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FILED

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DEPARTMENT OF REAL ESTATE
BY: ca

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-38429 LA
)	
SIMPLICITY REALTY 1,)	<u>A C C U S A T I O N</u>
BRIAN JASON MORALES,)	
individually and as former)	
designated officer of)	
Simplicity Realty 1, and)	
REINHARD SCHOENHOEFER,)	
)	
Respondents.)	
)	

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against SIMPLICITY REALTY 1, BRIAN JASON MORALES, individually and as former designated officer of Simplicity Realty 1, and REINHARD SCHOENHOEFER (collectively "Respondents"), is informed and alleges as follows:

1.

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

1 2.

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

5 3.

6 From March 10, 2010, through the present, Respondent
7 SIMPLICITY REALTY 1 ("SIMPLICITY") has been licensed by the
8 Department of Real Estate ("Department") as a corporate real
9 estate broker, License ID 01876367.

10 4.

11 From September 12, 2006, through the present,
12 Respondent BRIAN JASON MORALES ("MORALES") has been licensed by
13 the Department as a real estate broker, License ID 01441520.

14 5.

15 From March 10, 2010, through March 15, 2011, Respondent
16 SIMPLICITY was authorized to act by and through Respondent
17 MORALES as its broker designated pursuant to Code Section 10159.2
18 to be responsible for ensuring compliance with the Real Estate
19 Law.

20 6.

21 From March 23, 2005, through the present, Respondent
22 REINHARD SCHOENHOEFER ("SCHOENHOEFER") has been licensed by the
23 Department as a real estate salesperson, License ID 01473232.

24 From August 25, 2009, through January 21, 2010, Respondent
25 SCHOENHOEFER was licensed under the employment of broker
26 Beachside Capital, Inc. From January 22, 2010 through December
27 29, 2010, Respondent SCHOENHOEFER was licensed under the
28 employment of Respondent MORALES.

1 7.

2 All further references to "Respondents" include the
3 parties listed in Paragraphs 3 through 6, above, as well as the
4 officers, agents and employees of the parties listed in
5 Paragraphs 3 through 6, above.

6 FIRST CAUSE OF ACCUSATION

7 (Unlicensed Activity/Unlawful Compensation)

8 8.

9 Code Section 10132 defines a real estate salesperson as
10 a person who, for compensation or in expectation of compensation,
11 is employed by a licensed real estate broker to do one or more of
12 the acts set forth in Code Sections 10131, 10131.1, 10131.2,
13 10131.3, 10131.4, and 10131.6. Code Section 10131 defines a real
14 estate broker as a person who: (d) solicits borrowers, negotiates
15 loans, collects payments or performs services for borrowers in
16 connection with loans secured directly or collaterally by liens
17 on real property.

18 9.

19 Code Section 10137 states that is unlawful for any
20 licensed real estate broker to employ or compensate, directly or
21 indirectly, any person for performing acts requiring a real
22 estate license, who is not a real estate salesperson licensed
23 under the broker employing or compensating him or her. No real
24 estate salesperson shall be employed by or accept compensation
25 from any person other than the broker under whom he or she is at
26 the time licensed.

1 10.

2 Code Sections 10085.5 and 10085.6 prohibit claiming,
3 demanding, charging or collecting advance fees for attempts to
4 negotiate or perform mortgage loan modification or forbearance
5 services. Prior to October 11, 2009, licensed real estate
6 brokers could charge or collect advance fees *if* they complied
7 with the statutory requirements of Code Sections 10085, 10146 and
8 Regulation 2970 of the California Code of Regulations, Title 10,
9 Chapter 6 ("Regulations").

10 11.

11 Secure Doc Prep Corp, Dain Turner ("Turner"), Carlo
12 Longo ("Longo"), Ruben Corona ("Corona"), and Robert (NMN)
13 Marquez ("Marquez") are not licensed in any capacity by the
14 Department.

15 12.

16 Secure Doc Prep Corp is a California corporation formed
17 on or about March 14, 2009. SCHOENHOEFER, Longo, and Turner were
18 former officers and directors of Secure Doc Prep Corp. Corona is
19 currently an officer and director of Secure Doc Prep Corp.

20 13.

21 SIMPLICITY is a California corporation formed on or
22 about September 11, 2009. Turner and MORALES were former
23 officers and directors of SIMPLICITY. MORALES cancelled his
24 designation as officer for SIMPLICITY on or about March 15, 2011.
25 Corona is currently an officer and director of SIMPLICITY.

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1 14.

2 At times relevant herein, Secure Doc Prep Corp and
3 SIMPLICITY shared the same office address of 2450 White Road,
4 Suite 250, Irvine, California 92614. Secure Doc Prep Corp and
5 SIMPLICITY also operated branch offices at 17748 Skypark Circle
6 Suite 260, Irvine, California 92606; 27702 Crown Valley Pkwy.
7 Suite D-4 228, Ladera Ranch, California 92694; and 2710 Alton
8 Pkwy. Suite 109-104, Irvine, CA 92606.

9 15.

10 Within the three year period from the filing of this
11 Accusation, in the State of California, Respondents, while using
12 their own names or other fictitious business names including
13 Secure Doc Prep Corp and SIMPLICITY, engaged in the business of a
14 real estate broker conducting activities requiring a real estate
15 license within the meaning of Code Section 10131(d) (solicit
16 borrowers for or negotiate loans or perform services for
17 borrowers in connection with loans secured by liens on real
18 property).

19 16.

