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2 Department of Real Estate  
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4 Los Angeles, CA 90013

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**FILED**  
DEC. 30, 2008  
DEPARTMENT OF REAL ESTATE

By C. B.

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \*

11 In the Matter of the Accusation of ) No. H-35571 LA  
12 )  
13 HOME OWNERS ASSISTANCE, a ) A C C U S A T I O N  
14 corporate real estate broker; )  
15 )  
16 FIRST HOUSING OF AMERICA INC., )  
17 a corporate real estate broker;) )  
18 )  
19 FIRST MORTGAGE OF AMERICA INC., )  
20 a corporate real estate broker;) )  
21 )  
22 DEAN ERIC TORO, individually )  
23 and as designated officer of )  
24 Home Owners Assistance and )  
25 former designated officer of )  
26 First Mortgage of America Inc.; )  
27 )  
28 )  
29 and SINDEY AVALOS, )  
30 individually and as designated )  
31 officer of First Housing of )  
32 America Inc., )  
33 Respondents. )  
34 )

35 The Complainant, Robin Trujillo, a Deputy Real Estate  
36 Commissioner, for cause of Accusation against HOME OWNERS

1 ASSISTANCE, FIRST HOUSING OF AMERICA INC., FIRST MORTGAGE OF  
2 AMERICA INC., DEAN ERIC TORO, individually and as designated  
3 broker-officer of Home Owners Assistance and First Mortgage of  
4 America Inc., and SINDEY AVALOS, individually and as designated  
5 broker-officer of First Housing of America, Inc., is informed and  
6 alleges as follows:

7 1.

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

11 Corporate Entities:

12 2.

13 At all times herein mentioned, Respondent HOME OWNERS  
14 ASSISTANCE (sometimes referred to as "HOA"), was and still is  
15 licensed and/or has license rights under the Real Estate Law  
16 (Part 1 of Division 4 of the Business and Professions Code) as a  
17 corporate real estate broker. Respondent HOA was originally  
18 licensed by the Department of Real Estate ("Department") as a  
19 corporate real estate broker on or about December 28, 2007. At  
20 all times relevant herein, Respondent HOA was authorized to act  
21 by and through Respondent DEAN ERIC TORO as its broker designated  
22 pursuant to Business and Professions Code (hereinafter "Code")  
23 Section 10159.2 to be responsible for ensuring compliance with  
24 the Real Estate Law.  
25

26 ///

3.

1  
2 At all times herein mentioned, HOME OWNERS ASSISTANCE  
3 is and was a California corporation. Pepi Arthur Abad, aka  
4 Arthur Pepi Abad, aka Pepi Arturo Abad (sometimes referred to as  
5 "Pepi Abad"), is the corporate President and CEO of HOA. At all  
6 times relevant herein, Abad has owned or controlled more than 10%  
7 of Respondent HOA's stock. Abad is not now and has never been  
8 licensed in any capacity by the Department.

9  
10 4.

11 At all times herein mentioned, Respondent FIRST HOUSING  
12 OF AMERICA INC. (sometimes referred to as "FIRST HOUSING"), was  
13 and still is licensed and/or has license rights under the Real  
14 Estate Law as a corporate real estate broker. Respondent FIRST  
15 HOUSING was originally licensed by the Department as a corporate  
16 real estate broker on or about September 16, 2002. At all times  
17 relevant herein, Respondent FIRST HOUSING was authorized to act  
18 by and through Respondent SINDEY AVALOS as its broker designated  
19 pursuant to Code Section 10159.2 to be responsible for ensuring  
20 compliance with the Real Estate Law.

21  
22 5.

23 At all times herein mentioned, Respondent FIRST HOUSING  
24 OF AMERICA INC. is and was a California corporation. Pepi Abad  
25 is the corporate President and CEO of FIRST HOUSING. At all  
26 times relevant herein, Pepi Abad has owned or controlled more  
27 than 10% of Respondent FIRST HOUSING's stock. Abad is not now

1 and has never been licensed in any capacity by the Department.

