

REAL ESTATE BULLETIN

Official Publication of the
California
Department of Real Estate

PETE WILSON, Governor
JIM ANTT, JR., Real Estate Commissioner

Summer 1995

Advance Fees and Property Management

by Daniel J. Sandri
Supervising Auditor

Brokers engaged in property management activities may perform services on behalf of potential tenants, such as completing rental applications and running credit checks, and may collect fees from these clients prior to performing these services. It is important that a broker recognize that monies collected up front from a tenant or prospective tenant, including credit check fees and application fees, are trust funds and must be handled as such. Depending on the purpose of the funds collected up front, advance fee accounting and disclosure requirements may also apply and a DRE-approved advance fee agreement may be required.

If a prospective tenant pays the broker a fee which is negotiable by the broker and is strictly for the purpose of running a credit report, the broker must either place these funds into a trust account or forward these funds directly to the credit report company. The broker must also maintain proper records of all trust funds received and disbursed as required by Business and Professions Code Section 10145 and Sections 2831, 2831.1 and 2831.2 of the Commissioner's Regulations. If the fee collected by the broker is made payable to the credit report company by the borrower and the broker is to forward these funds to the credit report company, the broker must maintain a record of trust

Adv. Fees, continued on page 2

New Real Estate Commissioner Jim Antt Appointed

On May 9, 1995, Governor Pete Wilson appointed Jim Antt, Jr. of Bakersfield as Real Estate Commissioner for the State of California. Mr. Antt has expressed his pleasure with the prospect of serving the public and the real estate industry and working with the staff of the Department of Real Estate. Commissioner Antt is a longtime real estate licensee who has been involved in both residential and commercial real estate and property management. He has served as a member of the Department of Real Estate's Real Estate Advisory Commission, as President of the California Association of Realtors and as Regional Vice President for the National Association of Realtors. Also, he was appointed to a two-year term on the FNMA Advisory Council, was honored as California Realtor of the Year in 1990, and served as President of the Greater Bakersfield Chamber of Commerce. 🏠



Jim Antt, Jr.

New Continuing Education Requirements Are Fast Approaching

New continuing education license renewal requirements will soon become effective. Real estate licensees who have not already done so should begin to prepare themselves to meet the new requirements. Although information about these requirements has been provided in past *Real Estate Bulletin* articles, the importance of completing them prior to the time for license renewal cannot be overemphasized.

For license renewal effective on or after January 1, 1996, all licensees will have to present evidence of completion of the following four DRE-approved three-hour courses

as part of their 45-hour continuing education requirement.

- Ethics, Professional Conduct & Legal Aspects of Real Estate
- Agency Relationships and Duties
- Trust Fund Accounting and Handling
- Fair Housing

Real estate salespersons who will be renewing at the end of their first four-year license term on or after January 1, 1996 will need to complete *only* these four courses. (Remember that continuing education requirements do not affect the

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Official Publication of the
California Department of Real Estate

Vol. 55, No. 2 Summer 1995

STATE OF CALIFORNIA
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BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEAN R. DUNPHY, *Secretary*

DEPARTMENT OF REAL ESTATE
JIM ANTT, JR., *Real Estate Commissioner*

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Mortgage Loan Activities (916) 227-0770

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General Licensing Information (916) 227-0931
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Advance Fees

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funds received and not deposited to a trust account, as required by Section 2831(6) of the Commissioner's Regulations.

It is important that the broker does not benefit from the use of these trust funds. If any excess funds are collected for the credit report, the excess must be refunded to the tenant and may not be kept as a handling or processing fee. For example, if a broker collects \$20 and the actual cost of the credit report is \$10, the broker is required to refund the additional \$10 collected to the tenant. A broker may not keep the excess funds collected.

It has been determined that some licensees have collected up front application fees which consisted of more than a credit report fee. These fees have included fees charged for time invested by the staff to process rental applications, check prior rental histories and perform other pre-qualification functions. These types of fees qualify as advance fees as defined in Business & Professions Code 10026. Before an advance fee is collected, the broker must submit all advance fee materials to the Department of Real Estate, Attn. Mortgage Lending & Advance Fee Activity, P.O. Box 187000, Sacramento, CA 95818-7000 and obtain written approval for use of these materials. Any broker who wishes to collect an application fee over and above credit report fees should review Business & Professions Code Sections 10026, 10027, 10085, and 10146 as well as Sections 2970 and 2972 of the Commissioner's Regulations before submitting any advance fee materials for review.

If the broker does submit an advance fee agreement and obtains DRE approval for its use,

it is important to be aware of the accounting requirement with regard to the advance fee collected. As defined under Section 10146 and Regulation 2972, each client who submits an advance fee shall be provided with a verified copy of an accounting of their fees at the end of each calendar quarter and at the time the contract has been completely performed by the licensee. In addition, these fees must still be handled and accounted for as trust funds.

