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FILED

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DEPARTMENT OF REAL ESTATE

By K. Contreras

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

11 * * *

12 In the Matter of the Accusation of)
13 MICHAEL DOUGLAS MILLETT,) NO. H-2714 FR
14 Respondent.) ACCUSATION
15)

16 The Complainant, LUKE MARTIN, a Deputy Real Estate Commissioner of the
17 State of California, for cause of Accusation against MICHAEL DOUGLAS MILLETT (herein
18 "Respondent"), is informed and alleges as follows:

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20 The Complainant makes this Accusation in his official capacity.

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22 At all times herein mentioned, Respondent was and now is, licensed and/or has
23 license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions
24 Code) (herein "the Code").

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26 At all times herein mentioned, Respondent was and now is licensed by the State
27 of California Department of Real Estate (herein the "Department") as a real estate broker.

At all times herein mentioned Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker for compensation, or in expectation of compensation, within the State of California within the meaning of Section 10131(a) of the Code, the operation of a real estate sales brokerage, wherein Respondent sold or offered to sell, bought or offered to buy, solicited prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase, sale or exchange of real property or a business opportunity.

In about September 2008, Pay It Forward Home Solutions, Inc. (herein "PIFHS") through its two (2) Directors, Marc and Denise Eccher (herein "the Eccher's"), solicited distressed homeowners offering to assist them in disposing of their homes through a "short sale," devising a plan and scheme to defraud lenders through the use of "short sales" and double escrows.

Between about September 2008 and March 2009, the Eccher's had each of the following homeowners put their homes into a property trust (herein "the Property Trust"), naming one of the Eccher's as the Trustee.

<u>Homeowner(s)</u>	<u>Property Address</u>
Brian & Christina G.	Bradbury St., Salinas, CA
Christopher & Danielle R.	Gardenia Pl., Soledad, CA
Ricardo & Deborah M.	Woodridge Ct., Salinas, CA
Sean B.	So. Century Oak Rd., Salinas, CA
Juan & Diana B.	Briarwood Pl., Salinas, CA
Jose & Lillian P.	Foothill Cir., Salinas, CA
Justin R.	Powell St., Salinas, CA
Francisco & Maria L. and Alice & Marcus M.	Georgetown Way, Salinas, CA
Robert & Edna D.	Hemingway Dr., Salinas, CA
Kristina and Jerry P.	Highlander Dr., Seaside, CA

Between about September 2008 and March 2009, the Eccher's referred each of the homeowners listed in Paragraph 6, above, to Respondent who entered into Residential Listing Agreements (herein "Listing Agreements") with each of the homeowners. The Listing Agreement provided for a 6 percent commission payable to Respondent. The Echer's advised Respondent that: (1) the Eccher's were designated as Trustees of the Property Trusts; (2) Respondent was to provide the Eccher's with all offers; and, (3) the Eccher's would negotiate the "short sale" with the bank.

Between about September 2008 and July 2009, one of the Eccher's (whoever was named as the Trustee) as an *individual* entered into a Standard Purchase and Sales Agreement (herein "Purchase Agreement") as well as an Option Contract for Sale or Purchase (herein "Option Contract"), with each of the homeowners listed in Paragraph 6, above. The Option Contracts provided for a 6 percent commission payable to Respondent, Legacy Real Estate by Respondent or Intero Real Estate (owned by Respondent). These sales, as between one of the Eccher's as an *individual* "buyer," and each of the homeowners as "sellers," constituted the first sale, i.e., the "short sale," of the property (herein "the 1st sale").

Between about February 2009 and August 2009, Respondent received a California Residential Purchase Agreement and Joint Escrow Instructions (herein "Offer") from each of the following purchasers for the properties listed in Paragraph 6, above.

<u>Purchaser(s)</u>	<u>Property Address</u>
Steven & Kristi S. So. Valley	Bradbury St., Salinas, CA Gardenia Pl., Soledad, CA
Andrew E.	Woodridge Ct., Salinas, CA
F. Family Trust	So. Century Oak Rd., Salinas, CA
Rosendo H.	Briarwood Pl., Salinas, CA
Scott M.	Foothill Cir., Salinas, CA
Robert & Judith G.	Powell St., Salinas, CA

1	(Continued)	<u>Purchaser(s)</u>	<u>Property Address</u>
2		Raymond A.	Georgetown Way, Salinas, CA
3		James & Georgette C.	Hemingway Dr., Salinas, CA
4		Michele K-C Trust	Highlander Dr., Seaside, CA

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5 Respondent, pursuant to the agreement described in Paragraph 7, above,
6 submitted all Offers to the Eccher's. Respondent signed or was shown in the Offer as the Real
7 Estate Broker (Listing Firm); the Offer provided for a 6 percent commission to be split with a
8 co-operating broker. The Offers resulted in the second sale of the properties listed in Paragraph
9 6, above (herein "the 2nd sale"), constituting a "flip" of the properties by the Eccher's.