2 Respondent SINDEY AVALOS is a corporate director of FIRST  
3 HOUSING.

4 6.

5 At all times herein mentioned, Respondent FIRST  
6 MORTGAGE OF AMERICA, INC. (sometimes referred to as "FIRST  
7 MORTGAGE"), was and still is licensed and/or has license rights  
8 under the Real Estate Law as a corporate real estate broker.  
9 Respondent FIRST MORTGAGE was originally licensed by the  
10 Department as a corporate real estate broker on or about October  
11 27, 2003. Beginning on or about January 16, 2004, and continuing  
12 through on or about January 22, 2007, Respondent FIRST MORTGAGE  
13 was authorized to act by and through Respondent TORO as its  
14 broker and officer designated pursuant to Code Section 10159.2 to  
15 be responsible for ensuring compliance with the Real Estate Law.  
16 Beginning on or about January 23, 2008, and continuing through  
17 April 17, 2008, Respondent FIRST MORTGAGE was authorized to act  
18 by and through Bruce Eugene Mangels as its designated broker-  
19 officer. Respondent FIRST MORTGAGE does not currently have a  
20 designated broker-officer and therefore has an inactive license.

22 7.

23 At all times mentioned herein, Pepi Abad was and is the  
24 corporate President and CEO of FIRST MORTGAGE. At all times  
25 relevant herein, Pepi Abad has owned or controlled more than 10%  
26 of Respondent FIRST MORTGAGE's stock. Pepi Abad is not now and  
27

1 has never been licensed in any capacity by the Department.

2 Broker Licensees:

3 8.

4 At all times herein mentioned, Respondent DEAN ERIC  
5 TORO (sometimes referred to as "TORO") was and is licensed and/or  
6 has license rights under the Code as a real estate broker.  
7 Respondent TORO was first licensed as a real estate broker on or  
8 about May 15, 2003, and was licensed as a salesperson prior to  
9 that time. Beginning on or about December 28, 2007, and  
10 continuing through the present time, Respondent TORO was and  
11 continues to be the designated broker-officer of Respondent HOA.  
12 Beginning on or about January 16, 2004 and continuing through on  
13 or after January 22, 2007, Respondent TORO was the designated  
14 broker-officer of Respondent FIRST MORTGAGE.

15 9.

16 At all times herein mentioned, Respondent SINDEY AVALOS  
17 (sometimes referred to as "AVALOS") was and is licensed and/or  
18 has license rights under the Code as a real estate broker.  
19 Respondent AVALOS was first licensed as a real estate broker on  
20 or about October 28, 2006, and was licensed as a salesperson  
21 before that time. Beginning on or about September 13, 2007, and  
22 continuing through the present time, Respondent AVALOS was and is  
23 the designated broker-officer for Respondent FIRST HOUSING.  
24 Respondent AVALOS has been a director of Respondent FIRST HOUSING  
25 since on or before October 17, 2005.  
26  
27

10.

1 All further references to "Respondents" include the  
2 parties listed in Paragraphs 1 through 9 above, as well as the  
3 officers, agents and employees of the parties listed in  
4 Paragraphs 1 through 9 above.  
5

6 FIRST CAUSE OF ACCUSATION:  
7 (Disciplinary Action Against Corporate Officer)  
8 (HOA and FIRST HOUSING)

11.

9 On or about July 14, 2005, in Cases No. S-01-0613 and  
10 RS-02-0091, the Department of Motor Vehicles revoked Pepi Abad's  
11 vehicle salesperson license, and denied his application for  
12 reinstatement of his salesperson license, pursuant to Vehicle  
13 Code Section 11806(i). The Order, which was to become effective  
14 on August 15, 2005, was affirmed on appeal to the Superior Court  
15 and became a final judgment on September 19, 2006. The grounds  
16 for the discipline of Abad's vehicle salesperson license stemmed  
17 from his misconduct as a managerial employee of a vehicle sales  
18 dealership during the time persons under his direction and  
19 control committed wrongful acts which resulted in the suspension  
20 of the dealer's license.  
21

22 12.

