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FILED

DEC 19 2017

BUREAU OF REAL ESTATE

By 

9 BUREAU OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation of)
13)
14 LANCE RICHARD HALL;)
15)
16 Respondent.)
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No. H-40892 LA
FIRST AMENDED
ACCUSATION

The Accusation filed on December 18, 2017 is amended in its entirety as follows:

The Complainant, a Supervising Special Investigator of the State of California, for cause of Accusation against Respondent LANCE RICHARD HALL, ("Respondent"), is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, makes this Accusation in her official capacity.

CalBRE First Amended Accusation of Lance Richard Hall

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2.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

RESPONDENT

Respondent LANCE RICHARD HALL ("HALL")

3.

LANCE RICHARD HALL ("HALL") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a restricted real estate salesperson ("RRES" or "restricted RES"), Bureau of Real Estate ("Bureau" or "BRE") license ID 01352343. HALL's BRE mailing address of record is: 1933 Upper Rim Rock Canyon, Laguna Beach, California 92651.

4.

HALL was first licensed as a RRES on or about August 30, 2004, in CalDRE¹ Case No. H-30841 LA². According to the BRE's records, Realty One Group, Inc. (BRE license ID 01878341) is HALL's employing real estate broker ("REB") of record. HALL's BRE license will expire on August 29, 2020.

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¹ Prior to July 1, 2013, the California Bureau of Real Estate was the Department of Real Estate ("DRE").

² On or about August 23, 2002, HALL filed an application with the BRE for a RES license. On or about April 14, 2004, the DRE filed a Statement of Issues pursuant to Code Sections 10177(g) and 480(a) in the matter of the RES application of HALL. On or about July 29, 2004, by Stipulation and Waiver, the DRE granted HALL the right to apply for and be granted a RRES. A RRES was issued to HALL on August 30, 2004, under which HALL has operated since that time. On May 19, 2008, HALL petitioned the DRE for the removal of restrictions attached to his RES license; on January 25, 2010, HALL's petition for removal of restrictions was denied.

1 5.

2 At all times mentioned herein, in Orange County, California, Respondent HALL
3 engaged in the performance of activities requiring a real estate license pursuant to Code Section
4 10130. Respondent acted and ordered, caused, authorized or participated in licensed activities
5 within the meaning Code Section 10131.

6 **FACTS DISCOVERED BY THE BUREAU**

7 6.

8 Americo Mortgage Corporation

9 According to a Statement of Information ("SOI") filed with the California
10 Secretary of State on or about October 16, 2012, Americo Mortgage Corporation (C2806555)
11 ("Americo") is a mortgage broker and Scott James Weidenhammer ("Weidenhammer") is its
12 agent for service of process and its Chief Executive Officer, Secretary, and Chief Financial
13 Officer. Also according to the October 16, 2012 SOI, Weidenhammer and Mishele
14 Weidenhammer are Americo's Directors³.

15 7.

16 Silver Rock Advisors, Inc.

17 According to a SOI filed by Silver Rock Advisors, Inc. ("Silver Rock") with the
18 California Secretary of State on or about March 29, 2012, Silver Rock is a real estate business,
19 and Weidenhammer is its agent for service of process, its Chief Executive Officer, and its Chief
20 Financial Officer. Also according to the March 29, 2012 SOI, Weidenhammer and Robert
21 Castaneda are Silver Rock's Directors.

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23
24 ³ According to the BRE's records, Americo is presently licensed and/or has license rights under the Real Estate
25 Law, Part 1 of Division 4 of the Code as a real estate corporation ("REC"), BRE license ID 01525272, and
Weidenhammer (REB, BRE license ID 01064318) is its designated officer ("D.O.") of record until his officer
expiration date of September 7, 2018.

1 8.

2 HALL's Independent Contractor Agreement with Realty One Group, Inc.

3 On or about July 29, 2013, HALL (as "Contractor/Salesperson") signed an
4 "Independent Contractor Agreement" with Tony Faulkner/Realty One Group, Inc. (as "Broker")
5 ("ROG Agreement"). As stated in the "Duties And Obligations" portion of the Agreement,
6 "Contractor/Salesperson acknowledges that all agency relationships entered into for any real
7 estate transaction exist solely between the Realty ONE [sic] Group as Broker and the transaction
8 principal (the "Client") and that at all times, the Contractor/Salesperson owes a duty of
9 reasonable care to the Broker and the Broker's Client. During the term of this Agreement,
10 Contractor/Salesperson shall diligently represent Realty ONE Group and shall perform any and
11 all general Real Estate services for real property required or reasonably requested in connection
12 with its business."

