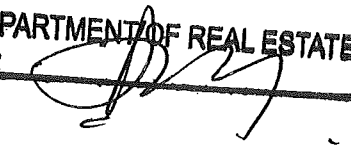


FILED

SEP 13 2013

DEPARTMENT OF REAL ESTATE
BY: 

1 Elliott Mac Lennan, Counsel (SBN 66674)
2 Bureau of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6982
6 (213) 576-6911

7
8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 RIGHT START MORTGAGE INC.; and) No. H- 39033 LA
13 BUSTER WILLIAMS,) ACCUSATION
14 DAVID JASON WILLIAMS,)
15 individually and as designated officers)
16 of Right Start Mortgage Inc.,)
17 Respondents.)

18
19 The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State
20 of California, Bureau of Real Estate ("Bureau") for cause of Accusation against RIGHT START
21 MORTGAGE INC. ("RSMI"), BUSTER WILLIAMS ("BUSTER WILLIAMS"), and DAVID
22 JASON WILLIAMS ("DAVID WILLIAMS") individually and as designated officers of Right
23 Start Mortgage Inc., a corporate real estate broker (collectively "Respondents"), is informed and
24 alleges as follows:

25 ///

26 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1.

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

Individuals and Entities

2.

From September 26, 1989, through the present, Respondent RSMI has been licensed as a real estate corporation. At all times relevant herein, RSMI was acting by and through Respondents BUSTER WILLIAMS and DAVID JASON WILLIAMS, as its designated officers pursuant to Business and Professions Code ("Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law. The ownership and management structure of RSMI is set forth in the table below:

Name	Ownership Percentage	Title	Real Estate License
BUSTER WILLIAMS	91%	President/CEO/D.O.	Broker
DAVID JASON WILLIAMS	9%	Vice-President/D.O	Broker

3.

The tenure of the designated officers pertinent to the audit periods of Paragraph 6, is set forth in the table below:

Designated Officer	Tenure
BUSTER WILLIAMS	From September 26, 2009 to date
DAVID JASON WILLIAMS	From January 28, 2011 to date

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

4.

Whenever reference is made in an allegation in this Accusation to an act or omission of "Respondents", such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with Respondents committed such act or omission while engaged in the furtherance of the business or operations of Respondents and while acting within the course and scope of their corporate authority and employment, including BUSTER WILLIAMS, and DAVID JASON WILLIAMS, and Harvey Williams, deceased owner of RSMI.

FIRST CAUSE OF ACCUSATION
(Mortgage Loan and Broker Escrow Audit)

5.

At all times mentioned, in the City of Pasadena, County of Los Angeles, State of California, Respondents RSMI, BUSTER WILLIAMS, and DAVID WILLIAMS acted as a real estate brokers and conducted licensed activities within the meaning of:

(a) Code Section 10131(d). Respondents operated a mortgage and loan brokerage including conducting activities with the public wherein institutional lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, and wherein such loans were arranged, negotiated, processed, consummated, packaged and serviced on behalf of others for compensation or in expectation of compensation and for fees often collected in advance. In addition, RSMI solicited borrowers and lenders, negotiated, escrowed and serviced mortgage loans for compensation. Furthermore RSMI also negotiated and escrowed mortgage loans for private lenders; and,

(b) California Financial Code Section 17006(a)(4). In addition, RSMI conducted the mentioned broker-controlled escrows through its escrow division, "Huntington Settlement Services", under the exemption set forth in California Financial Code for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where

1 the broker is performing acts for which a real estate license is required

2 Audit Examination

3 6.

4 On September 13, 2012, the Bureau completed an audit examination of the books
5 and records of Respondent RSMI pertaining to the mortgage loan broker and broker escrow
6 activity described in Paragraph 5, which require a real estate license. The audit examination,
7 which includes two separate audits combined into one audit report, as herein set forth:

- 8 1. LA 110123 covered a period of time beginning on January 1, 2010 and ending
9 on April 30, 2012.
10 2. LA 110294 covered a period of time beginning January 1, 2010 and ending on
11 May 31, 2012.

12 The audit examination revealed violations of the Code and Title 10, Chapter 6,
13 California Code of Regulations ("Regulations") as set forth in the following paragraphs, and
14 more fully set forth in combined Audit Report LA 110123/LA 110294, and the exhibits and work
15 papers attached thereto.

16 Trust Account

17 7.

18 At all times mentioned, in connection with the activities described in Paragraph 6,
19 above, RSMI accepted or received funds including funds in trust ("trust funds") from or on
20 behalf of actual or prospective parties to transactions including lenders and borrowers handled by
21 RSMI through its broker-controlled in-house escrow division and thereafter made deposits and or
22 disbursements of such funds. RSMI maintained one trust account for both its mortgage loan
23 brokerage and broker escrow activity conducted during the audit period. From time to time
24 herein mentioned, during the audit period, said trust funds were deposited and/or maintained by
25 RSMI in the trust account set forth below:

26 ///

1 (d) Permitted Mei Chen an unlicensed and unbonded person, to be an authorized
2 signatory on TA 1 without written authority, in violation of Code Section 10145 and Regulation
3 2834;

4 (e) BUSTER WILLIAMS and DAVID WILLIAMS, designated officers and
5 owners of RSMI failed to disclose in writing to all parties of their respective financial interest
6 and ownership of RSMI's escrow division "Huntington Settlement Services", in violation of
7 Code Section 10145 and Regulation 2950(h);

