

1 I

2 The Complainant, CHARLES W. KOENIG, a Deputy Real
3 Estate Commissioner of the State of California, makes this
4 Accusation against Respondents in his official capacity and not
5 otherwise.

6 II

7 Respondents CRISP COLE & ASSOCIATES, a corporation
8 (herein "CCA"), TOWER LENDING, a corporation (herein "TOWER"),
9 CARL COLE (herein "COLE"), DAVID MARSHALL CRISP (herein "CRISP"),
10 JILL LOUISE PINHEIRO (herein "PINHEIRO"), SNEHA MOHAMMADI
11 (herein "MOHAMMADI"), and ROBINSON DINH NGUYEN (herein "NGUYEN")
12 are presently licensed and/or have license rights under the Real
13 Estate Law, Part 1 of Division 4 of the California Business and
14 Professions Code (hereinafter "the Code").

15 III

16 At all times herein mentioned, Respondent CCA was and
17 is licensed by the Department of Real Estate (hereafter
18 "Department") as a corporate real estate broker by and through
19 Respondent COLE as designated officer-broker of Respondent CCA
20 to qualify said corporation and to act for said corporation as a
21 real estate broker. At all times herein mentioned, Respondents
22 COLE and CRISP was each a principal stockholder, director, and
23 officer of Respondent CCA.

24 IV

25 At all times herein mentioned, Respondent TOWER was
26 and is licensed by the Department as a corporate real estate by
27 and through Respondent COLE as designated officer-broker of

1 Respondent TOWER to qualify said corporation and to act for said
2 corporation as a real estate broker. At all times herein
3 mentioned, Respondents COLE and CRISP was each a principal
4 stockholder, director, and officer of Respondent TOWER.

V

6 At all times herein mentioned, Respondent COLE was and
7 is licensed by the Department as a real estate broker,
8 individually and as designated officer-broker of Respondents CCA
9 and TOWER. As said designated officer-broker, Respondent COLE
10 was at all times mentioned herein responsible pursuant to
11 Section 10159.2 of the Code for the supervision of the
12 activities of the officers, agents, real estate licensees, and
13 employees of Respondents CCA and TOWER for which a license is
14 required.

VI

16 At all times herein mentioned Respondent MOHAMMADI was
17 and is licensed by the Department as a real estate broker.

VII

19 At all times herein mentioned, Respondents CRISP,
20 PINHEIRO and NGUYEN were and are licensed by the Department as
21 real estate salespersons in the employ of Respondent CCA.

VIII

23 Within the three year period next preceding to the
24 filing of this Accusation and at all times herein mentioned,
25 Respondents engaged in the business of, acted in the capacity
26 of, advertised, or assumed to act as real estate brokers within
27 the State of California within the meaning of:

- 1 (a) Section 10131(a) of the Code, including the
2 operation and conduct of a real estate resale
3 brokerage with the public wherein, on behalf of
4 others, for compensation or in expectation of
5 compensation, Respondents sold or offered to
6 sell, bought or offered to buy, solicited
7 prospective sellers or purchasers of, solicited
8 or obtained listings of, or negotiated the
9 purchase, sale or exchange of real property or a
10 business opportunity; and,
- 11 (b) Section 10131(d) of the Code, including the
12 operation of and conduct of a mortgage loan
13 brokerage business with the public wherein, on
14 behalf of others, for compensation or in
15 expectation of compensation, Respondents
16 solicited borrowers or lenders for or negotiated
17 loans or collected payments or performed services
18 for borrowers or lenders or note owners in
19 connection with loans secured directly or
20 collaterally by liens on real property or on a
21 business opportunity.

IX

22
23 Whenever reference is made in an allegation in this
24 Accusation to an act or omission of Respondent CCA, such
25 allegation shall be deemed to mean that the officers, directors,
26 employees, agents and real estate licensees employed by or
27 associated with Respondent CCA committed such act or omission

1 while engaged in the furtherance of the business or operations
2 of Respondent CCA and while acting within the course and scope
3 of their corporate authority and employment.