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11 Between about February 2009 and August 2009, the Eccher's opened double
12 escrows for both the 1st and 2nd sales described in Paragraphs 8 and 10, above, at about the same
13 time; with the same escrow company, Foundation Escrow, San Diego, CA; processed by the
14 same escrow officer, Mary Kendall; and which closed on or within a few days from each other.
15 The 1st sale, i.e., the "short sale," always closed at a lower price than the 2nd sale, i.e., the "flip."

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17 Between about March 2009 and September 2009, Respondent received the
18 following Settlement Statements (herein "Statements") for each transaction described in
19 Paragraphs 8 and 10, above, and received commissions on the 1st and/or the 2nd sale.

<u>Statement Date</u>	<u>Property</u>	<u>Price</u>
3/27/09 – 1 st Sale	Bradbury St., Salinas, CA	\$209,000
3/27/09 – 2 nd Sale	Bradbury St., Salinas, CA	\$242,000
5/5/09 – 1 st Sale	Gardenia Pl., Soledad, CA	\$127,400
5/6/09 – 2 nd Sale	Gardenia Pl., Soledad, CA	\$145,000
4/9/09 – 1 st Sale	Woodridge Ct., Salinas, CA	\$359,400
4/9/09 – 2 nd Sale	Woodridge Ct., Salinas, CA	\$380,000
5/8/09 – 1 st Sale	So. Century Oak Rd., Salinas, CA	\$225,000
5/13/09 – 2 nd Sale	So. Century Oak Rd., Salinas, CA	\$278,500

1	(Continued)	<u>Statement Date</u>	<u>Property</u>	<u>Price</u>
2		6/4/09 – 1 st Sale	Briarwood Pl., Salinas, CA	\$260,000
3		6/4/09 – 2 nd Sale	Briarwood Pl., Salinas, CA	\$405,000
4		6/18/09 – 1 st Sale	Foothill Cir., Salinas, CA	\$365,000
5		6/17/09 – 2 nd Sale	Foothill Cir., Salinas, CA	\$470,000
6		7/2/09 – 1 st Sale	Powell St., Salinas, CA	\$140,000
7		7/2/09 – 2 nd Sale	Powell St., Salinas, CA	\$165,000
8		8/25/09 – 1 st Sale	Georgetown Way, Salinas, CA	\$185,000
9		8/26/09 – 2 nd Sale	Georgetown Way, Salinas, CA	\$260,000
10		9/10/09 – 1 st Sale	Hemingway Dr., Salinas, CA	\$220,000
11		9/14/09 – 2 nd Sale	Hemingway Dr., Salinas, CA	\$360,000
12		9/17/09 – 1 st Sale	Highlander Dr., Seaside, CA	\$290,000
13		9/17/09 – 2 nd Sale	Highlander Dr., Seaside, CA	\$317,500

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14 Beginning in about March 2009, Respondent failed to disclose, alert, notify or
 15 warn any of the homeowners listed in Paragraph 6, above, their lenders or any of the purchasers
 16 listed in Paragraph 9, above, of the Eccher's fraudulent scheme, in violation of Sections 10176(a)
 17 and (i) or 10177(j) or 10177(g) of the Code.

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19 The facts alleged above are grounds for the suspension or revocation of the license
 20 and license rights of Respondent under Sections 10176(a) and (i) or 10177(j) or 10177(g) of the
 21 Code.

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23 Section 10106 of the Code provides, in pertinent part, that in any order issued in
 24 resolution of a disciplinary proceeding before the Department, the Commissioner may request
 25 the Administrative Law Judge to direct a licensee found to have committed a violation of this
 26 part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the
 27 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 license rights of Respondent under the Real Estate Law (Part 1 of
4 Division 4 of the Business and Professions Code) and for such other and further relief as may be
5 proper under other applicable provisions of law.
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11 LUKE MARTIN
12 Deputy Real Estate Commissioner
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14 Dated at Fresno, California
15 this 31st day of January, 2012.
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