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**FILED**

MAR -7 2011

DEPARTMENT OF REAL ESTATE  
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of	)	No. H-37106LA
12 RELIABLE LOAN SERVICING INC.;	)	<u>A C C U S A T I O N</u>
13 and EDGAR DEAN GLOSUP,	)	
14 individually and as designated	)	
15 officer of Reliable Loan	)	
16 Servicing Inc.	)	
17 Respondents.	)	

17 The Complainant, Robin Trujillo, a Deputy Real Estate  
18 Commissioner of the State of California, acting in her official  
19 capacity, for cause of Accusation against RELIABLE LOAN SERVICING  
20 INC. and EDGAR DEAN GLOSUP, individually and as Reliable Loan  
21 Servicing Inc. is informed and alleges as follows:

22 1.

23 The Complainant, Robin Trujillo, makes this Accusation  
24 in her official capacity.

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2.

1 All references to the "Code" are to the California  
2 Business and Professions Code and all references to "Regulations"

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4 A. At all times mentioned, RELIABLE LOAN SERVICING  
5 INC. ("RLSI"), was originally licensed or had license rights  
6 issued by the Department of Real Estate ("Department") as a  
7 corporate real estate broker on December 17, 2005.

8 B. At all times mentioned, EDGAR DEAN GLOSUP  
9 ("GLOSUP"), was licensed or had license rights issued by the  
10 Department as a real estate broker. On October 17, 2001, GLOSUP  
11 was originally licensed as a real estate broker. On May 26,  
12 2005, GLOSUP was licensed as the designated officer of RLSI.

13 C. At all times material herein, RLSI was licensed by  
14 the Department as a corporate real estate broker by and through  
15 GLOSUP, as the designated officer and broker responsible, pursuant  
16 to Code Sections 10159.2 and 10211 of the Business and  
17 Professions Code for supervising the activities requiring a real  
18 estate license conducted on behalf RLSI by RLSI's officers,  
19 agents and employees, including GLOSUP, as herein set forth.

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21 3.

22 At all times mentioned, in the City of Tarzana, County  
23 of Los Angeles, RLSI and GLOSUP acted as real estate brokers and  
24 conducted licensed activities within the meaning of Code Section  
25 10131(d). Respondents engaged in activities with the public  
26 wherein lenders and borrowers were solicited for loans secured  
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1 directly or collaterally by liens on real property, wherein such  
2 loans were arranged, negotiated, processed, consummated and  
3 serviced on behalf of others for compensation or in expectation  
4 of compensation and for fees often collected in advance.

5 4.

6 On June 1, 2010, the Department completed an audit  
7 examination of the books and records of RLSI pertaining to the  
8 mortgage and loan activities including loan servicing described  
9 in Paragraph 3, which require a real estate license. The audit  
10 examination covered a period of time beginning on January 1, 2008  
11 to December 31, 2009. The audit examination revealed violations  
12 of the Code and the Regulations as set forth below, and more  
13 fully discussed in Audit Report LA 090151 and the exhibits and  
14 work papers attached to the audit report.

15 5.

16 At all times mentioned, in connection with the  
17 activities described in Paragraph 4, RLSI maintained trust  
18 accounts during the audit period, as follows:  
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20  
21 "Reliable Loan Servicing Inc.

22 "#137XXXXXXX"

(T/A #1)

23  
24 "Reliable Loan Servicing Inc.

25 "#671XXXXXXX"

(T/A #2)

1 6.

2 With respect to the licensed activities referred to in  
3 Paragraphs 3 and 5, and the audit examination including the  
4 exhibits and work papers referred to in Paragraph 4, it is  
5 alleged that RLSI and GLOSUP:

6 (a) Permitted, allowed or caused the disbursement of  
7 trust funds from the T/A #1 trust account where the disbursement  
8 of funds reduced the total of aggregate funds in escrow trust  
9 account, to an amount which, on December 31, 2009, was \$8,352.58,  
10 less than the existing aggregate trust fund liability to every  
11 principal who was an owner of said funds, without first obtaining  
12 the prior written consent of the owners of said funds, in  
13 violation of Code Section 10145 and Regulation 2832.1. The  
14 shortage was restored on May 6, 2010;

15 (b) Failed to file the Department with Trust Fund  
16 Status Reports for 2009 quarters July 31, 2009 and October 31,  
17 used for RLSI's loan servicing activities, in violation of Code  
18 Section 10232.25 and Regulation 2846.8;

19 (c) Failed to file the required Quarterly Multi-Lender  
20 Reports for 2009 quarters July 31, 2009 and October 31 within 30  
21 days of the end of each quarter, in violation of Code Section  
22 10238(k)(3);

23 (d) Failed to file a Mortgage Loan/Trust Deed Annual  
24 Report for the fiscal year ending March 31, 2009, in violation of  
25 Code Section 10232.2(c);

26 (e) Failed to file the Annual Report of a Review of  
27 Trust Fund financial Statements for the fiscal year ending March

1 31, 2009, in violation of Code Section 10232.2(2) and Regulation  
2 2846.7;

3 (f) Failed to maintain an adequate control record in  
4 the form of a columnar record in chronological order of trust  
5 funds received including mortgage payments collected, in  
6 violation of Code Section 10145 and Regulation 2831;