4 X

5 Whenever reference is made in an allegation in this
6 Accusation to an act or omission of Respondent TOWER, such
7 allegation shall be deemed to mean that the officers, directors,
8 employees, agents and real estate licensees employed by or
9 associated with Respondent TOWER committed such act or omission
10 while engaged in the furtherance of the business or operations
11 of Respondent TOWER and while acting within the course and scope
12 of their corporate authority and employment.

13 FIRST CAUSE OF ACTION

14 XI

15 There is hereby incorporated in this First, separate
16 and distinct, Cause of Action, all of the allegations contained
17 in Paragraphs I through X, inclusive, of the Accusation with the
18 same force and effect as if herein fully set forth.

19 XII

20 Within the three year period next preceding to the
21 filing of this Accusation, Respondents CCA, COLE and CRISP
22 induced Red Tape Mortgage to make mortgage loans in the sum of
23 \$1,000,000.00 and \$450,000.00 secured by real property at 9619
24 Marseilles Avenue, Bakersfield, California, to finance the
25 purchase of said real property by Respondent COLE by
26 representing to the lender, contrary to fact, that Respondent
27 COLE was purchasing the Marseilles Property as his primary

1 residence and intended to occupy the property as a residential
2 owner.

3 XIII

4 The representations described in Paragraph XII, above,
5 were false and misleading and were known by Respondents CCA,
6 CRISP and COLE to be false and misleading when made or were made
7 by such Respondents with no reasonable grounds for believing
8 said representations to be true. In truth and in fact:
9 Respondent COLE intended to lease the subject property to the
10 Sellers as tenants; Respondent COLE did not intend to reside in
11 the Marseilles Property.

12 XIV

13 The acts and omissions of Respondents CCA, CRISP and
14 COLE described in Paragraphs XI through XIII, above constitute
15 the substantial misrepresentations of material facts, fraud, and
16 dishonest dealing.

17 XV

18 The facts alleged in Paragraphs XI through XIV, above,
19 are grounds for the suspension or revocation of the licenses of
20 Respondents CCA, CRISP and COLE under Sections 10176(a),
21 10176(i), 10177(d), 10177(g), and/or 10177(j) of the Code.

22 SECOND CAUSE OF ACTION

23 XVI

24 There is hereby incorporated in this Second, separate
25 and distinct, Cause of Action, all of the allegations contained
26 in Paragraphs I through XV, inclusive, of the Accusation with
27 the same force and effect as if herein fully set forth.

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XVII

Within the three year period next preceding to the filing of this Accusation, Respondents CCA, TOWER, COLE, CRISP, and PINHEIRO induced Sun Trust Mortgage, Inc., to make loans in the sum of \$299,200.00 and \$74,800.00 secured by real property at 800 Astoria Park Drive, Bakersfield, California, to finance the purchase of said real property by Leslie Sluga by representing to the lender, contrary to fact, that Leslie Sluga had been employed by Respondent CCA as a transaction coordinator during the two year period next preceding the loan application.

XVIII

The representations described in Paragraph XVII, above, were false and misleading and were known by Respondents CCA, CRISP, PINHEIRO and COLE to be false and misleading when made or were made by such Respondents with no reasonable grounds for believing said representations to be true. In truth and in fact: Respondent CCA had never employed Leslie Sluga in any capacity.

XIX

The acts and omissions of Respondents CCA, TOWER, CRISP, PINHEIRO, and COLE described in Paragraphs XV through XVIII, above constitute the substantial misrepresentations of material facts, fraud, and dishonest dealing.

XX

The facts alleged in Paragraphs XV through XIX, above are grounds for the suspension or revocation of the licenses of Respondents CCA, TOWER, CRISP, PINHEIRO and COLE under Sections

1 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j) of the
2 Code.

3 THIRD CAUSE OF ACTION

4 XXI

5 There is hereby incorporated in this Third, separate
6 and distinct, Cause of Action, all of the allegations contained
7 in Paragraphs I through XX, inclusive, of the Accusation with
8 the same force and effect as if herein fully set forth.