23 The disciplinary action taken by the Department of  
24 Motor Vehicles against corporate officer Abad, as set forth  
25 above, constitutes grounds to discipline the real estate  
26 corporation license and license rights of Respondent HOA and  
27

1 Respondent FIRST HOUSING, pursuant to Code Section 10177(f).<sup>1</sup>

2 SECOND CAUSE OF ACCUSATION:  
3 (Advance Fee Violations)  
4 (HOA, FIRST HOUSING, TORO, AVALOS)

5 13.

6 There is hereby incorporated in this Second, separate  
7 Cause of Accusation, all of the allegations contained in  
8 Paragraphs 2 through 10 above, with the same force and effect as  
9 if herein fully set forth.

10 14.

11 For purposes of this Second cause of Accusation, all  
12 further references to "Respondents" include Respondent HOA,  
13 Respondent FIRST HOUSING, Respondent TORO, and Respondent AVALOS,  
14 and also include the employees, agents and real estate licensees  
15 employed by or associated with each Respondent, who at all times  
16 material herein were engaged in the furtherance of the business  
17 or operations of Respondents, and who were acting within the  
18 course and scope of their authority, agency or employment.

19 15.

20 During a period of time from approximately November 27,  
21 2007, and continuing through September 30, 2008, Respondents HOA,  
22 FIRST HOUSING, TORO, and AVALOS engaged in the business of, acted  
23 in the capacity of, advertised or assumed to act as real estate  
24 brokers in the State of California, within the meaning of Code  
25 Sections 10131(d) and 10131.2, for or in expectation of

26  
27 <sup>1</sup> Grounds also exist for discipline of FIRST MORTGAGE's license rights, but this is

1 compensation. Respondents HOA, FIRST HOUSING, TORO, and AVALOS  
2 represented borrowers in negotiating and modifying terms and  
3 obtaining mortgage loans, and collected advance fees within the  
4 meaning of Code Sections 10026 and 10131.2, pursuant to written  
5 agreements which constituted advance fee agreements within the  
6 meaning of Code Section 10085. Respondents failed to submit  
7 these advance fee agreements to the Commissioner before using  
8 them.

9 16.

10 On or about January 23, 2008, Respondent HOA and  
11 Respondent FIRST HOUSING entered into a Loan Modification  
12 Agreement with Jenine Hill. Pursuant to the terms of the  
13 agreement, Respondents agreed to negotiate the terms of a  
14 residential mortgage loan on Ms. Hill's behalf and to list her  
15 home for sale. The agreement called for Ms. Hill to pay  
16 Respondents a non-refundable advance fee in advance in the amount  
17 of \$1,795.00. Ms. Hill paid the advance fee. On or about July  
18 10, 2008, Respondents refunded Ms. Hill's money.

20 17.

21 On or about November 27, 2007, Respondents HOA and  
22 FIRST MORTGAGE collected an advance fee from Patricia and Johnny  
23 Clark for performance of loan modification services. Respondents  
24 failed to perform the services promised or to obtain a loan for  
25 the Clarks on more favorable terms.

26  
27 the subject of a separate accusation in DRE Case No. H-34752 LA.

18.

1 The written agreement between Respondents HOA and FIRST  
2 HOUSING and Ms. Hill was not submitted to or reviewed by the  
3 Department of Real Estate prior to use. Neither was the  
4 agreement between Respondents HOA and FIRST HOUSING and the  
5 Clarks.  
6

19.

