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FILED

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DEPARTMENT OF REAL ESTATE
BY: CA

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	NO. H-38690 LA
)	
12	BANCORP ONE REALTY;)	<u>A C C U S A T I O N</u>
	LOANS BANCORP;)	
13	STEVEN RICHARD HIGH, individually)	
	and as designated officer of)	
14	Bancorp One Realty and Loans)	
	Bancorp; and)	
15	SUBASHBHAI JETHABHAI PATEL,)	
16)	
	Respondents.)	
17)	

18
19 The Complainant, Maria Suarez, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against BANCORP ONE REALTY; LOANS BANCORP; STEVEN RICHARD HIGH,
22 individually and as designated officer of Bancorp One Realty and
23 Loans Bancorp; and SUBASHBHAI JETHABHAI PATEL ("Respondents"),
24 is informed and alleges as follows:

25 1.

26 The Complainant, Maria Suarez, a Deputy Real Estate
27 Commissioner of the State of California, makes this Accusation
28 in her official capacity.

1 2.

2 From July 27, 2006, through the present, Respondent
3 BANCORP ONE REALTY ("BOR") has been licensed by the Department
4 of Real Estate ("Department") as a corporate real estate broker,
5 Department ID 01524385.

6 3.

7 From March 30, 2005, through the present, Respondent
8 LOANS BANCORP ("LB") has been licensed by the Department as a
9 corporate real estate broker, Department ID 01482413.

10 4.

11 From July 17, 1999, through the present, Respondent
12 STEVEN RICHARD HIGH ("HIGH") has been licensed by the Department
13 as a real estate broker, Department ID 01097322.

14 5.

15 At all times relevant herein, Respondents BOR and LB
16 were licensed to act by and through Respondent HIGH as their
17 designated officer pursuant to Code Section 10159.2 to be
18 responsible for ensuring compliance with the Real Estate Law.

19 6.

20 Respondent SUBASHBHAI JETHABHAI PATEL, aka Subash
21 Patel ("PATEL") was originally licensed by the Department as a
22 real estate salesperson on February 4, 1992, Department ID
23 01129481. Respondent PATEL's salesperson license was suspended
24 indefinitely on January 4, 2006 for failure to comply with the
25 disciplinary terms in Department Case No. H-30879 LA.

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1 7.

2 Respondent BOR is a California corporation formed on
3 or about October 21, 2005. On March 18, 2010, a Statement of
4 Information was filed with the California Secretary of State for
5 BOR stating that Respondent PATEL is the CEO and a director of
6 BOR. The principal address for BOR is listed as 14708 Pipeline
7 Ave., Suite #B1, Chino Hills, California 91709. Noi Yung and
8 Lowell D. Sneathen, unlicensed persons, are also officers and/or
9 directors of BOR. BOR's corporate status is currently suspended
10 with the California Secretary of State.

11 8.

12 Respondent LB is a California corporation formed on or
13 about October 29, 2004. On March 18, 2010, a Statement of
14 Information was filed with the California Secretary of State for
15 LB stating that Respondents PATEL and HIGH were directors and
16 officers of LB. The principal address for LB is listed as 14708
17 Pipeline Ave., Suite #B, Chino Hills, California 91709. Noi
18 Yung and Lowell D. Sneathen, unlicensed persons, are also
19 officers and/or directors of LB.

20 FIRST CAUSE OF ACCUSATION

21 (Advance Fee Violations)

22 9.

23 Code Section 10132 defines a real estate salesperson
24 as a person who, for compensation or in expectation of
25 compensation, is employed by a licensed real estate broker to do
26 one or more of the acts set forth in Code Sections 10131,
27 10131.1, 10131.2, 10131.3, 10131.4, and 10131.6.

1 10.

2 Code Section 10131 defines a real estate broker as a
3 person who: (a) sells or offers to sell, buys or offers to buy,
4 solicits prospective sellers or purchasers of, solicits or
5 obtains listing of, or negotiates the purchase, sale or exchange
6 of real property or a business opportunity; or (d) solicits
7 borrowers or lenders for or negotiates loans or collects payment
8 or performs services for borrowers or lenders or note owners in
9 connection with loans secured directly or collaterally by liens
10 on real property or on a business opportunity.

11 11.