9 XXII

10 Within the three year period next preceding to the
11 filing of this Accusation, between on or about June 28, 2005 and
12 on or about July 18, 2005, Respondents CCA, TOWER, COLE, and
13 CRISP:

14 (a) Induced Fremont Investment and Loan to make loans
15 in the sum of \$527,472.00 and \$131,868.00 secured
16 by real property at 8702 Oak Hills Avenue,
17 Bakersfield, California, to finance the purchase
18 of said real property by Jennifer Crisp by
19 representing to the lender, contrary to fact, as
20 Respondents knew or should have known at the time
21 through the exercise of reasonable diligence,
22 that said buyer intended to occupy said real
23 property as her primary residence, and by
24 concealing from said lender the fact, as
25 Respondents knew or should have known at the time
26 through the exercise of reasonable diligence,
27 that Jennifer Crisp was simultaneously applying

1 for and obtaining a mortgage loan obligation to
2 Long Beach Mortgage Corporation in the sum of
3 \$320,000.00 to finance the purchase of real
4 property at 7908 Revelstoke Way, Bakersfield,
5 California; and,

6 (b) Induced Long Beach Mortgage Corporation to make a
7 loan in the sum of \$320,000.00 secured by real
8 property at 7908 Revelstoke Way, Bakersfield,
9 California, to finance the purchase of said real
10 property by Jennifer Crisp by representing to the
11 lender, contrary to fact, as such Respondents
12 knew or should have known at the time through the
13 exercise of reasonable diligence, that said buyer
14 intended to occupy said real property as her
15 primary residence, and by concealing from said
16 lender the fact, as such Respondents knew or
17 should have known at the time through the
18 exercise of reasonable diligence, that Jennifer
19 Crisp was simultaneously applying for and
20 obtaining mortgage loan obligations to Fremont
21 Investment and Loan in the sum of 527,472.00 and
22 \$131,868.00 to finance the purchase of real
23 property at 8702 Oak Hills Avenue, Bakersfield,
24 California.

25 XXIII

26 The acts and omissions of Respondents CCA, TOWER,
27 CRISP, and COLE described in Paragraph XXII, above, constitute

1 the substantial misrepresentation of material facts, fraud, and
2 dishonest dealing.

3 XXIV

4 The facts alleged in Paragraphs XXI through XXIII,
5 above, are grounds for the suspension or revocation of the
6 licenses of Respondents CCA, TOWER, CRISP, and COLE under
7 Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j)
8 of the Code.

9 FOURTH CAUSE OF ACTION

10 XXV

11 There is hereby incorporated in this Fourth, separate
12 and distinct, Cause of Action, all of the allegations contained
13 in Paragraphs I through XXIV, inclusive, of the Accusation with
14 the same force and effect as if herein fully set forth.

15 XXVI

16 Within the three year period next preceding to the
17 filing of this Accusation, on or about September 2, 2005,
18 Respondents CCA, TOWER, COLE, and CRISP induced Long Beach
19 Mortgage Corporation to make loans in the sum of \$504,000.00 and
20 \$126,000.00 secured by real property at 11402 Marazion Hill
21 Court, Bakersfield, California (hereinafter the "Marazion Hill
22 property"), to finance the purchase of said real property by
23 Respondent CRISP by representing to the lender, contrary to
24 fact, as Respondents knew or should have known at the time
25 through the exercise of reasonable diligence, that Respondent
26 CRISP as buyer intended to occupy said real property as his
27 primary residence, and by concealing from said lender the fact,

1 as Respondents knew or should have known at the time through the
2 exercise of reasonable diligence, that Respondent CRISP had no
3 intention of occupying said property.

4 XXVII

5 The representations described in Paragraph XXVI,
6 above, were false and misleading and were known by Respondents
7 CCA, CRISP and COLE to be false and misleading when made or were
8 made by such Respondents with no reasonable grounds for
9 believing said representations to be true. In truth and in
10 fact: Respondent CRISP intended to lease the subject property to
11 the Seller as tenant; Respondent CRISP did not intend to reside
12 in the Marseilles Property; and, Respondent CRISP intended to
13 subsequently sell the Marazion Hill property without residing in
14 said property.

