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FILED

NOV 18 2024

DEPT. OF REAL ESTATE

By—

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8
9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11
12 * * * * *

13 In the Matter of the Accusation of) No. H-42905 LA
14 EARLINE WILSON,)
15 Respondents.) **ACCUSATION**
16)

17 The Complainant, a Supervising Special Investigator of the State of California,
18 for cause of Accusation against Respondent EARLINE WILSON, f.k.a. Earline Cooley f.k.a.
19 Earline McKenzie, is informed and alleges as follows:

20 1.

21 The Complainant, Jason Parson, a Supervising Special Investigator of the State of
22 California, makes this Accusation in his official capacity.

23 2.

24 All references to the "Code" are to the California Business and Professions Code
25 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.
26

27 H-42905 LA: DRE Accusation against Earline Wilson

1 **DRE LICENSE HISTORY**

2 **RESPONDENT REAL ESTATE BROKER EARLINE WILSON**

3 3.

4 According to DRE records to date and publicly accessible online at
5 https://www2.dre.ca.gov/PublicASP/pplinfo.asp?License_id=01279015, EARLINE WILSON
6 (Respondent) is presently licensed and/or has license rights under the Real Estate Law, Part 1 of
7 Division 4 of the Code as a real estate broker (REB), Department of Real Estate (“Department”
8 or “DRE”) license ID 01279015.

9 4.

10 According to DRE records to date and publicly accessible online at the
11 aforementioned website, Respondent was first licensed by the Department as a real estate
12 salesperson (RES) on or about April 25, 2000, and as a REB on July 31, 2006.

13 5.

14 According to DRE records to date and publicly accessible online at the
15 aforementioned website, Respondent’s mailing address of record is: P.O. Box 235, Carthage, TX
16 75633-6261 (Texas address), and Respondent has no current DBAs or branch offices.
17 Respondent’s main office address of record is 41029 Knoll Dr., Palmdale, CA 93551 (Palmdale
18 address).

19 6.

20 According to DRE records to date and publicly accessible online at the
21 aforementioned website, Respondent’s prior license affiliation history is as follows:

- 22 A. Respondent was an officer of Coastal Home Loans Inc, DRE license ID
23 01525652 until her officer license expired as of March 22, 2011, and
24 B. Respondent was an officer of First Option Lending International, Inc. until her
25 affiliation was cancelled as of June 1, 2014.

1 7.

2 According to DRE records to date and publicly accessible online at the
3 aforementioned website, Respondent's license will expire on April 4, 2027. Upon license
4 expiration and pursuant to Code Section 10201, Respondent retains renewal rights, and pursuant
5 to Code Section 10103, the DRE retains jurisdiction.

6 8.

7 Respondent also holds two (2) mortgage loan originator (MLO) license
8 endorsements, NMLS ID 887283 (individual) and NMLS ID 1197818 (company).

9 9.

10 At all times mentioned herein, Respondent engaged in the performance of
11 activities requiring a real estate license pursuant to Code Section 10130.

12 **Unlicensed Kenneth Wayne Brooks (Brooks)**

13 10.

14 According to DRE records and publicly accessible online records, Kenneth
15 Wayne Brooks (Brooks) is not now, and has never been, licensed in any capacity under the Real
16 Estate Law.

17 11.

18 According to California State Bar (CalBar) records to date and publicly accessible
19 online at <https://apps.calbar.ca.gov/attorney/Licensee/Detail/74188>, Brooks was formerly
20 licensed by the State Bar, but has been inactive since January 16, 2018. According to Brooks'
21 CalBar public license page, his last known contact information is as follows: 8690 Aero Dr., Ste.
22 115, San Diego, CA 92123-1757, 858-344-0664 (phone), 858-279-5588 (fax), and
23 kennethwbrookskwb@gmail.com.

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1 12.

2 According to CalBar records to date and publicly accessible online, Brooks DBA
3 Williams, Hollins and Brooks, LLP and Williams and Brooks, LLP of Culver City was issued a
4 Cease and Desist Notice on April 7, 2022.

5 13.

6 According to California Secretary of State (SOS) records to date and publicly
7 accessible online at <https://bizfileonline.sos.ca.gov/search/business>, Brooks as Incorporator filed
8 Articles of Incorporation for Williams-Hollins & Brooks as a General Stock Corporation on
9 November 17, 2020, Entity Number C4664764; the street and mailing address for the
10 corporation is listed as 1240 West Rosecrans Avenue, El Segundo, California 90266 (El Segundo
11 address). According to the aforementioned SOS website, Williams-Hollins & Brooks is a
12 suspended entity not in good standing with the Franchise Tax Board and became an inactive
13 entity as of April 2, 2024.