7  
8 Additional examples of advance fees from borrowers  
9 Respondents collected for the purpose of providing loan  
10 modifications during the period of time between November 27, 2008  
11 and September 30, 2008 include, but are not limited to, the  
12 following transactions:

<u>Date Rec'd</u>	<u>Borrower</u>	<u>Amt Collected</u>	<u>Date Dep.</u>
4/5/08	G. Avila	\$1,795.00	4/7/08
4/30/08	S. Sandoval	\$1,795.00	5/1/08
6/30/08	C. Gonzalez	\$1,995.00	7/2/08
3/31/08	F. Cuando	\$1,795.00	3/31/08
5/2/08	D. Starks	\$1,995.00	5/2/08
6/30/08	E. Ramirez	\$1,795.00	7/1/08
3/29/08	G. Arias	\$1,995.00	3/31/08

20.

21  
22  
23 Between November 1, 2007 and September 30, 2008,  
24 Respondent HOA collected approximately \$2,934,000.00 in advance  
25 fees from borrowers in loan modification transactions. As of  
26 September 30, 2008, Respondents had not obtained the Department's  
27

1 authorization to use any advance fee agreement.

2 21.

3 The conduct, acts and/or omissions of Respondents HOA,  
4 FIRST HOUSING, TORO and AVALOS, as set forth in Paragraphs 14  
5 through 20 above, in collecting advance fees from prospective  
6 borrowers pursuant to a written fee agreement, which agreement  
7 was not submitted to the Department for review prior to use, was  
8 in violation of Code Section 10085 and Regulation 2970, and  
9 constitutes grounds to discipline the licenses and license rights  
10 of Respondents HOA, FIRST HOUSING, TORO and AVALOS pursuant to  
11 Code Sections 10177(d), 10176(i), 10177(j) and/or 10177(g).

12 22.

13 The conduct, acts and/or omissions of Respondent TORO  
14 and Respondent AVALOS, in failing to exercise reasonable  
15 supervision over the activities of officers and employees of HOA  
16 and FIRST HOUSING for which a real estate license was required,  
17 was in violation of Code Section 10159.2 and constitutes grounds  
18 to discipline the licenses and license rights of Respondent TORO  
19 and Respondent AVALOS pursuant to Code Sections 10177(h),  
20 10177(d) and 10177(g).

21 ///

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THIRD CAUSE OF ACCUSATION  
(Audit No. LA 080109)  
(HOA and TORO)

23.

There is hereby incorporated in this Third, separate cause of Accusation, all of the allegations contained in Paragraphs 2 through 10, and 15 through 20 above, with the same force and effect as if herein fully set forth.

24.

For purposes of this Third Cause of Accusation, all references to "Respondents" include Respondent HOA and Respondent TORO, and also include the employees, agents and real estate licensees employed by or associated with each Respondent, who at all times material herein were engaged in the furtherance of the business or operations of Respondents, and who were acting within the course and scope of their authority, agency or employment.

25.

During a period of time from approximately November 27, 2007, and continuing through September 30, 2008, Respondents HOA and TORO engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California, within the meaning of Code Sections 10131(d) and 10131.2, for or in expectation of compensation. Respondents HOA, and TORO represented borrowers in negotiating and modifying terms and obtaining mortgage loans, and collected advance fees within the meaning of Code Sections 10026 and 10131.2, pursuant to

1 written agreements which constituted advance fee agreements  
2 within the meaning of Code Section 10085.

3 26.

4 On or about November 26, 2008, the Department completed  
5 its examination of Respondent HOA's books and records pertaining  
6 to the mortgage lending activities described in Paragraph 25  
7 above, covering a period from approximately November 1, 2007 to  
8 September 30, 2008. The primary purpose of the examination was  
9 to determine Respondent's compliance with the Real Estate Law.  
10 The examination, Audit No. LA 080109, revealed violations of the  
11 Code, and of Title 10, Chapter 6, California Code of Regulations  
12 (hereinafter "Regulations"), as set forth below and as more  
13 specifically set forth in the Audit Report and Exhibits attached  
14 thereto.