13 9.

14 HALL's Independent Contractor Agreement with Silver Rock Advisors, Inc.

15 On or about November 25, 2013, HALL (as "Independent Contractor") signed an
16 "Independent Contractor Agreement" with Weidenhammer/Silver Rock (SRA) ("SRA
17 Agreement"), which defined commissions as "any brokerage fee or commission earned and
18 received during the term of this Agreement resulting from Independent Contractor's solicitation,
19 negotiation and placing transactions by or on behalf of SRA, net of fees or expenses incurred by
20 third party contractors used in connection with transaction." According to this Agreement,
21 HALL was to receive compensation in the form of a thirty percent (30%) commission for net
22 profits earned upon final sale of property known as 12 Vintage and 21 Princeville guesthouse in
23 Las Vegas, Nevada.

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2 On or about October 14, 2014, HALL and Weidenhammer/SRA executed a
3 modification of the SRA Agreement ("Modified SRA Agreement") to include three properties
4 located in Laguna Beach: 521 Seaview (closed deal at the time of the Modified SRA
5 Agreement); 490 Thalia (October 17, 2014 scheduled closing date); and 31711 Seacliff (October
6 14, 2014 scheduled closing date). Included in the terms of the Modified SRA Agreement are:

7 a. that HALL will represent Weidenhammer or Weidenhammer's entities in the
8 purchase of these three properties;

9 b. that HALL will share with Weidenhammer 30% of the buy-side commission
10 when WEIDENHAMMER or his entities are the purchasers;

11 c. that HALL will share with WEIDENHAMMER 30% of the sell-side commission
12 when he is the selling agent for WEIDENHAMMER or his entities;

13 d. that HALL will receive the exclusive listing of each of the properties for at least
14 thirty (30) days in order to obtain a flip buyer, which, in the event a flip buyer is not procured for
15 a property within the thirty-day period, the property will be de listed and removed from the
16 market to allow time for rehabilitation of the property;

17 e. that, upon the delisting and rehabilitation of a property, HALL will receive the
18 exclusive listing agreement at a standard five percent (5%) commission (four percent (4%) for
19 Seacliff) for a period of ninety (90) days with the possibility of time extensions; and

20 f. that HALL will contribute "in raising capital dollars for the remodel of these
21 acquired properties and contribute in the remodel efforts, as part of his participation in the net
22 profits from the sale of these homes..."

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11.

HALL's Exclusive Listing of 521 Seaview Street

On or about October 20, 2014, seller "Americo Mortgage Company" ("Seller") and REB Realty One Group, Inc. executed a Residential Listing Agreement ("RLA") for the right to sell or exchange the real property located at 521 Seaview Street in Laguna Beach, California ("Seaview" or "Seaview property") beginning October 20, 2014 and ending on November 21, 2014, for a listing price of one million five hundred fifty thousand dollars (\$1,550,000). Weidenhammer signed as Seller Americo Mortgage Company and HALL signed as the agent for ROG.

12.

Matt and Denise B. ("Buyers")

In or about November of 2014, Matt and Denise B. ("Buyers") met HALL and discussed their interest in selling their Bay Area property and purchasing an investment property in Laguna Beach, California. HALL showed two properties to Buyers, 490 Thalia ("Thalia property") and the Seaview property; HALL showed no other properties to Buyers. While HALL disclosed to Buyers that he personally knew the seller of these properties, and that he had or would be getting the listing agreements for the Thalia and Seaview properties, HALL did not disclose to Buyers that the sale of these properties would yield to him a thirty percent (30%) commission on the net profits. Neither did HALL disclose to Buyers that his RES license was a restricted RES license.

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1 13.