12 Code Section 10131.2 defines a real estate broker as a
13 person who engages in the business of claiming, demanding,
14 charging, receiving, collecting or contracting for the
15 collection of an advance fee in connection with any employment
16 undertaken to promote the sale or lease of real property or of a
17 business opportunity by advance fee listing, advertisement or
18 other offering to sell, lease, exchange or rent property or a
19 business opportunity, or to obtain a loan or loans thereon.

20 12.

21 Code Section 10026, in pertinent part, defines an
22 advance fee as a fee that is claimed, demanded, charged,
23 received, or collected by a licensee for services requiring a
24 license. A person who proposes to collect an advance fee as
25 defined in Code Section 10026 must submit to the Commissioner
26 not less than ten calendar days before publication or other use,
27 all materials to be used in advertising, promoting, soliciting
28 and negotiating an agreement calling for the payment of an

1 advance fee including the form of advance fee agreement proposed
2 for use, pursuant to Section 2970, Regulations of the Real
3 Estate Commissioner, Title 10, Chapter 6, California Code of
4 Regulations ("Regulations"). Code Section 10085 also allows the
5 Commissioner to require that any and all materials used in
6 obtaining advance fee agreements, including contract forms, be
7 submitted at least 10 calendar days before they are used.

8 13.

9 On October 11, 2009, then Governor Arnold
10 Schwarzenegger signed Senate Bill 94 (Calderon), and the
11 legislation took effect immediately upon his signature. Thus,
12 California law prohibited any person, including real estate
13 licensees and attorneys, from demanding or collecting an advance
14 fee from a consumer for loan modification or mortgage loan
15 forbearance services affecting 1 - 4 unit residential dwellings.

16 14.

17 The following notice was prominently featured on the
18 Department's website as of October 11, 2009:

19 "IF YOU ARE A REAL ESTATE BROKER, OR THE DESIGNATED
20 OFFICER OF A LICENSED CORPORATION, WHO HAS BEEN ISSUED A "NO
21 OBJECTION" LETTER BY THE DEPARTMENT OF REAL ESTATE FOR LOAN
22 MODIFICATION OR OTHER MORTGAGE LOAN FORBEARANCE SERVICES, YOU
23 CAN NO LONGER ENTER INTO THESE AGREEMENTS EFFECTIVE AS OF
24 OCTOBER 11, 2009, NOR CAN YOU COLLECT ANY ADVANCE FEES FOR SUCH
25 SERVICES. Agreements entered into and advance fees collected
26 prior to October 11, 2009 are not affected. Advance fees
27 inadvertently collected after October 11, 2009 must be fully
28 refunded. All real estate licensees should become familiar with

1 the provisions of SB94 as there are substantial administrative
2 and criminal penalties for violations."

3 15.

4 California Resolution Services has never been licensed
5 in any capacity by the Department.

6 16.

7 On or about February 21, 2010, PATEL solicited and
8 offered to assist borrowers Manish and Kriti G. with loan
9 modification and negotiation services. PATEL instructed the
10 borrowers to pay an advance fee to both LB and BOR for said
11 services in connection with a loan secured by a lien on real
12 property. The borrowers paid an advance fee of \$2,000 to LB for
13 loan modification and negotiation services on February 22, 2010.
14 The borrowers paid an advance fee of \$1,500 to BOR for loan
15 modification and negotiation services on March 5, 2010.

16 17.

17 PATEL made misrepresentations to Manish and Kriti G.
18 in order to induce them to pay the advance fees including, among
19 others, that the borrowers would receive a full refund if they
20 were not able to obtain a loan modification within 90 days. The
21 borrowers were asked to sign a letter of authorization to allow
22 California Resolution Services to negotiate a loan modification
23 on their behalf. Respondents failed to perform the loan
24 modification and negotiation services that had been promised to
25 Manish and Kriti G. Respondents failed to provide an accounting
26 of any services done for Manish and Kriti G. or an accounting of
27 the advance fees collected from Manish and Kriti G. Manish and
28

1 Kriti G. requested a refund of their advance fee and received a
2 check with insufficient funds for \$4,200 from PATEL.

3 18.

4 Respondents collected the advance fees described in
5 Paragraph 16 above, in violation of Code Sections 10085,
6 10085.5, 10085.6 and 10146 and Regulation Section 2970 which
7 constitutes grounds for the suspension or revocation of the
8 licenses and license rights of Respondents BOR, LB, HIGH, and
9 PATEL pursuant to Code Sections 10177(d) and/or 10177(g).

10 19.