15 27.

16  
17 In the course of activities described in Paragraph 25  
18 above, and during the examination period described in Paragraph  
19 26, Respondents acted in violation of the Code and the  
20 Regulations in that:

21 a) Respondents collected advance fees from borrowers  
22 for the purpose of providing loan modifications. The advance  
23 fees were deposited into HOA's general business account, which  
24 was not set up as a trust account, in violation of Code Section  
25 10146. The following are examples:

26 ///

	<u>Date Rec'd</u>	<u>Borrower</u>	<u>Amt Collected</u>	<u>Date Dep.</u>
1	4/5/08	G. Avila	\$1,795.00	4/7/08
2	4/30/08	S. Sandoval	\$1,795.00	5/1/08
3	6/30/08	C. Gonzalez	\$1,995.00	7/2/08
4	3/31/08	F. Cuando	\$1,795.00	3/31/08
5	5/2/08	D. Starks	\$1,995.00	5/2/08
6	6/30/08	E. Ramirez	\$1,795.00	7/1/08
7	3/29/08	G. Arias	\$1,995.00	3/31/08
8				

9           b) Respondents did not maintain a trust account for  
10 the advance fees, in violation of Code Section 10145 and  
11 Regulation 2832. Commingling trust funds with general funds is  
12 in violation of Code Sections 10176(e) and 10145, and Regulation  
13 2835.

14           c) Respondents' records of receipts and disbursements  
15 were incomplete, and the columnar records did not include the  
16 date funds were disbursed, to whom funds were disbursed, and the  
17 daily balance. Respondents failed to maintain proper trust fund  
18 records, in violation of Code Section 10145 and Regulation 2831.  
19

20           d) Respondents did not maintain a separate record for  
21 each beneficiary of trust funds received from borrowers in  
22 connection with their loan modification, in violation of Code  
23 Section 10145 and Regulation 2831.1.

24           e) Respondents did not maintain a monthly  
25 reconciliation of receipts and disbursements of trust funds, in  
26 violation of Code Section 10145 and Regulation 2831.2.  
27

1 f) HOA received advance fees for the purpose of  
2 performing loan modifications, pursuant to written agreements  
3 which were not submitted to the Department for review prior to  
4 use, in violation of Code Section 10085 and Regulation 2970.  
5 During the audit period, Respondent HOA collected approximately  
6 \$2,934,00.00 from borrowers in advance fees.

7 g) Respondents received advance fees from borrowers,  
8 without maintaining and providing an accounting content  
9 indicating services to be rendered, where the trust account funds  
10 would be deposited and details of how funds were to be disbursed,  
11 in violation of Regulation 2972.

12 h) Respondent HOA, which was incorporated on December  
13 28, 2007, handled loan modification transactions and collected  
14 advance fees from the borrowers in November 2007 without  
15 obtaining a real estate broker license from the Department. An  
16 example included the Patricia Clark transaction, in which  
17 Respondents collected an advance fee on November 27, 2007.  
18 Respondent HOA performed activities requiring a real estate  
19 license when they were not properly licensed by the Department as  
20 a real estate broker, in violation of Code Section 10130.

21  
22 28.

23 The conduct, acts and/or omissions of Respondent HOA  
24 and TORO, as described in Paragraph 27, above, violated the Code  
25 and Regulations in the following ways:

26 ///





33.

1  
2 At all times mentioned herein, Respondent FIRST  
3 MORTGAGE was licensed by the Department of Real Estate under  
4 license number 01402136, with one licensed office location at  
5 2911 S. Bristol Street, Santa Ana, CA 92704. At no time  
6 mentioned herein was Respondent FIRST MORTGAGE licensed by the  
7 Department of Real Estate to conduct activities requiring a real  
8 estate license at any other location.

9 Esquivel Transaction

10 34.