It is also important to remember that all fees collected and retained by the broker as compensation must be disclosed to the owners of the properties managed. Any collection and retention of funds not made known to the owners could constitute undisclosed profit, which is prohibited by Section 10176(g) of the Business and Professions Code.

It is important that brokers be aware of their responsibilities to tenants and owners with regard to handling and accounting for application and other fees that are collected in advance. Attention to the trust fund handling, recordkeeping and disclosure requirements of the law will assure that your property management business is operating in compliance with these provisions. 🏠

The *REAL ESTATE BULLETIN* (ISSN 07347839) is published quarterly by the State of California, Department of Real Estate, 2201 Broadway, Sacramento, CA 95818, as an educational service to all real estate licensees in the state under the provisions of Section 10083 of the Business and Professions Code. Second Class Postage paid at Sacramento, California.

Postmaster, send address changes to *REAL ESTATE BULLETIN*, P.O. Box 187000, Sacramento, CA 95818-7000.

Case Study

Following a recent disciplinary proceeding, a real estate salesperson representing a seller was disciplined for failing to disclose to the seller (a correctional officer) that the buyer was an inmate at the prison where the seller was employed.

The Administrative Law Judge found that when the salesperson obtained an exclusive listing from the seller, he was told that the seller was a correctional officer. Soon thereafter he learned the seller's position and duty assignment at the prison.

In the month following the listing, the inmate/buyer made an offer

to purchase the property.

When the salesperson first learned of the buyer's status, he made a decision to withhold this information from the seller until he researched the question of whether or not the buyer, as a convicted felon, had the right to purchase property. Upon learning that the buyer had not been sentenced to either life imprisonment or death, he concluded that the buyer did have the right to purchase property. The salesperson continued to withhold the information from the seller. (The information was never disclosed to the salesperson's broker.)

by Dave Peters, Real Estate Counsel

Following several counteroffers, the sellers accepted an offer from the buyer. Escrow closed with transfer of the property to the inmate/buyer.

The seller did not learn that the buyer of his home was a prison inmate until he was told by a fellow correctional officer. The seller testified that had he known the buyer was a prison inmate he would not have sold his home to him.

The seller believed that selling his home to an inmate constituted a conflict of interest and violation of the rules governing the conduct of correctional employees. In addition, the seller felt that it would compromise his integrity as a correctional officer to sell his home to a prison inmate. Finally, the seller was concerned for the safety of his family since the buyer had been convicted of a violent crime.

The salesperson testified he was concerned with violating the buyer's privacy rights and of the possibility he might be subject to discrimination charges. He further testified that while he felt he tried to be fair to both sides, he elected not to tell the seller of the buyer's status because he did not "want to give him the chance" to discriminate against the buyer.

The Administrative Law Judge concluded that the salesperson's failure to disclose the buyer's status constituted a substantial misrepresentation to the seller in violation of Business and Professions Code Section 10176(a), and negligence in carrying out his duties as a real estate licensee, a violation of Business and Professions Code Section 10177(g).

The salesperson's acts and omissions in this matter resulted in his license being revoked with the right to apply for a restricted salesperson license on terms and conditions.

Filing a Loan Activity Notification

by Gary Sibner, Deputy Commissioner II

Section 10231.3 of the Real Estate Law requires brokers to file a Loan Activity Notification (RE 859) if they engage in certain minimum threshold loan business activity in any calendar year. This notice does not require any kind of quantitative reporting about the broker's business other than the fact that he or she meets the minimum reporting requirement.

The following questionnaire was developed for real estate brokers to determine whether the filing of this form is necessary. Please take the time to answer the questions set forth below to determine if you should file the notification form.

Questionnaire

1. Are you a real estate broker? If yes, go to #2; if no, stop here.
2. Have you previously filed a "Threshold" Notification (RE 853) with DRE? If no, go to #3; if yes; stop here.
3. Have you previously filed a Loan Activity Notification (RE 859) with DRE? If no, go to #4; if yes, stop here.
4. Have you, in the past calendar year (1994), done *any* of the following:
 - A. Negotiated 8 or more real estate loans? (except seller financing)
 - B. Negotiated the sale or exchange of 8 or more promissory notes secured by real estate?
 - C. Collected payments on 8 or more real estate loans?
 - D. Acted as a broker by acquiring 8 or more promissory notes secured by real estate for sale to, or exchange with, the public?

If you have checked A, B, C, or D in #4, you are required by law to file the Loan Activity Notification (RE 859) with the Department of Real Estate.

If you have any questions regarding the filing of the Loan Activity Notification form or need a copy of the form for filing purposes, call the Mortgage Lending Unit in Sacramento at (916) 227-0770. 🏠

Another Compliance Checklist!

by James Beaver
Subdivision Counsel

Agents handling tract sales under authority of a DRE public report may find the following checklists helpful.