14 14.

15 **Unlicensed KB Life Home Loans (KBLHL)**

16 According to DRE records and publicly accessible online records, KB Life Home
17 Loans (KBLHL) is not now, and has never been, licensed in any capacity under the Real Estate
18 Law.

19 15.

20 **Unlicensed Edward Duncan (Duncan)**

21 According to DRE records and publicly accessible online records, Edward
22 Duncan (Duncan) is not now, and has never been, licensed in any capacity under the Real Estate
23 Law.

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1 16.

2 **Unlicensed EDuncan Enterprises (EDE)**

3 According to DRE records and publicly accessible online records, EDuncan
4 Enterprises (EDE) is not now, and has never been, licensed in any capacity under the Real Estate
5 Law.

6 17.

7 **FACTS DISCOVERED BY THE DEPARTMENT**

8 **Respondent's Payment of Commission to Unlicensed Brooks**

9 **(January 14, 2022)**

10 According to Respondent's letter to the DRE dated May 10, 2023 (Respondent's
11 051023 letter), in response to a DRE inquiry with the qualifier "If Kenneth Brooks is not
12 licensed," Respondent stated that "Mr. Brooks "referrers [sic] clients that are in need of real
13 estate financing," has done so for approximately three to five years, and that Respondent is paid
14 per referral by check. According to Respondent, at the end of the year, Earline Wilson
15 Brokerage issues a 1099 to Brooks' company for referral services.

16 18.

17 Included with Respondent's 051023 letter was a Southwest Escrow Corporation
18 Final Borrower Statement for Borrower K. Armstrong for Property located at 1613 West Piru St.,
19 Compton, CA 90222 (subject property), printed January 24, 2022. Said statement showed a
20 closing date of January 14, 2022 and a disbursement date of January 19, 2022. Included in the
21 statement were two (2) line items in the "Lender Charges" section for "Processing Fee: Earline
22 Cooley" in the amount of \$1,295.00 and "Origination Fee: Earline Cooley" in the amount of
23 \$12,210.00. According to the statement, Respondent was to be paid a total of \$13,505.00.

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1 19.

2 Also included with Respondent's 051023 letter was a document titled "Finder's
3 Fee Agreement (California Business and Professions Code §§ 10130 and 10139)" dated and
4 signed January 14, 2022 by Respondent (as "Broker") and Brooks (as "Finder") (Finder's
5 Agreement). The Finder's Agreement includes the statement, "This form is used by a broker
6 when they employ an unlicensed individual to locate, solicit and refer or identify persons who
7 need the services of the broker, to document the terms of the employment.") and provides that,
8 "In consideration for services to be rendered by Kenneth Brooks, as the Finder, Broker contracts
9 with Finder to refer to Broker a prospective client in need of services as a Borrower."

10 20.

11 The Finder's Agreement explicitly states that "Finder agrees not to participate in
12 or conduct any negotiations with the prospective client or solicit loans on behalf of a prospective
13 client," and as compensation, Broker (Respondent) agrees to pay, for each referral by Finder,
14 "10% of Broker commissions plus any additional fee client agreed to with Mr. Brooks," payable
15 within three to five days after the close of escrow.

16 21.

17 Respondent's 051023 letter also included a copy of Check No. 1060 dated
18 January 21, 2022 signed by Respondent and payable to Brooks from the Union Bank account of
19 Coastal Home Loans in the amount of \$6,088.80 with "Armstrong" written in the memo line. A
20 copy of Check No. 1094 dated February 10, 2022 signed by Respondent and payable to Brooks
21 from the same Union Bank account was also included with Respondent's 051023 letter;
22 Check No. 1094 was for the amount \$10,693.55 with "Winfrey Comm." written in the
23 respective memo line.

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1 22.