2 In his pitch of the Seaview property to Buyers, HALL represented that the
3 Seaview Seller (Weidenhammer/Americo) had permits and approved plans for a remodel of the
4 property, and presented two purchase options:

- 5 a. Option One: Buyers could purchase Seaview in its current state for one
6 million five hundred fifty thousand dollars (\$1,550,000) and handle the
7 remodel on their own using the approved remodel plans and permits, or
8 b. Option Two: Buyers could purchase Seaview for one million eight hundred
9 fifty thousand dollars (\$1,850,000) and Seller would complete the remodel
10 within ninety (90) days.

11 HALL represented to Buyers that Option Two would increase the Seaview property value to an
12 amount ranging from \$2 million to \$2.1 million, which would provide them with instant equity.

13 HALL further assured Buyers that the Seaview Seller was experienced in residential remodels.

14 14.

15 On or about December 11, 2014, Ticor Title issued a Preliminary Title Report
16 dated December 11, 2014, which included in its "Exceptions" section a list of encumbrances to
17 which the Seaview property was subject; this list included multiple encumbrances which totaled
18 approximately \$1.5 million.

19 15.

20 Buyers relied on HALL's representations about the Seaview Seller and post-
21 remodel valuation and agreed to submit an offer on the Seaview property through HALL and
22 ROG for one million eight hundred fifty thousand dollars (\$1,850,000). HALL prepared a
23 Residential Purchase Agreement ("RPA") with an offer to purchase the Seaview property for one
24 million eight hundred fifty thousand dollars (\$1,850,000) and an initial deposit by Buyers of one
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1 hundred thousand (\$100,000); the RPA also included Buyers' increased deposit of four hundred
2 thousand dollars (\$400,000) to seller within thirty (30) days after acceptance. HALL also
3 prepared Addendum No. 1 to the RPA, which affirmed the remodel as "currently permitted by
4 the City of Laguna Beach" and provided that Buyers would release the \$100,000 from escrow to
5 seller and would be non-refundable. Addendum No. 1 also provided that Seller would provide
6 remodel services to Buyers' current residence at actual cost for time and materials only, with no
7 mark-up to the Buyers. Addendum No. 1 also provided that the purchase price would be
8 reduced by \$25,000 if the \$400,000 deposit was made non-refundable on or before thirty (30)
9 days after acceptance of the offer. The Buyers signed the RPA and Addendum No. 1 on or about
10 December 22, 2014; seller AMERICO signed the same on or about December 23, 2014.

11 16.

12 On or about December 30, 2014, pursuant to the RPA, Buyers wired \$100,000 to
13 Everest Escrow.

14 17.

15 According to the deposition testimony of Weidenhammer in *Matt and Denise B.*
16 *vs. Lance Richard Hall; Realty One Group, Inc.; and Does 1-10, inclusive, Orange County*
17 *Superior Court Case No. 30-2016-00868146-CU-PN-CJC*, the Seaview permitting had not been
18 approved when the RPA was executed on or about December 22, 2014.

19 18.

20 On or about January 19 or 20, 2015, the Seller and HALL informed Buyers that an
21 additional \$200,000 was required to assist with the construction and for payment of loans secured
22 by the Seaview property. The Seller agreed to reduce the Seaview sales price by \$25,000 to
23 \$1,825,00 in spite of the requirement of Addendum No. 1 that the additional deposit amount be
24 \$400,000. Buyers relied on HALL and wired \$150,000 not to the escrow company, but to Seller
25

1 Americo's CommerceWest Bank account. HALL did not prepare an amendment to memorialize
2 this modification to the RPA.

3 19.

4 On or about February 19, 2015, Buyers relied on HALL's representations again,
5 and wired another \$175,000 not to the escrow company, but to Seller AMERICO's
6 CommerceWest bank account. HALL did not prepare an amendment to memorialize this
7 modification to the RPA.

8 20.

9 According to the deposition testimony of Weidenhammer in *Matt and Denise B.*
10 *vs. Lance Richard Hall; Realty One Group, Inc.; and Does 1-10, inclusive, Orange County*
11 *Superior Court Case No. 30-2016-00868146-CU-PN-CJC*, at the time the Seaview RPA was
12 executed (on or about December 22, 2014), he had advised HALL that the anticipated remodel
13 completion date was not ninety (90) days, and that summer of 2015 was the anticipated date.

14 21.

