and 506a of the Penal Code. The principal may recover treble damages for amounts so misapplied and shall be entitled to reasonable attorney's fees in any action brought to recover the same."

52. Regulation 2970 provides:

"(a) A person who proposes to collect an advance fee as defined in Section 10026 in the Code shall submit to the Commissioner not less than ten calendar days before publication or other use, all materials to be used in advertising,

promoting, soliciting and negotiating an agreement calling for the payment of an advance fee including the form of advance fee agreement proposed for use.

(b) Material used in advertising, promoting, soliciting and negotiating an advance fee agreement shall not be approved if it:

(1) Includes any representation which is false, misleading or deceptive.

(2) Does not set forth a specific, complete description of the services to be rendered for the advance fee.

(3) Does not set forth the total amount of the advance fee along with the date on which the fee shall become due and payable.

(4) Contains any provision which purports to relieve or exempt the person collecting the advance fee from an obligation to fulfill verbal commitments and representations made by employees and agents of the person contracting for the advance fee.

(5) Contains any provision which purports to give a guarantee that the real property or business opportunity in question will be purchased, leased or exchanged or that a loan secured by real property will be obtained as a result of the services rendered by the person collecting the advance fee.

(6) Does not set forth a definite date for full performance of the services promised under the advance fee agreement.

(c) Not less than 10-point type shall be used in advance fee agreements."

53. Regulation 2972 provides:

"Each verified accounting to a principal or to the commissioner as required by Section 10146 of the Code shall include at least the following information:

(a) The name of the agent.

(b) The name of the principal.

(c) Description of the services rendered or to be rendered.

(d) Identification of the trust fund account into which the advance fee has been deposited.

(e) The amount of the advance fee collected.

(f) The amount allocated or disbursed from the advance fee for each of the following:

(1) In providing each of the services enumerated under (c) above.

(2) Commissions paid to field agents and representatives.

(3) Overhead costs and profit.

(g) In cases in which disbursements have been made for advertising, a copy of the advertisement, the name of the publication, the number of the advertisements actually published and the dates that they were carried.

(h) In the case of an advance fee for the arrangement of a loan secured by a real property or a business opportunity, a list of the names and addresses of the persons to whom information pertaining to the principal's loan requirements were submitted and the dates of the submittal."

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/or license rights of Respondents 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 provisions of law.

Dated at San Diego, California this 11 day of March, 2022.

V. Kilpatrick

VERONICA KILPATRICK
Supervising Special Investigator

cc: Newport Capital Real Estate, Inc.
John Thorfin Tait
Veronica Kilpatrick
Sacto.