15 XXVIII

16 The acts and omissions of Respondents CCA, TOWER,
17 CRISP, and COLE described in Paragraphs XXVI and XXVII, above
18 constitute the substantial misrepresentations of material facts,
19 fraud, and dishonest dealing.

20 XXIX

21 The facts alleged in Paragraphs XXVI through XXVIII,
22 above are grounds for the suspension or revocation of the
23 licenses of Respondents CCA, TOWER, CRISP, and COLE under
24 Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j)
25 of the Code.

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1 FIFTH CAUSE OF ACTION

2 XXX

3 There is hereby incorporated in this Fifth, separate
4 and distinct, Cause of Action, all of the allegations contained
5 in Paragraphs I through XXIX, inclusive, of the Accusation with
6 the same force and effect as if herein fully set forth.

7 XXXI

8 Within the three year period next preceding to the
9 filing of this Accusation, between on or about November 3, 2005
10 and on or about December 22, 2005, Respondents CCA, TOWER, COLE,
11 and CRISP:

12 (a) Induced Sun Trust Mortgage to make loans in the
13 sum of \$1,105,000.00 and \$350,000.00 secured by
14 real property at 10509 Newquay Court,
15 Bakersfield, California, to finance the purchase
16 of said real property by Respondent CRISP by
17 representing to the lender, contrary to fact, as
18 Respondents knew or should have known at the time
19 through the exercise of reasonable diligence,
20 that Respondent CRISP as buyer intended to occupy
21 said real property as his primary residence, and
22 by concealing from said lender the fact, as
23 Respondents knew or should have known at the time
24 through the exercise of reasonable diligence,
25 that Respondent CRISP was simultaneously applying
26 for and obtaining mortgage loan obligations to
27 WMC Mortgage Corporation in the sum of

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XXXIII

The facts alleged in Paragraphs XXXI through XXXII, above, are grounds for the suspension or revocation of the licenses of Respondents CCA, TOWER, CRISP, and COLE under Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j) of the Code.

SIXTH CAUSE OF ACTION

XXXIV

There is hereby incorporated in this Sixth, separate and distinct, Cause of Action, all of the allegations contained in Paragraphs I through XXXIII, inclusive, of the Accusation with the same force and effect as if herein fully set forth.

XXXV

Within the three year period next preceding to the filing of this Accusation, between on or about September 5, 2006, and on or about September 20, 2006, Respondents CCA, TOWER, COLE, and CRISP:

- (a) Induced Sun Trust Mortgage, Inc., to make loans in the sum of \$1,000,000.00 and \$295,000.00 secured by real property at 11219 Draper Court, Bakersfield, California, to finance the purchase of said real property by Jennifer Crisp by representing to the lender, contrary to fact, as Respondents knew or should have known at the time through the exercise of reasonable diligence, that said buyer intended to occupy said real property as her primary residence and that

1 California Business Solutions employed Jennifer
2 Crisp as a chief operations officer, and by
3 concealing from said lender the fact, as
4 Respondents knew or should have known at the time
5 through the exercise of reasonable diligence,
6 that Jennifer Crisp was simultaneously applying
7 for and obtaining mortgage loan obligations to
8 Aegis Wholesale Corporation in the sum of
9 \$475,000.00 to finance the purchase of real
10 property at 12706 Lanai Avenue, Bakersfield,
11 California; and,

12 (b) Induced Aegis Wholesale Corporation to make loans
13 in the sum of \$400,000.00 and \$75,000.00 secured
14 by real property at 12706 Lanai Avenue,
15 Bakersfield, California, to finance the purchase
16 of said real property by Jennifer Crisp by
17 representing to the lender, contrary to fact, as
18 such Respondents knew or should have known at the
19 time through the exercise of reasonable
20 diligence, that said buyer intended to occupy
21 said real property as her primary residence and
22 that California Business Solutions employed
23 Jennifer Crisp as a chief operations officer, and
24 by concealing from said lender the fact, as such
25 Respondents knew or should have known at the time
26 through the exercise of reasonable diligence,
27 that Jennifer Crisp was simultaneously applying

1 for and obtaining mortgage loan obligations to
2 Sun Trust Mortgage, Inc., in the sum of
3 \$1,295,000.00 to finance the purchase of real
4 property at 11219 Draper Court, Bakersfield,
5 California.

