

1 MARY F. CLARKE, Counsel (SBN 186744)
2 Department of Real Estate
3 P. O. Box 187007
4 Sacramento, CA 95818-7007

5 Telephone: (916) 227-0789
6 -or- (916) 227-0780 (Direct)

FILED

APR 23 2009

DEPARTMENT OF REAL ESTATE

By K. Contreras

7
8 BEFORE THE
9 DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12
13 In the Matter of the Accusation of)
14)
15)
16 AMERICAN RIVER REAL ESTATE, INC.,) NO. H- 5200 SAC
17 a Corporation,)
18 SCOTT WOODS, and) ACCUSATION
19 LOUIS MASER,)
20 Respondents.)

21 The Complainant, JOE M. CARRILLO, a Deputy Real Estate Commissioner of
22 the State of California, for Accusation against AMERICAN RIVER REAL ESTATE, INC.,
23 (herein "ARREI") dba Loan Redux, SCOTT WOODS (herein "WOODS"), and LOUIS MASER
24 (herein "MASER") dba Diversified Realty (herein collectively "Respondents"), is informed and
25 alleges as follows:

26 1

27 The Complainant makes this Accusation against Respondents in his official
capacity.

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
27

2

At all times herein mentioned, ARREI was and now is licensed by the State of California Department of Real Estate (herein the "Department") as a corporate real estate broker by and through WOODS as designated officer-broker of ARREI to qualify said corporation and to act for said corporation as a real estate broker.

3

At all times herein mentioned, WOODS was and now is licensed by the Department as a real estate broker, individually and as designated officer-broker of ARREI. As said designated officer-broker, WOODS was at all times mentioned herein responsible pursuant to Section 10159.2 of the California Business and Professions Code (herein the "Code") for the supervision of the activities of the officers, agents, real estate licensees, and employees of ARREI for which a license is required. WOODS' dba, Loan Redux, is affiliated with MASER's dba, Diversified Realty.

4

At all times herein mentioned, MASER was and now is licensed by the Department as a corporate real estate broker. MASER's dba, Diversified Realty, is affiliated with WOODS' dba, Loan Redux.

5

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the State of California within the meaning of Section 10131(d) of the Code, including the operation and conduct of a mortgage loan brokerage with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents solicited lenders or borrowers for or negotiated loans or collected payments or performed services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

\\

1 FIRST CAUSE OF ACCUSATION

2 6

3 On about January 29, 2009, Respondent ARREI entered into two (2) Fee
4 Agreements for Loan Modification Services with Kelly Mann (herein "MANN") and Laurie
5 Madden (herein "MADDEN") for properties located at:

- 6 a) 8445 Barton Rd., Granite Bay, CA 95746 (herein "Barton property"); and
7 b) 8445 Barton Rd., Lot B, Granite Bay, CA 95746 (herein "Lot B").

8 7

9 On about February 6, 2009, Respondent ARREI billed MANN, on Invoice #1030
10 in connection with the Barton property: \$400.00 for "Packaging Processing / Submission" and
11 \$1,200.00 for "Balance Due Upon Completion".

12 8

13 At all times herein mentioned, Respondent ARREI failed to submit to the
14 Department any or all materials used in advanced fee agreements, including but not limited to
15 the contract form, any letters or cards used to solicit prospective sellers, and radio and television
16 advertising, at least 10 calendar days before it was used in obtaining said advance fee agreement,
17 as described in Paragraph 6, above, in violation of Section of 10085 of the Code and Section
18 2970 of Title 10, Chapter 6 of the California Code of Regulations (herein "the Regulations").

19 9

20 At all times herein mentioned, Respondent ARREI claimed, and/or demanded,
21 and/or charged MANN for performing services in connection with loans to be secured directly
22 or collaterally by a lien on real property, as described in Paragraphs 6 and 7, above, before
23 MANN became obligated to complete the loan, in violation of Section 10085.5 of the Code.

24 SECOND CAUSE OF ACCUSATION

25 10

26 The allegations of Paragraphs 1 through 9 are incorporated herein by reference.

27 \\\

1 11

2 On about February 6, 2009, Respondent ARREI through Loan Redux, and
3 MASER through Diversified Realty, entered into two (2) loan modification agreements with
4 Sheila Evans (herein "EVANS") and her lenders for properties located at:

- 5 a) 665 La Paloma Rd., El Sobrante, CA (herein "La Paloma property"); and
- 6 b) 5749 El Camino Ave., Carmichael, CA (herein "El Camino property").

7 12

8 On about February 5, 2009, MASER collected advance fees from EVANS:
9 \$1,500 for the La Paloma property; and \$2,000 for the El Camino property.

10 13

11 At all times herein mentioned, Respondents ARREI and MASER failed to submit
12 to the Department any or all materials used in advanced fee agreements, including but not limited
13 to the contract form, any letters or cards used to solicit prospective sellers, and radio and
14 television advertising, at least 10 calendar days before it was used in obtaining said advance fee
15 agreement, as described in Paragraph 11, above, in violation of Section of 10085 of the Code and
16 Section 2970 of the Regulations.

17 14

18 At all times herein mentioned, Respondents ARREI and MASER claimed,
19 demanded, charged, and collected advance fees from EVANS for performing services in
20 connection with loans to be secured directly or collaterally by a lien on real property, as
21 described in Paragraphs 11 and 12, above, before EVANS became obligated to complete the
22 loan, in violation of Section 10085.5 of the Code.

23 15

24 At all times mentioned herein, Respondent WOODS failed to exercise reasonable
25 supervision over the acts of Respondent ARREI and its agents and employees in such a manner
26 as to allow the acts and omissions on the part of ARREI, described above, to occur.

27 \\\

The facts alleged above are grounds for the suspension or revocation of the licenses and license rights of Respondents under the following provisions of the Code and/or the Regulations:

(a) as to Paragraph 8, and Respondent ARREI, under Section of 10085 of the Code, and Section 2970 of Regulations in conjunction with Section 10177(d) of the Code;

(b) as to Paragraph 9, and Respondent ARREI, under Section of 10085.5 of the Code in conjunction with Section 10177(d) of the Code;

(c) as to Paragraph 13, and Respondents ARREI and MASER, under Section of 10085 of the Code, and Section 2970 of Regulations in conjunction with Section 10177(d) of the Code;

(d) as to Paragraph 14, and Respondents ARREI and MASER, under Section of 10085.5 in conjunction of Section 10177(d) of the Code; and,

(e) as to Paragraph 15, and Respondent WOODS, under Section 10177(g) and (h) of the Code, Section 10159.2 of the Code, and Section 2725 of the Regulations, 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 applicable provisions of law.

Brenda Smith RN
Joe M. Carrillo
13
JOE M. M CARRILLO
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 8th day of April, 2009.