8 (f) Failed to disclose RSMI's real estate license identification numbers and
9 Mortgage Loan Originator numbers on the Nationwide Mortgage Licensing System Registry
10 identification numbers and/or did not disclose the name of the licensee and number of RSMI's
11 representatives who negotiate the loans., in violation of Code Section 10140.6(b)(1) and
12 Regulation 2773;

13 (g) Used the fictitious name of "Bottomline Mortgage," RSMI's former corporate
14 name to conduct licensed activities after August 3, 2010, without first obtaining from the Bureau
15 a license bearing said fictitious business name, in violation of Code Section 10159.5 and
16 Regulation 2731;

17 (h) RSMI employed and compensated Aaron Michael Williams, Steven Kim,
18 and Mark Joseph Hamilton, as loan agents who were not licensed during the audit period by the
19 Bureau as a real estate broker or as a real estate salesperson employed by a real estate broker, for
20 performing acts for which a real estate license is required, in violation of Code Section 10137;

21 (i) Failed to retain the salesperson licenses certificate for Richard James
22 Becklund, Curtis Wade Fox, Candy Lee Lavoie, Maggie Sien Ly, Vera Marie Putzeys, Ellis
23
24
25
26

1 Duldulao Sotto, Sarah Audrey Tran and Ralph Vaca, in violation of Code Section 10160 and
2 Regulation 2753;

3
4 (j) Failed to notify the Bureau of the termination of RSMI's salespersons Frank
5 Gregory, Wilson Feng and Chris Kai-Ho Chik, in violation of Code Section 10161.8 and
6 Regulation 2752; and

7 (k) BUSTER WILLIAMS and DAVID WILLIAMS failed to adequately
8 supervise and control the mortgage loan and broker escrow activity conducted under RSMI's real
9 estate broker license. Additionally, said Respondents had no system in place for regularly
10 monitoring RSMI's compliance with the Real Estate Law especially in regard to establishing,
11 systems, policies and procedures to review escrow trust fund handling, and to keep RSMI in
12 compliance with the Real Estate Law, in violation of Code Sections 10159.2, 10177(h) and
13 Regulation 2725.
14

15 9.

16 The conduct of Respondents RSMI, BUSTER WILLIAMS, and DAVID
17 WILLIAMS, described in Paragraph 8, above, violated the Code and the Regulations as set forth
18 below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
19 8(a)	20 Code Section 10145 and Regulations 2832.1, 2950(g) and 2951
21 8(b)	22 Code Section 10145 and Regulation 2831, 2950(d) and 2951
23 8(c)	24 Code Section 10145 and Regulation 2831.1, 2950(d) and 2951
25 8(d)	26 Code Section 10145 and Regulation 2834
27 8(e)	Code Section 10145 and Regulation 2950(h)
28 8(f)	Code Section 10140.6(b) and Regulation 2773

- 1 8(g) Code Section 10159.5 and Regulation 2731
- 2 8(h) Code Section 10137
- 3 8(i) Code Section 10160 and Regulation 2753
- 4 8(j) Code Section 10161.8 and Regulation 2752
- 5 8(k) Code Sections 10159.2 and 10177(h) and Regulation 2725

7 The foregoing violations constitute cause for discipline of the real estate licenses and license
8 rights of Respondents RSMI, BUSTER WILLIAMS and DAVID WILLIAMS under the
9 provisions of Code Sections 10177(d), 10177(g), and 10177(h).

11 SECOND CAUSE OF ACCUSATION
12 (Negligence)

13 10.

14 The overall conduct of Respondents RSMI, BUSTER WILLIAMS and DAVID
15 WILLIAMS constitutes negligence and is cause for discipline of the real estate license and
16 license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

17 THIRD CAUSE OF ACCUSATION
18 (Fiduciary Duty)

19 11.

20 The conduct, acts and omissions of Respondents RSMI, BUSTER WILLIAMS
21 and DAVID WILLIAMS constitutes a breach of fiduciary duty, owed to said Respondents' real
22 estate, mortgage loan brokerage clientele and escrow trust fund beneficiaries of good faith, trust,
23 confidence and candor, within the scope of their brokerage and business relationship, in violation
24 of Code Section 10177(g) and constitutes cause for discipline of the real estate license and
25 license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

26 ///

///

FOURTH CAUSE OF ACCUSATION
(Supervision and Compliance)

12.

The overall conduct of Respondents BUSTER WILLIAMS and DAVID WILLIAMS constitutes a failure on their part, as the officer designated by a corporate broker licensee, to exercise reasonable supervision and control over the licensed activities of RSMI as required by and in violation of Code Section 10159.2 and Regulation 2725, and to keep RSMI and its officers in compliance with the Real Estate Law.

13.

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

///

///

///

///

///

///

///

///

///

///

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and/or license rights of Respondents RIGHT START MORTGAGE
4 INC., BUSTER WILLIAMS and DAVID JASON WILLIAMS, individually and as designated
5 officers of Right Start Mortgage Inc., under the Real Estate Law (Part 1 of Division 4 of the
6 California Business and Professions Code) and for such other and further relief as may be proper
7 under other applicable provisions of law, including but not limited to costs of audit, investigation
8 and enforcement pursuant to Code Sections 10148(b) and 10106, respectively.

9 Dated at Los Angeles, California.

10 this 28 day of August, 2013.

11 
12 ROBIN TRUJILLO
13 Deputy Real Estate Commissioner

14
15
16
17
18
19
20
21
22 cc: Right Start Mortgage Inc.
23 Buster Williams D.O.
24 David Jason Williams D.O.
25 Robin Trujillo
26 Audits – Andy Chen
Sacto