11 Respondents' conduct, acts and/or omissions as set
12 forth in Paragraphs 16 and 17 above, constitute grounds for the
13 suspension or revocation of the licenses and license rights of
14 Respondents BOR, LB, and PATEL pursuant to Code Sections
15 10176(a) (making any substantial misrepresentation), 10176(b)
16 (making any false promises of a character likely to influence,
17 persuade or induce), 10176(i) (conduct...which constitutes fraud
18 or dishonest dealing), 10177(d) (violation of the Real Estate
19 Law), and/or 10177(g) (negligence).

20 SECOND CAUSE OF ACCUSATION

21 (Unlicensed activity/Unlawful Compensation)

22 20.

23 There is hereby incorporated in this Second, separate,
24 Cause of Accusation, all of the allegations contained in
25 Paragraphs 1 through 19 above, with the same force and effect as
26 if herein fully set forth.

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1 21.

2 The activities described in Paragraphs 16 and 17
3 above, require a real estate license under Code Sections
4 10131(d) and 10131.2. Respondent PATEL and California
5 Resolution Services violated Code Section 10130 by engaging in
6 activities that require a real estate license when PATEL's
7 salesperson license was suspended and California Resolution
8 Services was not licensed in any capacity. Respondents BOR, LB,
9 and HIGH violated Code Section 10137 by employing and/or
10 compensating PATEL to perform activities that require a real
11 estate license.

12 22.

13 The conduct, acts and/or omissions of Respondents as
14 set forth in Paragraph 21 above, violate Code Sections 10130 and
15 10137, and are cause for the suspension or revocation of the
16 licenses and license rights of Respondents BOR, LB, HIGH and
17 PATEL pursuant to Code Sections 10177(d) and/or 10177(g).

18 THIRD CAUSE OF ACCUSATION

19 (Failure to Supervise)

20 23.

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

25 24.

26 The conduct, acts and/or omissions of Respondent HIGH,
27 in allowing Respondents BOR, LB, and PATEL to violate the Real
28 Estate Law, as set forth above, constitutes a failure by

1 Respondent HIGH, as the officer designated by the corporate
2 broker licensee, to exercise the supervision and control over
3 the activities of Respondents BOR, LB, and PATEL, as required by
4 Code Section 10159.2 and Regulation 2725, and is cause to
5 suspend or revoke the real estate license and license rights of
6 Respondent HIGH under Code Sections 10177(h), 10177(d) and/or
7 10177(g).

8 FOURTH CAUSE OF ACCUSATION

9 (Suspended Corporate Status)

10 25.

11 There is hereby incorporated in this Fourth, separate
12 Cause of Accusation, all of the allegations contained in
13 Paragraphs 1 through 24, above, with the same force and effect
14 as if herein fully set forth.

15 26.

16 The corporate rights and privileges of Respondent BOR
17 are currently suspended with the California Secretary of State.
18 Said suspension is a violation of Code Section 10177(f) in that
19 it would have constituted grounds for the denial of its
20 corporate real estate broker license under Regulation Section
21 2742.

22 27.

23 Code Section 10106 provides, in pertinent part, that
24 in any order issued in resolution of a disciplinary proceeding
25 before the Department of Real Estate, the Commissioner may
26 request the administrative law judge to direct a licensee found
27 to have committed a violation of this part to pay a sum not to
28

1 exceed the reasonable costs of the investigation and enforcement
2 of the case.

3 WHEREFORE, Complainant prays that a hearing be
4 conducted on the allegations of this Accusation and that upon
5 proof thereof, a decision be rendered imposing disciplinary
6 action against all licenses and/or license rights of Respondents
7 BANCORP ONE REALTY; LOANS BANCORP; STEVEN RICHARD HIGH,
8 individually and as designated officer of Bancorp One Realty and
9 Loans Bancorp; and SUBASHBHAI JETHABHAI PATEL under the Real
10 Estate Law (Part 1 of Division 4 of the Business and Professions
11 Code), for the cost of investigation and enforcement as
12 permitted by law, and for such other and further relief as may
13 be proper under other provisions of law.

14 Dated at Los Angeles, California

15 this 5th day of February, 2013.

16
17
18 
19 MARIA SUAREZ
20 Deputy Real Estate Commissioner
21
22

23 cc: Bancorp One Realty
24 Loans Bancorp
25 Steven Richard High
26 Subashbhai Jethabhai Patel
27 Maria Suarez
28 Sacto