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DEPARTMENT OF REAL ESTATE

By R. Jones

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9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

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12 In the Matter of the Accusation of)
13 MORTGAGE LOAN SPECIALISTS OF)
SAN DIEGO INC., JACQUELINE JANE)
14 CHANCELLOR-MADDISON, and)
15 JULIE ELIZABETH OTTO)
16 Respondents.)

No. H-4272 SD
ACCUSATION

17 The Complainant, Joseph Aiu, a Deputy Real Estate Commissioner of the State of
18 California, for cause of Accusation against MORTGAGE LOAN SPECIALISTS OF SAN
19 DIEGO INC., JACQUELINE JANE CHANCELLOR-MADDISON, and JULIE ELIZABETH
20 OTTO (hereinafter "Respondents"), is informed and alleges as follows:

21 PRELIMINARY ALLEGATIONS

22 1

23 The Complainant, Joseph Aiu, a Deputy Real Estate Commissioner of the State of
24 California, makes this Accusation in his official capacity.

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

1 3

2 At all times mentioned, Respondent MORTGAGE LOAN SPECIALISTS OF
3 SAN DIEGO INC. (hereinafter "MLSSDI") was and is licensed by the State of California
4 Department of Real Estate (hereinafter "Department") as a real estate broker corporation.

5 4

6 At all times mentioned, Respondent JACQUELINE JANE CHANCELLOR-
7 MADDISON (hereinafter "MADDISON") was and is licensed by the Department individually
8 as a real estate broker. From, on, or about June 29, 2008, through December 24, 2009,
9 MADDISON was licensed as the designated broker officer of MLSSDI. As said designated
10 officer-broker, MADDISON was responsible pursuant to Section 10159.2 of the Code for the
11 supervision of the activities of the officers, agents, real estate licensees, and employees of
12 MLSSDI for which a license is required.

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14 Whenever reference is made in an allegation in this Accusation to an act or
15 omission of MLSSDI, such allegation shall be deemed to mean that the officers, directors,
16 employees, agents, and real estate licensees employed by or associated with MLSSDI
17 committed such acts or omissions while engaged in furtherance of the business or operation of
18 MLSSDI and while acting within the course and scope of their corporate authority and
19 employment.

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21 At all times mentioned, Respondent JULIE ELIZABETH OTTO (hereinafter
22 "OTTO") was and is licensed by the Department individually as a real estate salesperson.
23 From, on, or about December 18, 2008, through April 30, 2009, OTTO was affiliated under the
24 real estate corporate license of MLSSDI.

25 7

26 At all times mentioned, Respondents engaged in the business of, acted in the
27 capacity of, advertised, or assumed to act as real estate brokers in the State of California, within

1 the meaning of Section 10131(d) of the Code, including the operation and conduct of a
2 mortgage loan brokerage and/or loan modification business with the public wherein each of
3 them solicited lenders and borrowers for or negotiated loans or collected payments and/or
4 performed services for borrowers or lenders or note owners in connection with loans secured
5 directly or collaterally by liens on real property for or in expectation of compensation.

6 FIRST CAUSE OF ACTION

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8 Each and every allegation in Paragraphs 1 through 7, inclusive, is incorporated
9 by this reference as if fully set forth herein.

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11 In connection with the operation and conduct of the real estate activities
12 described in Paragraph 7, OTTO, and/or other agents or employees of MLSSDI whose identifies
13 are unknown at this time, on behalf of MLSSDI, engaged in the business of claiming,
14 demanding, charging, receiving, collecting, or contracting for the collection of advance fees
15 within the meaning of Sections 10026 and 10131.2 (hereinafter "advance fees") of the Code
16 including, but not limited to, the following:

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Property Owner	Property Address	Date	Advance Fee
Chris and Stacy C.	11936 Tivoli Park, #2, San Diego, CA	2/26/09	\$3500
Chris and Stacy C.	15535 New Park Terrace, San Diego, CA	3/5/09	\$3500

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21 In connection with the operation and conduct of the real estate activities
22 described in Paragraph 7, agents or employees of MLSSDI whose identifies are unknown at this
23 time, on behalf of MLSSDI, engaged in the business of claiming, demanding, charging,
24 receiving, collecting, or contracting for the collection of advance fees including but not limited
25 to the following:

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Property Owner	Property Address	Date	Advance Fee
Emily R.	1224 Thayer Avenue #201, Los Angeles, CA	3/4/09, 4/1/09, & 5/1/09	\$2500
Francisco T.	8288 Lincoln Street, Lemon Grove, CA	2/18/09	\$2000
Gracelyn O.	10291 Westonhill Drive, San Diego, CA	3/4/09	\$995
Hermina K.	5668 Camber, San Diego, CA	6/5/09 & 6/23/09	\$1500
Aldrin and Katherine P.	7139 Torrey Mesa Court, San Diego, CA	6/17/09	\$3495

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The acts and/or omissions of MLSSDI and OTTO as described in the First Cause of Action, constitute violation of Section 10177(d) of the Code in conjunction with Section 10085 of the Code, and is cause for the suspension or revocation of MLSSDI and OTTO's license and license rights.

SECOND CAUSE OF ACTION

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Each and every allegation in Paragraphs 1 through 11, inclusive, is incorporated by this reference as if fully set forth herein.

13

Respondent MADDISON failed to exercise reasonable supervision over the acts of MLSSDI in such a manner as to allow the acts and events described in the First Cause of Action to occur.

14

The acts and/or omissions of MADDISON described in Paragraph 13 constitute failure on the part of MADDISON, as designated broker-officer for MLSSDI, to exercise reasonable supervision and control over the licensed activities of MLSSDI as required by Section 10159.2 of the Code.

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The facts described above as to the Second Cause of Action constitute cause for the suspension or revocation of the licenses and license rights of Respondent MADDISON under Section 10177(g) and/or Section 10177(h) of the Code and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

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

JOSEPH AIU
Deputy Real Estate Commissioner

Dated at San Diego, California,
this 28 day of December, 2011

DISCOVERY DEMAND:

Pursuant to Sections 11507.6, et seq. of the *Administrative Procedures Act*, the Department of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the *Administrative Procedures Act*. Failure to provide Discovery to the Department of Real Estate may result in the exclusion of witnesses and documents at the hearing or other sanctions that the Office of Administrative Hearings deems appropriate.