

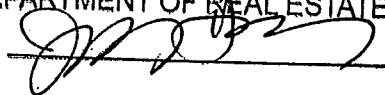
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**FILED**

SEP - 3 2009

DEPARTMENT OF REAL ESTATE

BY: 

8  
9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of ) No. H- 36225 LA  
13 )  
14 JC LENDING INC., and JULIO )  
15 CESAR HERNANDEZ, individually,) A C C U S A T I O N  
16 and as designated officer for )  
17 JC Lending Inc., )  
18 )  
19 )  
20 )  
21 Respondents. )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )

18 The Complainant, Joseph Aiu, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of Accusation  
20 against JC LENDING INC. ("Respondent JC LENDING") and JULIO  
21 CESAR HERNANDEZ ("Respondent HERNANDEZ"), individually, and as  
22 designated broker-officer of JC LENDING, is informed and alleges  
23 as follows:  
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1.

1 The Complainant, Joseph Aiu, a Deputy Real Estate  
2 Commissioner of the State of California, makes this Accusation  
3 in his official capacity.  
4

2.

5 Respondent JC LENDING is presently licensed and/or has  
6 license rights under the Real Estate Law (Part 1 of Division 4  
7 of the Business and Professions Code, hereinafter "Code"), as a  
8 real estate corporation acting by and through Respondent  
9 HERNANDEZ as its designated broker-officer.  
10

3.

11 Respondent HERNANDEZ is presently licensed and/or has  
12 license rights under the Real Estate Law as a real estate broker  
13 and designated broker-officer of Respondent JC LENDING.  
14  
15

4.

16 All further references to respondents herein include  
17 Respondents JC LENDING and HERNANDEZ, and also include officers,  
18 directors, employees, agents and real estate licensees employed  
19 by or associated with JC LENDING and HERNANDEZ, and who at all  
20 times herein mentioned were engaged in the furtherance of the  
21 business or operations of Respondents JC LENDING and HERNANDEZ,  
22 and who were acting within the course and scope of their  
23 authority and employment.  
24

5.

25 From August 13, 2002, to June 1, 2009, Respondent  
26 HERNANDEZ, as the officer designated by Respondent JC LENDING  
27

1 pursuant to Section 10211 of the Code, was responsible for the  
2 supervision and control of the activities conducted on behalf of  
3 Respondent JC LENDING by its officers and employees as necessary  
4 to secure full compliance with the Real Estate Law as set forth  
5 in Section 10159.2 of the Code.

6 6.

7 Respondent HERNANDEZ ordered, caused, authorized or  
8 participated in the conduct of Respondent JC LENDING, as is  
9 alleged in this Accusation.

10 PRIOR DISCIPLINE

11 7.

12 On or about April 24, 2007, in Case No. H-33538 LA,  
13 the real estate officer license of Respondent HERNANDEZ was  
14 disciplined pursuant to Code Section 10177(g) for violations of  
15 Code Sections 10145, 10159.5 and 10176(g) and Sections 2731,  
16 2831, 2832, 2834, 2950(d) and 2950(h) and 2951 of Title 10,  
17 Chapter 6, California Code of Regulations ("Regulations"). In  
18 addition, the license of Respondent HERNANDEZ was disciplined  
19 pursuant to Code Section 10177(d), (g) and (h) for violation of  
20 Code Section 10159.2. Discipline was imposed on Respondent  
21 HERNANDEZ as follows:

22 (a) license suspension for a period of ninety days  
23 and stayed on terms and conditions;

24 (b) pay the cost of an audit and subsequent audit to  
25 determine compliance with the Real Estate Law;  
26

1 (c) take and pass Professional Responsibility  
2 Examination for Respondent HERNANDEZ; and

3 (d) take and successfully complete continuing  
4 education course on trust fund accounting and handling specified  
5 in paragraph 3 of subdivision (a) of Section 10170.5 of the Code  
6 for Respondent HERNANDEZ.

7 FIRST CAUSE OF ACCUSATION  
8 (Advance Fee Violation)

9 8.

10 At all times herein mentioned, Respondents JC LENDING  
11 and HERNANDEZ engaged in the business of an advance fee  
12 brokerage, within the definition of Code Sections 10131.2 and  
13 10131(d), in that, for fees received in advance, as well as at  
14 the conclusion of transactions, Respondents performed loan  
15 modification services with respect to loans which were secured  
16 by liens on real property, including, but not limited to, the  
17 following:

18 a. On or about December 5, 2008, James Juarez paid  
19 an advance fee of \$4,500 to William Ward on behalf of JC  
20 LENDING, doing business under the fictitious business name "All  
21 State Foreclosure Solutions." The advance fee was collected  
22 pursuant to a written agreement pertaining to loan negotiation  
23 and modification services to be provided with respect to a loan  
24 secured by the real property located at 8264 Gardenia Vista  
25 Drive, Riverside, California 92508.

26 ///  
27

9.

1 Respondents contracted to collect and/or collected the  
2 above described advance fee pursuant to the provisions of a  
3 document titled "Homeownership Counseling Acknowledgement," the  
4 written agreement described in Paragraph 8a., above. This  
5 agreement constitutes an advance fee agreement within the  
6 meaning of Code Section 10085.  
7

8 10.

9 Respondents failed to submit the written agreement  
10 referred to in Paragraphs 7 and 8, above, to the Commissioner  
11 ten days before using it in violation of Code Section 10085 and  
12 Regulation 2970.  
13

14 11.