7 (g) Failed to maintain an adequate separate record of  
8 trust funds received including mortgage payments collected, in  
9 violation of Code Section 10145 and Regulation 2831.1;

10 (h) Failed to perform a monthly reconciliation of the  
11 balance of all separate beneficiary or transaction records  
12 maintained pursuant to Regulation 2831.1 with the record of all  
13 trust funds received and disbursed by T/A #1, in violation of  
14 Code Section 10145 and Regulation 2831.2;

15 (i)(1) Received undisclosed compensation in the form of  
16 service fees charged to investors in excess of the  
17 amount/percentage agreed upon in approximate amount of \$313.00,  
18 in violation of Code Section 10176(g);

19 (i)(2) Received undisclosed compensation in the form of  
20 an earning credit agreement with the Cal National Bank in the  
21 amount of \$138.77. Bank service charges were deducted from the  
22 earning credit from T/A #1. The earnings credit arrangement was  
23 not disclosed by RLSI to the borrowers or lenders or  
24 beneficiaries of the collection trust account, in violation of  
25 Code Section 10176(g);  
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1 (j) Commingled trust funds in T/A #1. As of December  
2 31, 2009, commingled funds in the amount of \$17,860.66, were  
3 retained in T/A #1 beyond twenty-five (25) days of deposit, in  
4 violation of Code Section 10145 and Regulation 2835.

5 (k) Failed to maintain a written loan servicing  
6 agreement with borrowers and lenders or owners of the deeds of  
7 trust and/or promissory notes demonstrating that RLSI was  
8 authorized to service the said instruments secured directly or  
9 collaterally by liens on real property, in violation of Code  
10 Sections 10233(a) and 10238(k).

11 (l) Conducted licensed activities between the period of  
12 December 16, 2009 through January 3, 2010, while RLSI did not  
13 possess a valid corporate real estate broker license, in  
14 violation of Code Section 10130;

15 (m) Failed to retain the salesperson license  
16 certificate for Elisa Jean Redmond, in violation of Code Section  
17 10160 and 2753; and

18 (n) GLOSUP failed to maintain adequate supervision over  
19 MMI, by failing to maintain accurate trust fund handling  
20 procedures and by disbursing unauthorized trust funds, in  
21 violation of Code Sections 10159.2 and Regulation 2725.

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7.

The conduct of Respondents RLSI and GLOSUP described in Paragraph 6, violated the Code and the Regulations as set forth:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
6(a)	Code Section 10145 and Regulation 2832.1
6(b)	Code Section 10232.25(a) and Regulation 2846.8
6(c)	Code Section 10238(k)(3)
6(d)	Code Section 10232.2(c)
6(e)	Code Section 10232.2(a) and Regulation 2846.7
6(f)	Code Section 10145 and Regulation 2831
6(g)	Code Section 10145 and Regulation 2831.1

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- 6(h) Code Section 10145 and Regulation 2831.2
- 6(i) Code Section 10176(g)
- 6(j) Code Sections 10145 and 10176(e) and Regulation 2835
- 6(k) Code Sections 10233(a) and 10238(k)
- 6(l) Code Section 10130
- 6(l) Code Section 10160 and Regulation 2753
- 6(m) Code Section 10160 and Regulation 2753
- 6(n) Code Sections 10159.2 and Regulation 2725

Each of the foregoing violations constitute cause for discipline of the real estate license and license rights of Respondents RLSI and GLOSUP under the provisions of Code Sections 10130, 10176(e), 10176(g), 10177(d) and/or 10177(g).



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Negligence

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The overall conduct of Respondents RLSI and GLOSUP constitutes negligence. This conduct and violation are cause for discipline of the real estate license and license rights of said Respondents pursuant to Code Section 10177(g).

Breach of Fiduciary Duty

9.

The overall conduct of Respondents RLSI and GLOSUP constitutes a breach of fiduciary duty. This conduct and violation are cause for discipline of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section and/or 10177(g).

Failure to Supervise

10.

The overall conduct of Respondent GLOSUP constitutes a failure on Respondent's part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of GLOSUP as required by Code Section 10159.2, and to keep RLSI in compliance with the Real Estate Law, and is cause for discipline of the real estate license and license rights of GLOSUP pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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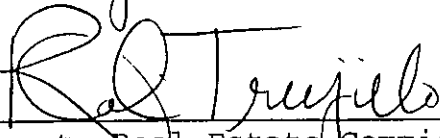
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1           WHEREFORE, Complainant prays that a hearing be conducted  
2 on the allegations of this Accusation and that upon proof  
3 thereof, a decision be rendered imposing disciplinary action  
4 against the license and license rights of Respondents RELIABLE  
5 LOAN SERVICING INC. and EDGAR DEAN GLOSUP, individually and as  
6 designated officer of Reliable Loan Servicing Inc. under the Real  
7 Estate Law (Part 1 of Division 4 of the Business and Professions  
8 Code) and for such other and further relief as may be proper  
9 under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this *28 day of January 2011.*

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14 Deputy Real Estate Commissioner

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24 cc: Reliable Loan Servicing Inc.  
25 Edgar Dean Glosup  
26 Robin Trujillo  
27 Sacto  
Audits - Gina King