15 Between February 2015 and July 2015, the Buyers inquired to HALL regarding
16 the status of the Seaview remodel, during which time HALL assured Buyers that the remodel
17 would complete.

18 22.

19 HALL did not disclose to the Buyers at any time whether the Seaview property
20 was affected by any encumbrances. The Buyers were unaware that, at the time the parties
21 executed the RPA, and well before the Buyers' initial non-refundable \$100,000 deposit, HALL
22 was in possession of the Ticor Title Preliminary Title Report. At no time did HALL provide or
23 review the Seaview Preliminary Title Report with the Buyers.

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1 23.

2 On or about July 17, 2015, without notice to Buyers, Seller Americo transferred
3 the title to the Seaview property via a Deed in Lieu of Foreclosure to two of its creditors. This
4 transfer was recorded by the Orange County Recorder on July 20, 2015. Subsequent to this
5 transfer, the Buyers were able to buy out the creditors who received the Seaview property in the
6 July 20, 2015 transfer for \$100,000 and recorded a Quitclaim Deed to the Seaview property (and
7 its encumbrances) on August 24, 2015.

8 **APPLICABLE SECTIONS OF THE REAL ESTATE LAW**

9 **Unlawful Employment or Payment of Compensation - Code Section 10137**

10 24.

11 Pursuant to Code Section 10137, "It is unlawful for any licensed real estate broker
12 to employ or compensate, directly or indirectly, any person for performing any of the acts within
13 the scope of this chapter who is not a licenses real estate broker, or a real estate salesperson
14 licensed under the broker employing or compensating him or her, or to employ or compensate,
15 directly or indirectly, any licensee for engaging in any activity for which a mortgage loan
16 originator license endorsement is required, if that licensee does not hold a mortgage loan
17 originator license endorsement; provided, however, that a licensed real estate broker may pay a
18 commission to a broker of another state. No real estate salesperson shall be employed by or
19 accept compensation for activity requiring a real estate license from any person other than the
20 broker under whom he or she is at the time licensed. It is unlawful for any licensed real estate
21 salesperson to pay any compensation for performing any of the acts within the scope of this
22 chapter to any real estate licensee except through the broker under whom he or she is at the time
23 licensed. For a violation of any of the provisions of this section, the commissioner may
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1 temporarily suspend or permanently revoke the license of the real estate licensee, in accordance
2 with the provisions of this part relating to hearings.”

3 **Grounds for Revocation or Suspension – Code Section 10176**

4 25.

5 Pursuant to Code Section 10176, “The commissioner may, upon his or her own
6 motion, and shall, upon the verified complaint in writing of any person, investigate the actions of
7 any person engaged in the business or acting in the capacity of a real estate licensee within this
8 state, and he or she may temporarily suspend or permanently revoke a real estate license at any
9 time where the licensee, while a real estate licensee, in performing or attempting to perform any
10 of the acts within the scope of this chapter has been guilty of any of the following:

11 (a) Making any substantial misrepresentation.

12 (b) Making any false promises of a character likely to influence, persuade, or
13 induce.

14 (c) A continued and flagrant course of misrepresentation or making of false
15 promises through real estate agents or salespersons.

16 ...

17 (g) The claiming or taking by a licensee of any secret or undisclosed amount of
18 compensation, commission or profit or the failure of a licensee to reveal to the
19 employer of the licensee the full amount of the licensee’s compensation,
20 commission, or profit under any agreement authorizing or employing the
21 licensee to do any acts for which a licensee is required under this chapter for
22 compensation or commission prior to or coincident with the signing of an
23 agreement evidencing the meeting of the minds of the contracting parties,
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1 regardless of the form of the agreement, whether evidenced by documents in
2 an escrow or by any other or different procedure.

3 ...

4 (i) Any other conduct, whether of the same or of a different character than
5 specified in this section, which constitutes fraud or dishonest dealing..."

6 **Further Grounds for Disciplinary Action – Code Section 10177**

7 26.

8 Pursuant to Code Section 10177, "The commissioner may suspend or revoke the
9 license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the
10 issuance of a license to an applicant, who has done any of the following:

11 ...

12 (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing
13 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2
14 or the rules and regulations of the commissioner for the administration and
15 enforcement of the Real Estate Law and Chapter 1 (commencing with Section
16 11000) of Part 2.