15 The conduct, acts and/or omissions of Respondents JC  
16 LENDING and HERNANDEZ, as set forth above, are cause for the  
17 suspension or revocation of the licenses and license rights of  
18 Respondent JC LENDING and Respondent HERNANDEZ pursuant to Code  
19 Sections 10085, 10177(d) and/or 10177(g).  
20

21 SECOND CAUSE OF ACCUSATION  
22 (Unlicensed Activity)

23 12.

24 Complainant hereby incorporates by reference the  
25 allegations set forth in Paragraphs 1 through 11, above.  
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13.

1           The activities described in Paragraph 8, above,  
2  
3 require a real estate license under Sections 10131(d) and  
4 10131.2 of the Code.

14.

5           Respondents violated Section 10137 of the Code by  
6  
7 employing and/or compensating an individual who was not licensed  
8 as a real estate salesperson or as a broker to perform  
9 activities requiring a license as follows:

10           a. Respondents employed and/or compensated William  
11 Ward to perform some or all of the services alleged in Paragraph  
12 8, though he was not licensed as a real estate salesperson or  
13 broker.

15.

14           The conduct, acts and/or omissions of Respondents, as  
15  
16 set forth in Paragraph 13, above, violate Code Section 10137,  
17 and are cause for the suspension or revocation of the licenses  
18 and license rights of Respondents pursuant to Code Sections  
19 10137, 10177(d) and/or 10177(g).

20  
21                           THIRD CAUSE OF ACCUSATION  
22                           (Use of Unauthorized Fictitious Business Name)

16.

23           Complainant hereby incorporates by reference the  
24 allegations set forth in Paragraphs 1 through 15, above.  
25

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27 ///

17.

1 Use of a fictitious business name for activities  
2 requiring the issuance of a real estate license requires the  
3 filing of an application for the use of such name with the  
4 Department of Real Estate ("Department") in accordance with the  
5 provisions of Code Section 10159.5.  
6

7 18.

8 Respondents acted without Department authorization in  
9 using the fictitious business name "All State Foreclosure  
10 Solutions" to engage in activities requiring the issuance of a  
11 real estate license.  
12

13 19.

14 The conduct, acts and/or omissions of Respondents, as  
15 set forth in Paragraphs 17 and 18, above, violate Code Section  
16 10159.5 and Section 2731 of the Regulations, and are cause for  
17 the suspension or revocation of the licenses and license rights  
18 of Respondents pursuant to Code Sections 10177(d) and/or  
19 10177(g).

20 FOURTH CAUSE OF ACCUSATION  
21 (Branch Office Violation)

22 20.

23 Complainant hereby incorporates by reference the  
24 allegations set forth in Paragraphs 1 through 19, above.  
25

26 21.

27 Respondents engaged in a real estate brokerage  
business at 4214 Green River Road, Corona, California 92880, a

1 location for which Respondents failed to apply for and procure  
2 from the Department an additional license for the branch office  
3 being maintained by them, in violation of Section 10163 of the  
4 Code.

5 22.

6 The conduct, acts and/or omissions of Respondents, as  
7 set forth in Paragraph 21, above, violate Code Section 10163 and  
8 are cause for the suspension or revocation of the licenses and  
9 license rights of Respondents pursuant to Code Sections 10165,  
10 10177(d) and/or 10177(g).

11 FIFTH CAUSE OF ACCUSATION  
12 (Failure to Supervise)

13 23.

14 Complainant incorporates by reference the allegations  
15 contained in Paragraphs 1 through 22, above.

16 24.

17 Respondent HERNANDEZ ordered, caused, authorized or  
18 participated in the conduct of Respondent JC LENDING, as is  
19 alleged in this Accusation.

20 25.

21 The conduct, acts and/or omissions, of Respondent  
22 HERNANDEZ, in allowing Respondent JC LENDING to violate the Real  
23 Estate Law, as set forth above, constitutes a failure by  
24 HERNANDEZ, as the officer designated by a corporate broker  
25 licensee, to exercise the supervision and control over the  
26 activities of JC LENDING, as required by Code Section 10159.2,  
27

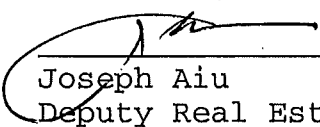


1 and is cause to suspend or revoke the real estate licenses and  
2 license rights of Respondent HERNANDEZ under Code Sections  
3 10177(d), 10177(g) and/or 10177(h).

4 WHEREFORE, Complainant prays that a hearing be  
5 conducted on the allegations of this Accusation and that upon  
6 proof thereof, a decision be rendered imposing disciplinary  
7 action against all the licenses and license rights of Respondent  
8 JC LENDING FINANCIAL INC. and Respondent JULIO CESAR HERNANDEZ,  
9 individually, and as designated broker-officer of Respondent JC  
10 LENDING FINANCIAL INC., under the Real Estate Law, and for such  
11 other and further relief as may be proper under other applicable  
12 provisions of law.

13 Dated at San Diego, California

14 this 28 day of August, 2009.

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19   
20 Joseph Aiu  
Deputy Real Estate Commissioner

21  
22  
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24  
25  
26 cc: JC LENDING FINANCIAL INC.  
JASON MICHAEL HERNANDEZ  
27 Joseph Aiu  
Sacto.