6 XXXVI

7 The acts and omissions of Respondents CCA, TOWER,
8 CRISP, and COLE described in Paragraph XXII, above, constitute
9 the substantial misrepresentation of material facts, fraud, and
10 dishonest dealing.

11 XXXVII

12 The facts alleged in Paragraphs XXXV through XXXVI,
13 above, are grounds for the suspension or revocation of the
14 licenses of Respondents CCA, TOWER, CRISP, and COLE under
15 Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j)
16 of the Code.

17 SEVENTH CAUSE OF ACTION

18 XXXVIII

19 There is hereby incorporated in this Seventh, separate
20 and distinct, Cause of Action, all of the allegations contained
21 in Paragraphs I through XX, inclusive, of the Accusation with
22 the same force and effect as if herein fully set forth.

23 XXXIX

24 Within the three year period next preceding to the
25 filing of this Accusation, between on or about October 11, 2005,
26 and on or about November 21, 2005, Respondents CCA, TOWER, COLE,
27 and CRISP:

- 1 (a) Induced Long Beach Mortgage Corporation to make
2 loans in the sum of \$303,200.00 and \$75,800.00
3 secured by real property at 14309 San Jose
4 Avenue, Bakersfield, California, to finance the
5 purchase of said real property by an ostensible
6 buyer, Janie Stockton, by representing to the
7 lender, contrary to fact, as Respondents knew or
8 should have known at the time through the
9 exercise of reasonable diligence, that said buyer
10 intended to occupy said real property as her
11 primary residence and that Respondent CCA
12 employed Janie Stockton as an office manager, and
13 by concealing from said lender the fact, as
14 Respondents knew or should have known at the time
15 through the exercise of reasonable diligence,
16 that Respondent CRISP and Janie Stockton had
17 entered into an agreement whereby Respondent
18 CRISP paid Janie Stockton to sign and submit the
19 loan applications, Respondent CRISP would pay the
20 monthly mortgage installments, and that Janie
21 Stockton would sell the property at the direction
22 of Respondent CRISP and pay the equity proceeds
23 from such sale to Respondent CRISP.
- 24 (b) Induced Sun Trust Mortgage, Inc., to make loans
25 in the sum of \$594,350.00 and \$148,600.00 secured
26 by real property at 416 Copinsay Court,
27 Bakersfield, California, to finance the purchase

1 of said real property by an ostensible buyer,
2 Janie Stockton, by representing to the lender,
3 contrary to fact, as Respondents knew or should
4 have known at the time through the exercise of
5 reasonable diligence, that said buyer intended to
6 occupy said real property as her primary
7 residence and that Respondent CCA employed Janie
8 Stockton as a marketing director, and by
9 concealing from said lender the fact, as
10 Respondents knew or should have known at the time
11 through the exercise of reasonable diligence,
12 that Respondent CRISP and Janie Stockton had
13 entered into an agreement whereby Respondent
14 CRISP paid Janie Stockton to sign and submit the
15 loan applications, Respondent CRISP would pay the
16 monthly mortgage installments, and that Janie
17 Stockton would sell the property at the direction
18 of Respondent CRISP and pay the equity proceeds
19 from such sale to Respondent CRISP.

XL

21 The acts and omissions of Respondents CCA, TOWER,
22 CRISP, and COLE described in Paragraph XXXIX, above, constitute
23 the substantial misrepresentation of material facts, fraud, and
24 dishonest dealing.