17 (g) Demonstrated negligence or incompetence in performing an act for which he
18 or she is required to hold a license.

19 ...

20 (j) Engaged in any other conduct, whether of the same or a different character than
21 specified in this section, that constitutes fraud or dishonest dealing.

22 ...

23 (o) Failed to disclose to the buyer of real property, in a transaction in which the
24 licensee is an agent for the buyer, the nature and extent of a licensee's direct or

1 indirect ownership interest in that real property. The direct or indirect
2 ownership interest in the property by a person related to the licensee by blood
3 or marriage, by an entity in which the licensee has an ownership interest, or by
4 any other person with whom the licensee has a special relationship shall be
5 disclosed to the buyer.”

6 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

7 27.

8 Complainant re-alleges and incorporates by reference the preceding paragraphs as
9 set forth herein.

10 28.

11 In the course of the activities described above in Paragraph 5, and based on the
12 facts discovered by the Bureau, Respondent LANCE RICHARD HALL acted in violation of the
13 Code and Regulations, as described below.

14 29.

15 Respondent RES LANCE RICHARD HALL engaged in the business of, or acted
16 in the capacity of a RES and received compensation from Americo Mortgage Corporation and/or
17 Scott James Weidenhammer for the performance of licensed activities. HALL’s receipt of such
18 compensation is in violation of Code Section 10137.

19 30.

20 Respondent RES LANCE RICHARD HALL has, while engaging in the business
21 of or acting in the capacity of a RES, willfully disregarded the Real Estate Law by engaging in a
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26 CalBRE First Amended Accusation of Lance Richard Hall

1 continuous course of making substantial misrepresentations and false promises to induce, by
2 acting negligently, and by engaging in fraudulent or dishonest dealing. On or about October 14,
3 2014, HALL and Weidenhammer/Silver Rock Advisors, Inc. executed an agreement in which
4 HALL would represent Weidenhammer or Weidenhammer's entities in the purchase and
5 subsequent sale of three specific properties, for a thirty percent (30%) commission on the buy-
6 side and a thirty percent (30%) commission on the sell-side.
7

8 31.

9 When Buyers enlisted HALL to find investment properties for their purchase,
10 HALL showed Buyers only two properties, both of which would yield a thirty-percent (30%)
11 commission to HALL as his share of Weidenhammer/Silver Rock Advisors' profits. At no time
12 did HALL show other properties to Buyers besides the properties through which he stood to
13 financially gain. At no time did HALL disclose to Buyers the nature of his financial relationship
14 with the subject properties. At no time did HALL disclose to Buyers the encumbrances on the
15 Seaview property. At all times HALL understood that Buyers relied on his representations, and
16 with this understanding, HALL induced Buyers to purchase the Seaview property via the Option
17 Two purchase price and remodel plan.
18

19 32.

20
21 Respondent LANCE RICHARD HALL's acts and/or omissions in his
22 representation of and communications with the Buyers, including but not limited to his
23 inducement of Buyers to purchase a property through which he would reap a secret profit, is in
24 violation of Code Sections 10176 (a), (b), (c), (g), and (i) and Code Sections 10177(d), (g), (j),
25

1 and (o).

2 COSTS

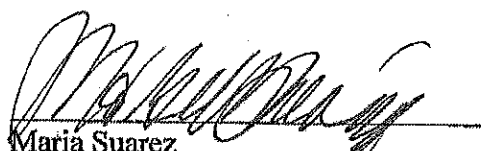
3 33.

4 Code Section 10106 provides, in pertinent part, that in any order issued in
5 resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the
6 administrative law judge to direct a licensee found to have committed a violation of this part to
7 pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.
8

9 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
10 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
11 action against all the licenses and license rights of Respondent LANCE RICHARD HALL under
12 the Real Estate Law (Part I of Division 4 of the Business and Professions Code), and for such
13 other and further relief as may be proper under other applicable provisions of law.
14

15 Dated at Los Angeles, California

16 this 19th day of December 2017.

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20 
21 Maria Suarez
22 Supervising Special Investigator

23 cc: Lance Richard Hall
24 V. Kilpatrick/M. Suarez
25 Sacto.

26 CalBRE First Amended Accusation of Lance Richard Hall