2 **Licensing/Subdivider Complaint Received from Los Angeles Unified School District**
3 **(December 22, 2022)**

4 On or about December 22, 2022, the DRE received a Licensing/Subdivider
5 Complaint (DRE Form RE 519) from Sabranna D. Beckles (Beckles), Assistant General Counsel
6 of the Los Angeles Unified School District (LAUSD), on behalf of LAUSD regarding EDE,
7 Duncan and Brooks with respect to the aforementioned subject property and a subordination
8 agreement executed by Duncan on behalf of LAUSD. LAUSD's complaint form listed
9 Williams-Hollins & Brooks' El Segundo as the known address for EDE, Duncan and/or Brooks.

10 23.

11 **Judgment Lien Recorded in Favor of LAUSD Against Subject Property**

12 On or about February 13, 2014, in Los Angeles County Case No. 13K11778,
13 LAUSD obtained a judgment lien against Kesi Armstrong (Armstrong) in the amount of
14 \$23,089.79 against the subject property. LAUSD recorded said judgment on August 11, 2017.

15 24.

16 **Provident Title Requests to LAUSD for Payoff Demand Letters**

17 According to the LAUSD Complaint, in or about year-end 2021, escrow company
18 Provident Title (Provident) contacted the LAUSD Office of the General Counsel requesting a
19 payoff demand letter. According to the LAUSD Complaint, Brooks subsequently contacted
20 LAUSD's Office of the General Counsel (Counsel) and introduced himself as a representative of
21 Armstrong to secure a refinance loan; Brooks requested that LAUSD agree to subordinate its
22 recorded judgment lien to enable Armstrong to secure loan approval.

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1 25.

2 LAUSD's Rejection of Subordination Request

3 According to the LAUSD Complaint, Beckles declined the subordination request
4 on behalf of LAUSD and Brooks sent a loan cancellation notice.

5 26.

6 Subordination Agreement Executed by [Non-LAUDS Affiliate] Edward Duncan

7 Despite LAUSD's rejection of said subordination, in or about October 2022,
8 LAUSD received notification of a December 17, 2021 subordination agreement executed by
9 Duncan on behalf of LAUSD.

10 27.

11 LAUSD Judgment Against Kesi Armstrong

12 (April 2020)

13 According to Provident's Preliminary Title Report dated December 9, 2021 for
14 the subject property, judgment was entered in Los Angeles County Case No. 13K11778, on
15 February 13, 2014 in the amount \$23,089.79 against debtor Armstrong on the subject property in
16 favor of creditor LAUSD. Said judgment was recorded in Los Angeles County on August 11,
17 2017 as Document No. 20170910814. In or about April 2020, upon the passing of her mother,
18 Armstrong became the owner of the subject property via a trust inheritance transfer.)

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1 28.

2 **Communications Between Southwest Escrow and LAUSD for Payoff Demand Letters**

3 **(October 2021 to December 2021)**

4 10-25-21 Request by Southwest for Payoff Demand by LAUSD

5 (October 25, 2021)

6 In a letter from Lyn Kerby (Kerby) and Gemmy Ochoa (Ochoa), President, dated
7 October 25, 2021 on the letterhead of Southwest Escrow Corporation (Southwest) regarding
8 Escrow No. 77668LK/Debtor Kesi Armstrong (102521 Southwest Letter) addressed to “To
9 Whom It May Concern,” LAUSD was informed that an escrow “has veen [sic] opened with this
10 company which calls for the payment in full of sums due you from the above referenced debtors.
11 Please provide this company with a demand for payment and an original executed LIEN
12 RELEASE/ABSTRACT OF JUDGMENT/MATURED INSTALLMENT RELEASE. Payment
13 of your demand will be made at the close of escrow which we anticipate to be on or about
14 December 30, 2021...” (102521 Southwest Letter). Said 102521 Southwest Letter was unsigned
15 and sent to LAUSD via facsimile to (213) 241-3316.

16 29.

17 First LAUSD Payoff Demand Letter for \$41,099.91

18 (November 10, 2021)

19 On November 10, 2021, pursuant to Ochoa’s [undated email] request for a payoff
20 demand, LAUSD Senior Paralegal of the Office of the General Counsel Onelia B. Vasquez
21 (Vasquez) sent, via e-mail to Ochoa, a Payoff Demand letter dated November 10, 2021 (111021
22 payoff demand) on the letterhead of the Office of the General Counsel of LAUSD, to demand
23 payment of the payoff amount of \$41,099.91 (comprised of the principal of \$23,089.79 plus 10%
24 interest from the date of entry of judgment on February 13, 2014, with a calculation of daily
25 interest at \$6.33 for 2,847 days for a total interest amount of \$18,010.12).