11 In late 2005, borrower Salvador Esquivel responded to a  
12 telephone solicitation in Spanish in which representatives of  
13 Respondent FIRST MORTGAGE offered to assist him in refinancing  
14 mortgages on residential property located at 607 E. 246 St.,  
15 Wilmington, California. Mr. Esquivel was interested in lowering  
16 his monthly payments on two mortgages on his home, which he had  
17 purchased a year before.

18  
19 35.

20 On November 23, 2005, Mr. Esquivel and his son and  
21 daughter met with Pepi Abad, Luis Razo, Kebbin Avalos, Kendall  
22 Williams, Raul Sanchez and Baricio Baca at FIRST MORTGAGE offices  
23 located at 2823 S. Bristol St. in Santa Ana, California 92704.  
24 Mr. Esquivel discussed possible loan terms with Respondent FIRST  
25 MORTGAGE's representatives. Mr. Esquivel's primary interest was  
26 to lower his monthly payments and avoid incurring pre-payment  
27

1 penalties and other costs that would raise his rates and  
2 payments. Discussions continued over the next few months.

3 36.

4 On January 1, 2006, Mr. Esquivel was provided loan  
5 documents for signing, with very little time to review the  
6 papers. He noticed that the new interest rate was 9.9% and  
7 variable, in contrast with the 7% fixed rate he previously had.  
8 In addition, the monthly payment was approximately \$1,000.00 more  
9 than his previous payment. Mr. Esquivel was promised \$28,760.07  
10 cash out at closing.

11 37.

12 In connection with Mr. Esquivel's loan, Kendall  
13 Williams and a Spanish speaking interpreter presented and  
14 explained the terms of the new loan, and completed the loan  
15 application on behalf of Respondents. Kendall Williams was not  
16 and is not licensed by the Department.

17 38.

18 Loan documentation referred to Respondent FIRST  
19 MORTGAGE and listed "2823 S. Bristol St., Santa Ana, California  
20 92704," as the contact address. Respondent FIRST MORTGAGE was  
21 not licensed to conduct activities requiring a real estate  
22 license out of this location. Nor was Respondent FIRST MORTGAGE  
23 licensed to conduct activities under a California Finance Lender  
24 license at this location.

25  
26 ///

39.

1  
2 Business cards provided to Mr. Esquivel for  
3 Respondent's representatives, Raul Sanchez, Luis Razo, Fabricio  
4 Baca and Kebbin Avalos, listed "FIRST MORTGAGE OF AMERICA" at  
5 2823 S. Bristol St., Santa Ana, California 92704. Pepi Abad's  
6 business card listed "FIRST HOUSING OF AMERICA," with the address  
7 of "2911 S. Bristol Street, Suite B, Santa Ana, California,  
8 92704." Pepi Abad, Raul Sanchez, Luis Raz, Fabricio Baca and  
9 Kebbin Avalos were not licensed by the Department as real estate  
10 brokers or as real estate salespersons employed by a real estate  
11 broker.

12  
13 40.

14 Mr. Esquivel's new loan transaction closed on or about  
15 January 5, 2006. At that time, Mr. Esquivel received a check  
16 from escrow in the amount of \$17,084.52, not the promised  
17 \$28,760.07.

18  
19 41.

20 Subsequent to the closing of the new loan transaction,  
21 Mr. Esquivel had further discussions with Respondents. On or  
22 about February 9, 2006, Pepi Abad provided Mr. Esquivel with a  
23 written statement in Spanish offering to refinance the new loan  
24 in two years for zero origination points and no money down, and  
25 offering to pay Mr. Esquivel \$5,500.00.

26 /s/

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42.

Mr. Esquivel was not able to afford the new payments on the subject property, and the property went into foreclosure.

Guerrero Transaction

43.

Beginning on or before July 15, 2006, and continuing through on or after September 30, 2006, Respondent FIRST MORTGAGE represented Teresa and Carlos Guerrero in refinancing a loan or loans secured by real property located at 64 East Barnett Street, Ventura, California 93001.