20 For compensation or in expectation of compensation and
21 for fees collected in advance, Respondents, through their agents,
22 employees, or independent contractors, solicited borrowers by
23 offering to conduct loan negotiations and modifications,
24 foreclosure forbearance, mitigation, or foreclosure consultant
25 services in connection with loans secured by liens on real
26 property.

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1 17.

2 On or about September 22, 2009, Respondents, through
3 their agents, employees, or independent contractors, charged and
4 collected advance fees totaling \$3,990 from borrowers Scott and
5 Barbara L. for mortgage loan negotiation, modification or
6 forbearance services. Respondents failed to refund any monies to
7 Scott and Barbara L. after failing to provide the services that
8 had been promised.

9 18.

10 On or about October 14, 2010, Respondents, through
11 Marquez and other agents, employees, or independent contractors,
12 charged advance fees of \$2,295 from borrower Eugene S. for
13 mortgage loan negotiation, modification or forbearance services.
14 Respondents collected \$1,721.22 from Eugene S. for said services.
15 Respondents failed to refund any monies to Eugene S. after
16 failing to provide the services that had been promised.

17 19.

18 The conduct, acts and/or omissions of Respondents as
19 set forth in Paragraphs 11 through 18 above, in that they used
20 unauthorized advance fee agreements, charged or collected advance
21 fees for soliciting borrowers or lenders, or promised to perform
22 services for borrowers in connection with loans secured directly
23 or collaterally by a lien on real property, is in violation of
24 Code Sections 10085, 10085.5, 10085.6, 10146 and Regulation 2970
25 and constitutes cause to suspend or revoke the real estate
26 licenses and license rights of Respondents SIMPLICITY, MORALES,
27 and SHOENHOEFER under the provisions of Code Sections 10177(d)
28 and/or 10177(g).

1 20.

2 The conduct, acts and/or omissions of Respondents as
3 set forth in Paragraphs 11 through 18 above, in that they
4 operated an unlicensed entity, Secure Doc Prep Corp, and used
5 unlicensed agents to engage in activities requiring a real estate
6 license under Code Section 10131(d), is in violation of Code
7 Section 10130 and constitutes cause to suspend or revoke the real
8 estate licenses and license rights of Respondents SIMPLICITY,
9 MORALES, and SHOENHOEFER under the provisions of Code Sections
10 10177(d) and/or 10177(g).

11 21.

12 The conduct, acts and/or omissions of Respondents, as
13 set forth in Paragraphs 11 through 18 above, in that SIMPLICITY
14 and MORALES employed or compensated persons for performing acts
15 requiring a real estate license when they were not licensed under
16 them, and Respondent SCHOENHOEFER accepted compensation from a
17 person other than the broker under whom he was licensed at the
18 time, is in violation of Code Section 10137. Respondents'
19 conduct constitutes cause to suspend or revoke the real estate
20 licenses and license rights of Respondents SIMPLICITY, MORALES,
21 and SHOENHOEFER under the provisions of Code Sections 10137,
22 10177(d) and/or 10177(g).

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1 25.

2 Code Section 10163 requires that a real estate broker
3 apply for and procure an additional license for each branch
4 office maintained by the broker. Regulation Section 2715
5 requires that a real estate broker notify the Department of any
6 change in the location of a branch office within one business day
7 following the change.

8 26.

9 Respondents SIMPLICITY and MORALES acted without
10 Department authorization in using unlicensed branch offices
11 located at 17748 Skypark Circle Suite 260, Irvine, California
12 92606; 27702 Crown Valley Pkwy. Suite D-4 228, Ladera Ranch,
13 California 92694; and 2710 Alton Pkwy. Suite 109-104, Irvine,
14 California 92606, to engage in activities requiring the issuance
15 of a real estate license.

16 27.

17 The conduct, acts and/or omissions of Respondents
18 SIMPLICITY and MORALES as set forth in Paragraph 26, above,
19 violate Code Section 10163 and Regulation 2715 and are cause for
20 the suspension or revocation of the licenses and license rights
21 of Respondents SIMPLICITY and MORALES pursuant to Code Sections
22 10177(d) and/or 10177(g).

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1 FIFTH CAUSE OF ACCUSATION

2 (Failure to Supervise)

3 32.

4 There is hereby incorporated in this Fifth, separate
5 Cause of Accusation, all of the allegations contained in
6 Paragraphs 1 through 31, above, with the same force and effect as
7 if herein fully set forth.

8 33.

9 The conduct, acts and/or omissions of Respondent
10 MORALES, in allowing Respondent SIMPLICITY and SCHOENHOEFER to
11 violate the Real Estate Law, as set forth above, constitutes a
12 failure by Respondent MORALES to exercise the supervision and
13 control over the activities of Respondents SIMPLICITY and
14 SCHOENHOEFER as required by Code Section 10159.2 and Regulation
15 2725, and are cause to suspend or revoke the real estate license
16 and license rights of Respondent MORALES under Code Sections
17 10177(h), 10177(d) and/or 10177(g).

18 34.

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


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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondents
5 SIMPLICITY REALTY 1, BRIAN JASON MORALES, individually and as
6 former designated officer of Simplicity Realty 1, and REINHARD
7 SCHOENHOEFER under the Real Estate Law (Part 1 of Division 4 of
8 the Business and Professions Code), for the cost of investigation
9 and enforcement as permitted by law, and for such other and
10 further relief as may be proper under other provisions of law.

11 Dated at Los Angeles, California
12 this 18 day of September 2012.

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15 ROBIN TRUJILLO
16 Deputy Real Estate Commissioner
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23 cc: Simplicity Realty 1
24 Brian Jason Morales
25 Reinhard Schoenhoefer
26 Robin Trujillo
27 Sacto.
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