1 30.

2 LAUSD's 111021 payoff demand instructed that upon receipt of a cashier's check
3 for payment in full, LAUSD would file an Acknowledgment of Satisfaction with the Superior
4 Court, but that in order to release the lien, it would be Armstrong's responsibility to record said
5 Acknowledgment at the County Recorder's Office. The 111021 payoff demand was valid
6 through November 30, 2021.

7 31.

8 Second LAUSD Payoff Demand Letter for \$41,296.02

9 (December 9, 2021)

10 On December 9, 2021, Vasquez sent, via e-mail to Ochoa, an updated Payoff
11 Demand letter dated December 9, 2021 (120921 payoff demand) on the letterhead of the Office
12 of the General Counsel of LAUSD, to demand payment of the payoff amount of \$41,296.02
13 (comprised of the principal of \$23,089.79 plus 10% interest from the date of entry of judgment
14 on February 13, 2014, with a calculation of daily interest at \$6.33 for 2,878 days for a total
15 interest amount of \$18,206.23).

16 32.

17 LAUSD's 120921 payoff demand instructed that upon receipt of a cashier's check
18 for payment in full, LAUSD would file an Acknowledgment of Satisfaction with the Superior
19 Court, but that in order to release the lien, it would be Armstrong's responsibility to record said
20 Acknowledgment at the County Recorder's Office. The 120921 payoff demand was valid
21 through December 30, 2021.

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1 33.

2 **Communications Between Brooks and LAUSD Re: Subordination Agreement**

3 (December 2021)

4 Subordination Agreement Proposed by Brooks

5 (December 15, 2021)

6 On December 15, 2021, LAUSD received fax correspondence at 213-241-3316
7 from non-licensee KBLifeHomeLoans/Brooks (213-406-1272) addressed to “LAUSD” and CC:
8 to “O. Vasquez” regarding subject “Subordinate [sic] Agreement” and “In re: Kesi Armstrong,
9 Judicial Lien \$23,089.79 via \$41,099.91, Los Angeles Superior Court Case #13K11778”
10 (hereinafter “121521 Fax”).

11 34.

12 In the “Comments” section of the cover sheet to the 121521 Fax was a request by
13 Armstrong “that Los Angeles Unified School District via LAUSD will agree to subordinate the
14 Judicial Lien at this time in order to save the home from foreclosures. Please note that the
15 Subordination will keep the Judicial Lien in place against said property, but will allow the
16 refinance to take place to cease foreclosure action.”

17 35.

18 Said 121521 Fax included a proposed three-page “Subordination Agreement for
19 Judgment Lien” dated December 15, 2021 with signature lines for Armstrong as
20 Debtor/Mortgagee and Onelia Vasquez, Sr. as Creditor/LAUSD; the cover sheet for the 121521
21 Fax was electronically signed by Brooks as CEO of KBLifeHomeLoans.

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1 36.

2 LAUSD Rejection of Subordination Agreement by Beckles

3 (December 23, 2021)

4 On December 23, 2021 at 9:03 A.M., Beckles sent an e-mail to Brooks
5 (kblifehomeloans@gmail.com), CC: to Onelia Vasquez, with the subject line "RE: Armstrong
6 Mortgage Loan Cancellation," in which Beckles stated, "...As discussed, the LAUSD's
7 preference is to resolve the judgment lien instead of subordinating the lien. Please let me know
8 when Ms. Armstrong is prepared to offer an amount."

9 37.

10 Submission of Signed Subordination Agreement by Brooks to Southwest

11 (December 22, 2021)

12 One day prior to Beckles' rejection of the subordination agreement on behalf of
13 LAUSD, on December 22, 2021 at 8:01 P.M., Brooks sent an e-mail (Brooks' 122221 email) to
14 Ochoa and Kerby, with the subject line "Fwd: Armstrong/LAUSD Sub Agreement," which
15 forwarded an untitled PDF attachment and an email timestamped December 22, 2021 at 7:40
16 P.M. from scan@wework.com [to kennethbrooks.whblp@gmail.com and
17 kblifehomeloans@gmail.com] with the subject line "Armstrong/LAUSD Sub Agreement."
18 Brooks' 122221 email included an attachment comprised of an eight-page PDF that included the
19 following pages:

- 20 A. Page 1: A cover sheet on the letterhead of the Office of the General Counsel
21 of LAUSD addressed "To: Southwest Title & Escrow Company," "From:
22 Edward Duncan, LAUSD Legal Department, Edward.Duncan@LAUSD.NET,
23 Cell# [sic] 424-400-9149, "Topic: LAUSD Subordinate Agreement, LAUSD
24 vs Armstrong.