For all sales under public reports, Business and Professions Code Section 11018.1 requires that the agent:

- ✓ Post a copy of the public report in a conspicuous place in the sales room, together with a notice stating that a copy will be delivered upon request to any member of the public.
- ✓ Deliver a copy of the public report — and obtain a receipt — before the prospective purchaser signs the purchase agreement.

For all common interest development sales, to comply with Business and Professions Code Section 11018.6:

- ✓ Before the prospective purchaser signs the purchase agreement, make the following documents available for examination:
 - The CC&Rs.
 - The HOA Articles of Incorporation or Association.
 - The Bylaws.
 - Any other instrument establishing the rights and responsibilities of owners in the project. For example, rules regarding use of recreational facilities or architectural control.
 - The pro forma operating budget and accompanying statements prescribed by Civil Code Section 1365(a).
 - The governing body's statement as to any delinquent assessments on the unit being sold.

Lender Fraud Cases Keeping DRE Investigators Busy

by Steve Ellis, Northern Regional Manager, Enforcement

Over the past several years, well-publicized savings and loan failures have helped cause an increase in the number of lender fraud cases which financial institutions, government agencies, and private investigation services refer to DRE.

Partly in response to the savings and loan crisis, lending institutions have stepped up their efforts to identify fraudulent items such as false tax returns, fabricated verifications of employment and deposits, misstatements of owner occupancy, silent (unrecorded) junior trust deeds, overvalued appraisals, and inappropriate sources of down payments.

Initially, lenders concentrated their audits on loans that had already been funded, especially those in which few or no payments had ever been received. They found that it was easier for the FBI and the U.S. Attorney's Office to take action when damage had occurred.

Now, however, law enforcement agencies are more aggressive in prosecuting borrowers, tax preparers, appraisers and real estate licensees found to be committing loan fraud, even when no ac-

tual loan default has occurred. And lenders no longer wait until after funding to verify that the information contained in loan applications is accurate and to refer cases of apparent fraud for investigation and prosecution.

Financial institutions also report lender fraud cases to enforcement agencies with jurisdiction over those licensed individuals who assist borrowers in submitting fraudulent loan packages. As a result, DRE has received a large number of complaints from lenders relating to these complex cases. Many of the investigations

opened as a result of these complaints have resulted in the successful prosecution of license disciplinary actions against real estate licensees participating in lender fraud as both principals and agents. For example, the Department just concluded prosecutions against 15 different licensees who misrepresented to a major bank the source of purchase down payments.

Real estate licensees should stay clear of questionable loan transactions, especially where they suspect that a borrower might be using fraudulent information to qualify for a loan. Licensees must avoid the temptation to suggest "creative" solutions to a buyer's financial shortcomings if the solutions involve the concealment or wrongful enhancement of material information. To avoid any complicity in transactions tainted by lender fraud, brokers must provide training and properly scrutinize salespersons' handling of loan applications.

It's not worth losing a license and facing possible civil penalties and/or criminal prosecution for taking part in lender fraud transactions.



- ✓ As soon as practicable — in any event, before close of escrow — provide a copy of these documents to the prospective purchaser.

Timely compliance with Sections 11018.1 and 11018.6 will help the escrow officer close the sale without unexpected delays. Failure to comply may be cause for license discipline under Business and Professions Code Section 10177(d). 🏠

DISCIPLINARY ACTION — DECEMBER 1994 TO FEBRUARY 1995



- ✓ A list of actions is not published in this *Bulletin* until the 30-day period allowed for court appeal has expired, or if an appeal is taken and the disciplinary action is stayed, until the stay is dissolved. Names of persons to whom licenses are denied on application are not published.
- ✓ Licensees are listed alphabetically by the District Office region of responsibility.
- ✓ The license type is listed in parentheses after the licensee's name. [REB – Real estate broker; RREB – Restricted real estate broker; RES – Real estate salesperson; RRES – Restricted real estate salesperson; PRLS – Prepaid rental listing service; RPRLS – Restricted prepaid rental listing service; REO – Real estate officer; REC – Real estate corporation]
- ✓ The following are brief summaries of the numerical code sections listed. The full text of the various sections is found in the Business and Professions Code and the Regulations of the Real Estate Commissioner, both of which are printed in the *Real Estate Law* book. The *Real Estate Law* book is available for purchase from the Department of Real Estate.