XLI

25
26 The facts alleged in Paragraphs XXXIX through XL,
27 above, are grounds for the suspension or revocation of the

1 licenses of Respondents CCA, TOWER, CRISP, and COLE under
2 Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j)
3 of the Code.

4 EIGHTH CAUSE OF ACTION

5 XLII

6 There is hereby incorporated in this Eighth, separate
7 and distinct, Cause of Action, all of the allegations contained
8 in Paragraphs I through XLI, inclusive, of the Accusation with
9 the same force and effect as if herein fully set forth.

10 XLIII

11 Within the three year period next preceding to the
12 filing of this Accusation, between on or about February 2, 2006,
13 and on or about April 4, 2006, Respondents CCA, TOWER, COLE,
14 MOHAMMADI, and CRISP:

15 (a) Induced Sun Trust Mortgage, Inc., to make loans
16 in the sum of \$894,451.00 and \$223,613.00 secured
17 by real property at 11504 Haydock Court,
18 Bakersfield, California, to finance the purchase
19 of said real property by Respondent MOHAMMADI as
20 an ostensible buyer by representing to the
21 lender, contrary to fact, as Respondents knew or
22 should have known at the time through the
23 exercise of reasonable diligence, that Respondent
24 MOHAMMADI intended to occupy said real property
25 as her primary residence, and by concealing from
26 said lender the fact, as Respondents knew or
27 should have known at the time through the

1 exercise of reasonable diligence, that Respondent
2 CRISP and Respondent MOHAMMADI had entered into
3 an agreement whereby Respondent CRISP paid
4 Respondent MOHAMMADI to sign and submit the loan
5 applications, Respondent CRISP would pay the
6 monthly mortgage installments, and that
7 Respondent MOHAMMADI would sell the property at
8 the direction of Respondent CRISP and pay the
9 equity proceeds from such sale to Respondent
10 CRISP.

11 (b) Induced Kirkwood Financial Corporation to make
12 loans in the sum of \$1,275,000.00 and \$425,000.00
13 secured by real property at 11504 Haydock Court,
14 Bakersfield, California, to finance the purchase
15 of said real property by an ostensible buyer,
16 Leslie Sluga, by representing to the lender,
17 contrary to fact, as Respondents knew or should
18 have known at the time through the exercise of
19 reasonable diligence, that said buyer intended
20 to occupy said real property as her primary
21 residence and that Leslie Sluga was the owner
22 of California Business Solutions, and by
23 concealing from said lender the fact, as
24 Respondents knew or should have known at the time
25 through the exercise of reasonable diligence,
26 that California Business Solutions employed as a
27 bookkeeper.

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XLIV

The acts and omissions of Respondents CCA, TOWER, CRISP, and COLE described in Paragraph XXXIX, above, constitute the substantial misrepresentation of material facts, fraud, and dishonest dealing.

XLV

The facts alleged in Paragraphs XXXIX through XL, above, are grounds for the suspension or revocation of the licenses of Respondents CCA, TOWER, CRISP, MOHAMMADI, and COLE under Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or 10177(j) of the Code.

NINTH CAUSE OF ACTION

XLVI

There is hereby incorporated in this Ninth, separate and distinct, Cause of Action, all of the allegations contained in Paragraphs I through XLV, inclusive, of the Accusation with the same force and effect as if herein fully set forth.

XLVII

Within the three year period next preceding to the filing of this Accusation, Respondents CCA, TOWER, NGUYEN, COLE and CRISP induced Long Beach Mortgage Corporation to make mortgage loans in the sum of \$507,960.00 and \$126,990.00 secured by real property at 1904 Ordsall Street, Bakersfield, California, to finance the purchase of said real property by Respondent NGUYEN by representing to the lender, contrary to fact, that Respondent NGUYEN was purchasing the said property as his primary residence and intended to occupy the property as a

1 residential owner, and would reside in the property within
2 twelve (12) months immediately following the close of escrow.