1 B. Page 2: A cover sheet for a document for recording by the Los Angeles
2 County Recorder for “(Document Title) Subordinate Agreement,” with a
3 “Recording Requested By: LAUSD,” but a return address “When Recorded
4 Mail to: E. Duncan/LAUSD, 1240 Rosecrans Ave., Ste. 120, Manhattan
5 Beach, CA 90266,” which is not an address that is associated with LAUSD.

6 C. Pages 3 through 5: A three-page “Subordination Agreement” dated December
7 17, 2021 that includes “Recording Requested By LAUSD, “When Recorded Mail
8 To: KESI Armstrong, 1613 West Piru Street, Compton, CA 90222,” signed by
9 “Subordinate Beneficiary: Los Angeles Unified School District, aka: LAUSD” by
10 “Edward Duncan, Los Angeles Unified School District as Creditor and Legal
11 Counsel” and “Owner: Kesi Armstrong” by Kesi Armstrong aka Kesi Elaine
12 Armstrong. This document includes multiple typographical and grammatical
13 errors throughout, including, but not limited to misspellings of “subordination”
14 (misspelled as subpodrination), “Stanley Mosk” (misspelled as “Stan Mosk”),
15 “subordination” (misspelled as “suboridination”), and “subordination”
16 (misspelled as “subordinmation”).

17 D. Page 6: California All-Purpose Acknowledgment notarized on December 22,
18 2021 by Notary Public La’Niya Denise Keyes, Commissioner #235033 (exp. 03-
19 06-25) as to Edward Duncan’s personal appearance with respect to a four-page
20 “Subordinate Agreement.”

21 E. Page 7: California All-Purpose Acknowledgment notarized on December 29,
22 2021 by Notary Public Gemmy C. Ochoa, Commissioner #2339143 (exp. 12-04-
23 24) as to Kesi Armstrong’s personal appearance with respect to a four-page
24 “Subordinate Agreement” dated December 17, 2021. This Acknowledgement
25
26
27

1 acknowledges Armstrong's appearance on a date subsequent to Brooks' 122221
2 email

3 F. Page 8: Exhibit "A" Lender Vesting regarding "Harry Wang, Trustee of the
4 Wang Family Trust dated Feb 28, 2007."

5 38.

6 **[Attempted] Confirmation of Signed Subordination Agreement by Southwest**

7 **(December 27, 2021)**

8 On December 27, 2021 at 10:11 A.M., Ochoa sent an email to Vasquez with the
9 subject line "RE: Acosta, et al. – Payoff Demand re Kesi Armstrong" with an attached PDF and
10 the message, "We were provided with the attached subordination agreement. Please confirm that
11 your office will retrack [sic] the payoff provided and will subordinate per the attached
12 document." On the same day, at 10:13 A.M., Vasquez' email sent an automatic out-of-office
13 reply indicating, "I am currently out of the office for the District's Winter Shutdown...I will
14 respond to your email upon my return on January 3, 2022."

15 39.

16 **Brooks Email to Southwest Escrow and Respondent**

17 **(December 30, 2021)**

18 On December 30, 2021 at 5:12 P.M., Brooks sent an email to Kerby and Ochoa of
19 Southwest, CC: to Wilson and Jael Jenkins with the subject line "S.Armstrong/TOD/Quitclaim to
20 Trust" with a message that included, "...there was a misunderstanding to my instructions, as per
21 1. File the Quitclaim Trust Transfer; 2. File the TOD; 3. Await return of Quitclaim and file
22 Affidavit of Death of Trustee/Successor of Trust...attached are the original document [sic] ready
23 for correct filing, this should clear any issues of legal title change."

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1 40.

2 **Commission Payments**

3 **Mortgage Broker Fee of \$13,505 Paid by Southwest to Respondent**

4 (January 20, 2022)

5 According to the Borrower Statement for the subject property, escrow closed on
6 January 14, 2022. According to a January 20, 2022 Wire Verification, a wire transfer in the
7 amount of \$13,505.00 was made from Southwest Escrow Trust Account #####3931 to Wilson as
8 a "Mortgage Broker Fee."