Commissioner's Regulations

2710	Failure to submit proof of completion of continuing education
2715	Broker's failure to maintain current address with DRE
2725	Failure of broker to review and initial agreements
2726	Failure to have broker-salesperson agreements
2731	Unauthorized use of fictitious business name
2731(a)	Failure to obtain dba license
2752	Broker's failure to notify DRE of new salesperson
2785(b)	Unlawful conduct in mortgage loan transactions
2830	Failure to maintain trust fund account
2830.1	Impound trust account handling
2831	Inadequate trust fund records
2831.1	Inadequate trust fund records
2831.2	Inadequate trust fund records
2832	Failure to comply with specific provisions for handling trust funds
2832(a)	Failure of broker to place trust funds into hands of owner, into a neutral escrow depository or trust fund account by next business day
2832.1	Broker's failure to obtain permission to disburse trust funds from an account involving multiple beneficiaries
2833	Escrow trust fund handling violation
2834	Trust account withdrawals by unauthorized person
2835	Relinquishing control of trust funds
2840	Failure to give borrower disclosure
2905	Failure to deliver pest control documentation
2950(h)	Failure of broker to advise all parties of licensee's interest in agency holding escrow
2951	Record keeping requirements for broker handled escrows
2970	Misleading advance fee advertising material
2972	Incomplete advance fee accountings

Business and Professions Code

480(a)	Denial of real estate license on grounds of conviction of crime, dishonest or fraudulent act, or act which would warrant suspension or revocation of license
490	Relationship of conviction of licensed activity
498	License obtained by fraud, deceit or misrepresentation/omitting a material fact
10085	Failure to submit advance fee materials
10086	Violation of order to desist and refrain
10130	Acting without license
10137	Unlawful payment of compensation
10145	Trust fund handling
10145(a)	Trust fund handling
10145(c)	Failure by salesperson to deliver trust funds to broker
10145(d)	Trust fund handling
10146	Failure to handle advance fees as trust funds or to furnish verified accounting to principal
10148	Failure to retain records and make available for inspection
10159.2	Failure by designated officer to supervise licensed acts of corporation
10159.5	Failure to obtain license with fictitious business name
10161.8	Failure of broker to notify Commissioner of salesperson employment
10162	Failure to maintain a place of business
10163	Failure to obtain a branch office license
10176(a)	Making any substantial misrepresentation
10176(b)	Making false promise
10176(c)	Course of misrepresentation through salespersons
10176(e)	Commingle trust funds

10176(g)	Secret profit or undisclosed compensation
10176(i)	Fraud or dishonest dealing in licensed capacity
10177(a)	Procuring a real estate license by misrepresentation or material false statement
10177(b)	Conviction of crime
10177(d)	Violation of real estate law or regulations
10177(f)	Conduct that would have warranted denial of a license
10177(g)	Negligence or incompetence as licensee
10177(h)	Failure to supervise salespersons or corporation
10177(j)	Fraud or dishonest dealing not in licensed capacity
10177(k)	Violation of restricted license condition
10177.5	Civil fraud judgment based on licensed acts
10231.2	Failure to give self-dealing notice
10232	Failure to notify DRE of threshold status
10232(f)	Failure to notify DRE of threshold status
10232.1	Retaining lender's funds for more than 60 days
10232.2	Failure to file annual MLB reports
10232.25	Failure to file trust fund status reports
10232.4	Failure to give lender/purchaser disclosure
10233.1	Failure of broker to notify mortgage lender that payments were made from funds other than the borrowers
10234	Failure of broker to record trust deed in loan transaction or to cause recorded assignment of trust deed in sale of note secured by trust deed
10235.5	Lender purchaser disclosure violation
10240	Failure to give mortgage loan disclosure statement

LICENSES REVOKED

Los Angeles Region

Basham, Donald Eugene L. II (REB)
132 E. Floral Dr., Monterey Park
Effective: 1/17/95
Violation: 10137

Bertsch, Carolyn Ann (RES)
1841 Michael Ln.,
Pacific Palisades
Effective: 1/18/95
Violation: 490, 10177(b)

Burkhart, Daniel J. (REB)
1876 Ramona Dr., Camarillo
Effective: 1/17/95
Violation: 490, 10177(b)

Chan, James (REB)
1224 S. Garfield Ave., Ste. 204,
Alhambra
Effective: 2/22/95
Violation: 490, 10177(b)

I, Hsiyu (RES)
P.O. Box 3112, Alhambra
Effective: 12/27/94
Violation: 490, 10177(b)

Johnson, Troy Emanuel (RES)
1308 Bonita Ave., La Verne
Effective: 1/26/95
Violation: 490, 10177(b)

Kanan, Zamira Darlene (RES)
9353 Ventura Way, Chatsworth
Effective: 2/2/95
Violation: 490, 10177(b)

Keith, Carl Alfred (REB)
10815 Hesby St., #207,
North Hollywood
Effective: 1/17/95
Violation: 490, 10177(b)

Loegering, Thomas Joseph (REB)
P.O. Box 728, Lawndale
Effective: 12/6/94
Violation: 10177.5