44.

In relation to the subject loan transaction, on or about September 9, 2006, Christian Ramos signed a loan application as representative of Respondent FIRST MORTGAGE, with a business address of "2823 S. Bristol, Santa Ana, CA 92704." On September 9, 2006, in relation to the subject transaction, Respondents obtained the Guerreros signatures on a Federal Truth-in-Lending Disclosure Statement in which the "Creditor" is listed as "FIRST MORTGAGE OF AMERICA (DRE # 01402136), 2823 S. Bristol Street, Santa Ana, California 92704."

45.

At all times mentioned herein, Christian Ramos was not licensed by the Department of Real Estate as a real estate broker, or as a salesperson employed by the real estate broker.

///

46.

1  
2 At all times mentioned herein, Respondent FIRST  
3 MORTGAGE was not licensed to perform activities requiring a real  
4 estate license at an office located at 2823 S. Bristol St., Santa  
5 Ana, CA 92704. Nor was Respondent FIRST MORTGAGE licensed to  
6 conduct activities under a California Finance Lender license at  
7 that location.

8 47.

9 In relation to the loan transactions set forth in  
10 Paragraphs 33 through 46 above, Respondent FIRST MORTGAGE  
11 utilized employees and/or representatives in soliciting and  
12 negotiating loans who were not licensed by the Department as real  
13 estate brokers or as salesperson operating under Respondent FIRST  
14 MORTGAGE's real estate broker license. Among the unlicensed  
15 representatives performing activities requiring a real estate  
16 license were Pepi Abad, Kibbin Avalos, Kendall Williams, and  
17 Christian Ramos.  
18

19 48.

20 The conduct, acts and/or omissions, as set forth in  
21 Paragraphs 33 through 47 above, in employing or compensating  
22 representatives for performing activities requiring a real estate  
23 license constitutes grounds to revoke the real estate licenses  
24 and/or license rights of Respondents FIRST MORTGAGE and TORO  
25 pursuant to Code Sections 10137, 10177(d), ~~10177~~(g), 10176(i)  
26 and/or 10177(j).  
27

49.

1                   The conduct, acts and/or omissions of making false  
2 and/or misleading representations in order to induce reliance of  
3 borrowers, and in otherwise misleading borrowers into accepting  
4 loans on less favorable terms to the detriment of the borrowers,  
5 as set forth in Paragraphs 33 through 47 above, constitutes  
6 grounds to discipline the licenses and/or license rights of  
7 Respondents FIRST MORTGAGE and TORO pursuant to Code Sections  
8 10176(a), 10176(b), 10176(c), 10176(i) and/or 10177(j).

10                   50.

11                   The conduct, acts and/or omissions set forth above in  
12 Paragraphs 33 through 47, in failing to adequately supervise the  
13 activities of Respondent FIRST MORTGAGE, constitutes grounds to  
14 discipline the license and/or license rights of Respondent TORO  
15 pursuant to Code Sections 10159.2, 10177(h), 10177(d), 10177(g),  
16 10176(i) and/or 10177(j).

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1 WHEREFORE, Complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against all licenses and/or license rights of Respondents  
5 DEAN ERIC TORO, SINDEY AVALOS, FIRST MORTGAGE OF AMERICA, INC.,  
6 FIRST HOUSING OF AMERICA INC. and HOME OWNERS ASSISTANCE under  
7 the Real Estate Law and for such other and further relief as may  
8 be proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 26 day of December, 2008.

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13   
14 Robin Trujillo  
15 Deputy Real Estate Commissioner  
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22 cc: Home Owners Assistance  
23 First Housing of America, Inc.  
24 First Mortgage of America, Inc.  
25 Dean Eric Toro  
26 Sindey Avalos  
27 Robin Trujillo  
Sacto.  
Audits