9 41.

10 **Commission of \$6,088.80 Paid by Respondent to Brooks**

11 (January 21, 2022)

12 According to Respondent, she pays Brooks "per referral by check." For the
13 subject property transaction, on January 21, 2022, Respondent signed Check No. 1060, payable
14 to Brooks in the amount of \$6,088.80 with "Armstrong" written in the memo line.

15 42.

16 **Subsequent Discovery by LAUSD of Non-LAUDS Authorized Subordination Agreement**

17 (October 2022)

18 **Communications Between Provident (Lopez) and LAUSD (Beckles)**

19 In or about October 2022, nine months subsequent to the close of escrow on the
20 subject property, LAUSD received notification that a subordination agreement was executed by
21 an individual by the name of Edward Duncan on behalf of LAUSD. According to Beckles,
22 Duncan is not affiliated with LAUSD, nor is Duncan authorized to enter any agreements on
23 behalf of LAUSD.

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1 43.

2 In an email timestamped October 14, 2022 at 3:45 P.M. to Beckles, Provident's
3 Chief Title Officer/Senior Vice President Steve Lopez (Lopez) noted that Provident accepted and
4 relied upon a Subordination Agreement that was sent to Southwest prior to the close of escrow
5 that was purported to have been executed by an authorized LAUSD individual. In the same
6 email, Lopez noted that LAUSD provided Southwest with a demand prior to the close of escrow,
7 while at the same time, "the loan broker provided us written instructions that your judgment was
8 to be subordinated to their new loan."

9 44.

10 In a follow-up email timestamped November 8, 2022 at 10:24 A.M. to Beckles
11 and her LAUSD colleague, Lopez stated that he had been in contact with Respondent and "Mr.
12 Kenneth Brooks, Esq.", and asked whether she had any communications with either of them
13 regarding resolution of the matter. On the same day, at 10:51 A.M., Beckles stated that she had
14 not spoken to "Ms. Cooley...Who is she?" and that "I haven't spoken to Mr. Brooks since last
15 December or so wherein he indicated that the loan application would be cancelled since Ms.
16 Armstrong would not qualify for the loan in light of LAUSD declining to subordinate the
17 judgment lien..."

18 45.

19 When Lopez responded to Beckles on the same day (November 8, 2022) to
20 inform that Brooks represented he was contacting "the outside firm that represents LAUSD,"
21 Beckles asserted, "LAUSD nor anyone acting on behalf of LAUSD agreed to subordinate the
22 LAUSD judgment lien."

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1 46.

2 Communications Between Respondent, Brooks and Provident (Lopez)

3 In an email timestamped October 18, 2022 at 5:29 P.M. to Lopez and Respondent,
4 Brooks stated, "FYI I am making contact with the outside legal firm that represents LAUSD in
5 this Case Matter [sic] and to the employed LAUSD Paralegal Onelia Vasquez. I am sure that
6 there is an external or internal issue with regards to the appropriation and approval of the
7 Subordinate [sic] Agreement. If my memory serves correct, the document was issued via
8 LAUSD Letterhead...I would ask for a few days...request (3) days to get this issue resolved.)

9 47.

10 In an email timestamped October 26, 2022 at 2:52 P.M. to Lopez and Brooks,
11 Respondent asked "Regarding Ms. Armstrong LAUSD Subordination [sic] Attorney Brooks, this
12 is just a courtesy follow up on the status of the LAUSD Subordination Issue. Is there a
13 resolution yet??" In an email reply to all, timestamped October 27, 2022 at 12:34 P.M. Brooks
14 stated, "I plan to have all this resolved by all parties no later than Tuesday 11/7/22 with an
15 agreement by all parties for complete resolution." In fact, as described above in paragraphs 18
16 and 40, escrow had already closed nine (9) months earlier on January 14, 2022, Respondent had
17 already been paid her \$13,505 commission by Southwest, and Respondent had already paid
18 Brooks his \$6,088.80 referral fee, pursuant to the parties' Finder's Fee Agreement, as described
19 above in paragraph 19.

20 48.

21 In a follow-up email timestamped November 4, 2022 at 11:19 A.M. Lopez asked
22 Brooks, "Do you have an update for us?" to which Brooks responded on the same date at 3:28
23 P.M., "Yes. To cancel all confusion by all external and internal parties of lauds and lauds outside
24 counsel. [sic] Ms. Armstrong will satisfy all debts at close of her selling if [sic] the property with
25 [sic] 45 days. All docs submitted were printed on LAUSD letterhead and packaging."