Mendoza, Leonardo F. Jr. (RES)
20762 Clark St., Woodland Hills
Effective: 2/21/95
Violation: 490, 498, 10177(a)(b)

Mortgage Link (REC)
402 S. Milliken, Ste G, Ontario
Effective: 12/6/94
Violation: 2715, 10162, 10165,
10176(a)(i), 10177(d)(f)

Puri Financial, Inc. (REC)
552 W. Lancaster Blvd.,
Lancaster
Effective: 1/19/95
Violation: 2715, 10162, 10165,
10177(d)



- Puri, Moyne Marguerite (REB, REO)**
445 W. Palmdale Blvd., Ste. E, Palmdale
Effective: 1/19/95
Violation: 2715, 10162, 10165, 10177(d)
Officer of: Puri Financial, Inc.
- Qiu, Victor Xuguang (RES)**
619 Beryl St., Redondo Beach
Effective: 2/21/95
Violation: 10176(a)(i)
- Sanchez, Nelson Anthony (RES)**
6149 Carita St., Long Beach
Effective: 1/17/95
Violation: 10176(a)(i), 10177(j)
- Saudi, George Raymond Jr. (REB)**
1200 Sunny Oaks Cir., Altadena
Effective: 12/27/94
Violation: 2831, 2831.1, 2831.2, 2832, 10137, 10145, 10177(d), 10240
- Smith, Aaron Todd (RES)**
P.O. Box 8443, Northridge
Effective: 12/9/94
Violation: 490, 10177(b)
- Stein, Linda Leslie (REB)**
15153 Dickens St., Sherman Oaks
Effective: 12/6/94
Violation: 490, 10177(b)
- Theus, Evelyn Denise (RES)**
1145 East 66th St., Los Angeles
Effective: 1/4/95
Violation: 490, 10177(b)
- Urgiles, Lucio Valentin (RES)**
320 E. 189th St., Carson
Effective: 12/22/94
Violation: 490, 10177(b)
- Wilson, Jannis (RES)**
4025 West 135th St., #D, Hawthorne
Effective: 1/10/95
Violation: 490, 10177(b)
-
- Santa Ana Region**
- Avery, Shawn K. (RES)**
4532 Camarosa Dr., Yorba Linda
Effective: 2/16/95
Violation: 10177(j)
- Cotten, Craig Donald (RES)**
77-320 Michigan Dr., Palm Desert
Effective: 1/31/95
Violation: 490, 10177(b)
- Edwards, Judith Elizabeth (RES)**
3941 S. Bristol #142, Santa Ana
Effective: 12/22/94
Violation: 490, 10177(b)
- Hirsch, Norman (REB, REO)**
1717 S. State College Blvd., Ste. 225, Anaheim
Effective: 1/17/95
Violation: 10137, 10165, 10177(d)
- Hoang, Lan Ngoc (RES)**
1623 Dunbarton Ave., San Bernardino
Effective: 12/6/94
Violation: 490, 10177(a)
- Ingle, Patricia M. (RES)**
5161 New Mexico Ln., Cypress
Effective: 12/8/94
Violation: 10177(j)
- Kennedy, Janine N. (RES)**
6961 New Ridge Dr., Riverside
Effective: 1/18/95
Violation: 498, 10177(a)
- Molina, Manuel Becerril (RRES)**
425 E. Rosslynn Ave., Fullerton
Effective: 2/22/95
Violation: 490, 10177(b)
- Mortgage Link Inv., Inc. (REC)**
402 S. Milliken Ave., Ste. G, Ontario
Effective: 12/6/94
Violation: 2715, 10162, 10165, 10176(a)(i), 10177(d)(f)
- Park, Ted Alyn (REB, REO)**
402 S. Milliken Ave., Ste. G, Ontario
Effective: 12/6/94
Violation: 2715, 10162, 10165, 10176(a)(i), 10177(d)(f)
Officer of: Mortgage Link Investments, Inc.
- Pate, Ronald Lee (RES)**
10151 Kukui, Huntington Beach
Effective: 1/3/95
Violation: 498, 10177(b)
- The Mortgage Tree Corp. (REC)**
4000 Barranca Pkwy., Ste. 210, Irvine
Effective: 1/12/95
Violation: 10176(e)(i), 10177(d)
-
- Sacramento Region**
- Capital City Mortgage Corp. (REC)**
2868 Prospect Park Dr., Ste. 100, Rancho Cordova
Effective: 2/6/95
Violation: 2725, 2731(a), 10130, 10131, 10137, 10177(d), 10232.1, 10235.5
- Carlson, Robert Francis (REB, REO)**
1591 21st St., Sacramento
Effective: 12/5/94
Violation: 2726, 2830, 2831, 2831.1, 2831.2, 2832, 2834, 10145, 10145(d), 10159.5, 10163, 10177(d)