3 XLVIII

4 The representations described in Paragraph XLVII,
5 above, were false and misleading and were known by Respondents
6 CCA, TOWER, NGUYEN, CRISP and COLE to be false and misleading
7 when made or were made by such Respondents with no reasonable
8 grounds for believing said representations to be true. In truth
9 and in fact: Respondent NGUYEN never intended to reside in the
10 property, and Respondent NGUYEN did not intend to reside in the
11 property within twelve (12) months immediately following the
12 close of escrow.

13 XLIX

14 The acts and omissions of Respondents CCA, TOWER,
15 NGUYEN, CRISP, and COLE described in Paragraphs XLVII through
16 XLVIII, above constitute the substantial misrepresentations of
17 material facts, fraud, and dishonest dealing.

18 L

19 The facts alleged in Paragraphs XLVII through XLIX,
20 above, are grounds for the suspension or revocation of the
21 licenses of Respondents CCA, TOWER, NGUYEN, CRISP, and COLE
22 under Sections 10176(a), 10176(i), 10177(d), 10177(g), and/or
23 10177(j) of the Code.

24 TENTH CAUSE OF ACTION

25 LI

26 There is hereby incorporated in this Tenth, separate
27 and distinct, Cause of Action, all of the allegations contained

1 in Paragraphs I through L, inclusive, of the Accusation with the
2 same force and effect as if herein fully set forth.

3 LII

4 At all times above mentioned, Respondent COLE was
5 responsible, as the designated broker officer of Respondent
6 TOWER LENDING, for the supervision and control of the activities
7 conducted on behalf of the corporation by its officers and
8 employees. Respondent COLE failed to exercise reasonable
9 supervision and control over the mortgage brokering activities
10 of Respondent TOWER LENDING. In particular, Respondent COLE
11 permitted, ratified and/or caused the conduct described in the
12 First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, and
13 Ninth Causes of Actions, above, to occur, and failed to take
14 reasonable steps, including but not limited to the review of
15 loan applications, preventing misrepresentations and false
16 statements on loan applications and occupancy agreements,
17 supervision of employees, and the implementation of policies,
18 rules, procedures, and systems to ensure the compliance of the
19 corporation with the Real Estate Law.

20 LIII

21 The above acts and/or omissions of Respondent COLE
22 constitute grounds for disciplinary action under the provisions
23 of Section 10177(h) of the Code and/or Section 10159.2 of the
24 Code in conjunction with Section 10177(d) of the Code.

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ELEVENTH CAUSE OF ACTION

LIV

There is hereby incorporated in this Eleventh, separate and distinct, Cause of Action, all of the allegations contained in Paragraphs I through L, inclusive, of the Accusation with the same force and effect as if herein fully set forth.

LV

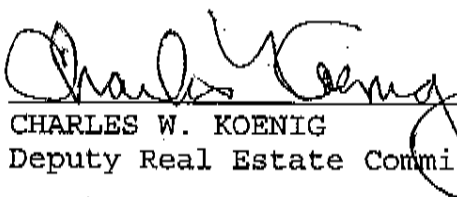
At all times above mentioned, Respondent COLE was responsible, as the designated broker officer of Respondent CRISP COLE & ASSOCIATES, for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees. Respondent COLE failed to exercise reasonable supervision and control over the real estate purchase and sale brokering activities of Respondent CRISP COLE & ASSOCIATES. In particular, Respondent COLE permitted, ratified and/or caused the conduct described in the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, and Ninth Causes of Actions, above, to occur, and failed to take reasonable steps, including but not limited to the review of purchase contracts, the review of escrow instructions, preventing straw buyer purchases of residential real properties, preventing misrepresentations and false statements on loan applications and occupancy agreements, supervision of employees, and the implementation of policies, rules, procedures, and systems to ensure the compliance of the corporation with the Real Estate Law.

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LVI

The above acts and/or omissions of Respondent COLE constitute grounds for disciplinary action under the provisions of Section 10177(h) of the Code and/or Section 10159.2 of the Code 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 provisions of law.


CHARLES W. KOENIG
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 7th day of September, 2007.