1 49.

2 In an email timestamped November 8, 2022 at 2:21 P.M. Lopez responded to
3 Brooks and Respondent, "...LAUSD claims they never agreed to subordinate their interest and
4 are demanding payment per the attached demand. Earline, you provided Provident Title with
5 final lender instructions stating the LAUSD judgment was going to be subordinated..."

6 50.

7 In a follow-up email timestamped January 3, 2023 at 3:49 P.M., Lopez asked
8 Brooks for an update and reminded that "LAUSD is demanding payment of their \$44,000.00
9 dollars." Brooks responded to Lopez and Wilson in an email timestamped January 4, 2023 at
10 2:56 P.M. and indicated, "...Armstrong deal should close by 1/30/23, escrow will reach out to
11 LAUSD in requesting an updated LAUSD Payoff, the contact should possibly be made some
12 time this week..."

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1 collects rents from real property, or improvements thereon, or from business
2 opportunities.

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

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

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

13 53.

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

15 Pursuant to Code Section 10137 *Unlawful Employment or Payment of*
16 *Compensation – Penalty:*

17 “It is unlawful for any licensed real estate broker to employ or compensate,
18 directly or indirectly, any person for performing any of the acts within the scope of this chapter
19 who is not a license real estate broker, or a real estate salesperson licensed under the broker
20 employing or compensating him or her, or to employ or compensate, directly or indirectly, any
21 licensee for engaging in any activity for which a mortgage loan originator license endorsement is
22 required, if that licensee does not hold a mortgage loan originator license endorsement; provided,
23 however, that a licensed real estate broker may pay a commission to a broker of another state.
24 No real estate salesperson shall be employed by or accept compensation for activity requiring a
25 real estate license from any person other than the broker under whom he or she is at the time
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1 licensed. It is unlawful for any licensed real estate salesperson to pay any compensation for
2 performing any of the acts within the scope of this chapter to any real estate licensee except
3 through the broker under whom he or she is at the time licensed. For a violation of any of the
4 provisions of this section, the commissioner may temporarily suspend or permanently revoke the
5 license of the real estate licensee, in accordance with the provisions of this part relating to
6 hearings.”

7 54.

8 **Penalties for Unlicensed Person – Code Section 10139**

9 Pursuant to Code Section 10139 *Penalties for Unlicensed Person:*

10 “Any person acting as a real estate broker, real estate salesperson, or mortgage
11 loan originator without a license or license endorsement, or who advertises using words
12 indicating that he or she is a real estate broker, real estate salesperson, or mortgage loan
13 originator without being so licensed or without having obtained a license endorsement, shall be
14 guilty of a public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000),
15 or by imprisonment in the county jail for a term not to exceed six months, or by both fine and
16 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
17 (\$60,000). If a Real Estate Fraud Prosecution Trust Fund, as described in Section 27388 of the
18 Government Code, exists in the county where a person or corporation is convicted, any fine
19 collected from the person in excess of ten thousand dollars (\$10,000) or any fine collected from
20 the corporation in excess of fifty thousand dollars (\$50,000) shall be deposited in that Real Estate
21 Fraud Prosecution Trust Fund.”

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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 a different character than specified in 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*

(selected portions):

“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

1 regulations of the commissioner for the administration and enforcement of the Real Estate Law
2 and Chapter 1 (commencing with Section 11000) of Part 2.

3 . . .

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

6 . . .

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

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

10 57.

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

13 58.

14 In the course of the activities described above, and based on the facts discovered
15 by the Department, also described above, the acts and/or omissions of Respondent **EARLINE**
16 **WILSON** are in violation of **Code Section 10137** and pursuant to **Code Section 10177(d)**
17 constitute cause for the suspension or revocation of all licenses and license rights of Respondent
18 **EARLINE WILSON** under the Real Estate Law.

19 59.

20 In the course of the activities described above, and based on the facts discovered
21 by the Department, also described above, the acts and/or omissions of Respondent **EARLINE**
22 **WILSON** are in violation of **Code Sections 10176(a), 10176(j), 10177(d), 10177(g) and**
23 **10177(j)**, and constitute cause for the suspension or revocation of all licenses and license rights
24 of Respondent **EARLINE WILSON** under the Real Estate Law.

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