Officer of: River City Land Company, Inc.
- Esperon, Danilo Cendana (RES)**
2525 Walters Way, #3, Concord
Effective: 1/25/95
Violation: 10130, 10137, 10145(c), 10176(a)(i), 10177(d)(j)
- French, Ellie R. (RES)**
231 Market Pl., #119, San Ramon
Effective: 12/5/94
Violation: 490, 10177(b)
- Greenly, Edward Alan (REB)**
1485-G Enea Ct., Ste. 1339, Concord
Effective: 1/3/95
Violation: 10176(a)(b)(c)(i), 10177(j)
- Lambert, Dona Holt (RREB)**
1445 Lincoln Way, Auburn
Effective: 1/4/95
Violation: 10177(k)
- Lyons, Kenneth Dwayne (REB)**
2317 Buchanan Rd., Antioch
Effective: 12/6/94
Violation: 10177.5
- Property Owners Management Association, Inc. (REC)**
2201 21st St., Sacramento
Effective: 1/25/95
Violation: 10130, 10177(d)
- River City Land Co., Inc. (REC)**
1501 21st St., Sacramento
Effective: 12/5/94
Violation: 2726, 2830, 2831, 2831.1, 2831.2, 2832, 2834, 10145, 10145(d), 10159.5, 10163, 10177(d)
- Sealock, Michael F (RES)**
3601 J St. East Wing, Sacramento
Effective: 12/26/94
Violation: 10130, 10131, 10177(d)
- Taylor, Rufus Lee (REB)**
300 Main St., Ste. C, Roseville
Effective: 2/8/95
Violation: 2831.1, 2831.2, 2834, 10145, 10176(a)(i), 10177(d)
- 2830, 2831, 2831.1, 2831.2, 2832.1, 2833, 2834, 2840, 10137, 10145, 10161.8, 10177(d), 10240**
Officer of: Cal Cities Mortgage Co., Inc.
- Nash, Marilyn Marie (REB, REO)**
3208 Oakwood Dr., Julian
Effective: 1/12/95
Violation: 10148, 10176(i), 10177(d)
Officer of: Brown & Curry, Inc.
- Thwing, George III (REB)**
7946 Ivanhoe Ave., Ste. 212, La Jolla
Effective: 1/10/95
Violation: 10177.5
- Trust Deed Counselors, Inc. (REC)**
9683 Tierra Grande, Ste. 201, San Diego
Effective: 1/5/95
Violation: 10177(d)
- Wadley, Martin (RES)**
1628 Forestdale Dr., Encinitas
Effective: 12/28/94
Violation: 490, 10177(b)
-
- San Francisco Region**
- Achacoso, Irene Chua (RES)**
4604 Niland St., Union City
Effective: 1/18/95
Violation: 10145, 10176(a)(i), 10177(d)
- Al-Fouzan, Nagi Jassem (RES)**
1452 7th Ave., Santa Cruz
Effective: 1/18/95
Violation: 490, 498, 10177(a)(b)
- Barni, John Joseph Jr. (REB, REO)**
883 Island Dr., Ste. 218, Alameda
Effective: 2/22/95
Violation: 2830, 2832.1, 10145, 10176(e)(i), 10177(d)
- Bleau, Ruth Margit (REB)**
19200 Stevens Creek Blvd., Ste. 210, Cupertino
Effective: 2/28/95
Violation: 2785(b)(2)(B), 10176(a), 10177(d)
- Breen & Co., Inc. (REC)**
591 Redwood Hwy., Ste. 3100, Mill Valley
Effective: 1/9/95
Violation: 10176(e), 10177(d)(g)(h)(j)
- Bustos, Jose Manuel (RES)**
P.O. Box 12125, San Francisco
Effective: 1/18/95
Violation: 10130, 10137, 10145, 10176(a)(e)(i), 10177(d)
- Carroll, Theodis (RES)**
242 Broad St., San Francisco
Effective: 12/6/94
Violation: 490, 10177(b)
- Cox, Robert Clovis (REB)**
1352 A St., #200, Hayward
Effective: 2/21/95
Violation: 2830, 2832, 2832.1, 10145, 10176(e)(i), 10177(d)
- DiLorenzo, Vincent (REB)**
19065 Portola Dr., Ste. K, Salinas
Effective: 1/25/95
Violation: 2830.1, 2831, 2831.2, 10145(d), 10176(a)(e)(i), 10177(d)(g), 10177.5, 10232(f), 10232.2, 10232.5

Elarmo, Raymond Aquino (RES)
405 Fountain Ave., Pacific Grove
Effective: 1/11/95
Violation: 10130, 10176(e)(i),
10177(d)

Emerson, Jon Scott (RES)
2107 Union St., San Francisco
Effective: 1/26/95
Violation: 10177(g)

Escobar, Juan Jose (REB)
407 Lanyard Dr., Redwood City
Effective: 2/27/95
Violation: 10177.5

Frank Ramos, Inc. (REC)
2381 Grove Way, Ste. A,
Castro Valley
Effective: 1/17/95
Violation: 2831.2, 2834, 10148,
10176(a)(c)(i), 10177(d)(j),
10231.2, 10232, 10232.2,
10232.4, 10232.25, 10234

Grabau, Timothy Thomas (RES)
P.O. Box 205, Saratoga
Effective: 2/28/95
Violation: 490, 10177(b)

Horner, H. Lee Jr. (REB, REO)
326 I St., Eureka
Effective: 1/25/95
Violation: 10130, 10177(g)
Officer of: Property Owners
Management
Association, Inc.

Hubbard, Elizabeth Ann (RES)
2348 Shibley Ave., San Jose
Effective: 1/11/95
Violation: 490, 10177(b)

Lucido, Carl A. (REB)
1915 Terrace Dr., Antioch
Effective: 1/5/95
Violation: 10177.5

McGovern, Thomas James (RRES)
1417 S. Norfolk St., San Mateo
Effective: 1/12/95
Violation: 490, 10177(b)

Ramos, Franciszek (REB, REO)
2381 Grove Way, Ste. A,
Castro Valley
Effective: 1/17/95
Violation: 2831.2, 2834, 10148,
10176(a)(c)(i), 10177(d)(j),
10231.2, 10232, 10232.2,
10232.4, 10232.25, 10234
Officer of: Frank Ramos, Inc.

Scarne, Paul Thomas (RES)
2490 S. Norfolk St., San Mateo
Effective: 12/29/94
Violation: 10177(j)

Tran, David D. (REB)
43649 Southerland Way, Fremont
Effective: 1/25/95
Violation: 490, 10177(b)

Valenzuela, Zenaida Nacana (RES)
119 King Plaza, Daly City
Effective: 1/25/95
Violation: 490, 10177(b)

Van Note, Wallace Edward (RES)
631 5th St., Ste. 204, Santa Rosa
Effective: 1/11/95
Violation: 490, 10177(b)

Yeo, Gab-Yeong (RES)
1025 Saratoga-Sunnyvale Rd.,
Ste. 5, San Jose
Effective: 1/12/95
Violation: 490, 10177(b)

Young, Yvonne Marie (RES)
1711 Church Ave., San Mateo
Effective: 2/27/95
Violation: 490, 10177(b)

REVOKED WITH A RIGHT TO A RESTRICTED LICENSE

Fresno Region

Dodds, Jeff Allen (RES)
1634 East Walnut, Tulare
Effective: 2/6/95
Violation: 10176(a)
Right to RRES license on terms
and conditions.

Ellis, Jerry Wayne (RES)
6812 Hanford-Armona Rd.,
Hanford
Effective: 2/1/95
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions.

Los Angeles Region

**Associated International Investors
Mortgage Services Corp. (REC)**
19920 Ibox Ave., Cerritos
Effective: 2/22/95
Violation: 2831.2, 2832.1, 2834,
10086, 10145, 10177(d)
Right to RREC license on terms
and conditions.

Dahl, Brian Robert (RES)
P.O. Box 439, Simi Valley
Effective: 12/8/94
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions.

Eaves, Harry Logan Jr. (RES)
1530 West 260th St., #12,
Harbor City
Effective: 12/8/94
Violation: 10177(a)
Right to RRES license on terms
and conditions.

Gonzalez, George Edward (RES)
637 N. Bradshawe St., Montebello
Effective: 1/19/95
Violation: 10177(d)(g)
Right to RRES license on terms
and conditions.

Hasson, Albert (REB)
21822 Sherman Way, #107,
Canoga Park
Effective: 2/7/95
Violation: 10177(j)
Right to RRES license on terms
and conditions.

Karamian, Anahid (RES)
410 W. Salem, #12, Glendale
Effective: 2/22/95
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions.

Lerner, Yaffa (RES)
10517 Almayo Ave., Los Angeles
Effective: 12/21/94
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions.

Lingad, Hermel Lucio (REB, REO)
11050 E. Artesia Blvd., Ste. E,
Cerritos
Effective: 2/22/95
Violation: 10086, 10177(d)(h)
Right to RRES license on terms
and conditions.
Officer of: Associated Interna-
tional Investors Mtg.
Services Corporation

Loa, Alfred Cardona (REB)
3466 Tweedy Blvd., South Gate
Effective: 1/12/95
Violation: 10177(h)
Right to RRES license on terms
and conditions; RRES license to
be suspended for 30 days.

Meador, John Wayne (REB)
2430 Lexington Dr., Ventura
Effective: 2/7/95
Violation: 10177(g)
Right to RRES license on terms
and conditions.

**Pacificar, Gil Villocino (REB,
REO)**
510 Rancho Vista Dr., Covina
Effective: 2/22/95
Violation: 2830, 10145, 10146,
10177(d)
Right to RRES license on terms
and conditions.

Rashidi, Jaklin (RES)
20548 Ventura Blvd., #103,
Woodland Hills
Effective: 1/17/95
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions.

Riggs, Charles Alves (RES)
P.O. Box 251, Oak View
Effective: 1/24/95
Violation: 10177(b)
Right to RRES license on terms
and conditions.

Romero, Henry T. (RES)
544 E. Puente St., Covina
Effective: 2/21/95
Violation: 10145(c), 10177(d)
Right to RRES license on terms
and conditions.

Schwarz, Carolyn Marie (REB)
250 Storke Rd., Ste. 3, Goleta
Effective: 12/20/94
Violation: 2830, 2831, 2831.1,
2831.2, 2832.1, 10086, 10145,
10177(d)
Right to RRES license on terms
and conditions.

Scott, Fredrick Albert (RES)
2514 West 115th Pl., Hawthorne
Effective: 1/31/95
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions.

Snyder, Steven Tomas (REB)
932 E. Main St., Ventura
Effective: 1/6/95
Violation: 2831, 2831.1, 2832(a),
2832.1, 2833, 10145, 10177(d)
Right to RRES license on terms
and conditions; RRES license
suspended for 60 days.

Santa Ana Region

Allied Bankers Mtg. Corp. (REC)
10 Terraza, Irvine
Effective: 1/18/95
Violation: 10145, 10177(d)(g)
Right to RRES license on terms
and conditions; RRES license to
be suspended for 60 days.

Briscoe, Paulette Marie (REB, REO)
2921 Chestnut Ave., Costa Mesa
Effective: 12/28/94
Violation: 10137, 10177(h)
Right to RRES license on terms
and conditions.

Duarte, Lila Aurora (REB)
492 East 18th St., Costa Mesa
Effective: 12/20/94
Violation: 10176(a)(i)
Officer of: Mortgage Excellence,
Inc.
Right to RRES license on terms
and conditions.

Gutchoen, Alan Jay (REB)
1012 Lake St., Huntington Beach
Effective: 2/28/95
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions.

H S K Investment, Inc. (REC)
1811 E. Center St., #102,
Anaheim
Effective: 2/14/95
Violation: 2830, 2831.1, 2831.2,
2832, 2834, 10137, 10145,
10177(d)
Right to RRES license on terms
and conditions.

Henderson, Helen Patricia (REB)
54085 S. Circle Dr., Idyllwild
Effective: 2/14/95
Violation: 10145, 10177(d)
Right to RRES license on terms
and conditions.

Jacobsen, Kenneth William (REB)
7755 Center Ave., #1100,
Huntington Beach
Effective: 12/2/94
Violation: 2726, 2831, 2831.1,
2831.2, 2833, 10148, 10177(d)(g),
10240
Right to RRES license on terms
and conditions.

Lanfranco, Denys Davy (RES)
1724 W. Catalpa Ave., #217,
Anaheim
Effective: 2/14/95
Violation: 10177(f)
Right to RRES license on terms
and conditions.

Mortgage Excellence, Inc. (REC)
492 East 18th St., Costa Mesa
Effective: 12/20/94
Violation: 10176(a)(i)
Right to RRES license on terms
and conditions.





San Diego Region

Morris, Robert Gale (REB)
1420 S. Citrus Ave., Escondido
Effective: 12/8/94
Violation: 490, 10177(b)
Right to RRES license on terms and conditions.

Peralta, Jose F. (RES)
16443 Calle Pulido, San Diego
Effective: 2/21/95
Violation: 490, 10177(b)
Right to RRES license on terms and conditions; RRES license to be suspended for 30 days.

San Francisco Region

Askey, William Kenneth (REB)
8058 Greenly Dr., Oakland
Effective: 12/27/94
Violation: 10177.5
Right to RRES license on terms and conditions.

Atwood, Richard Webster Jr. (REB)
565 Sir Francis Drake Blvd., Greenbrae
Effective: 1/30/95
Violation: 10177.5
Right to RRES license on terms and conditions.

Bosquez, Blanca (RES)
1475 S. Bascom Ave., Ste. 205, Campbell
Effective: 1/5/95
Violation: 480(a), 498, 10177(a)(b)
Right to RRES license on terms and conditions.

Chastain, Kenneth W. (REB, REO)
2901 Moorpark Ave., #100, San Jose
Effective: 1/9/95
Violation: 10176(a), 10177(d), 10233.1

Officer of: Philco Mortgage Company, Inc.

Right to RRES license on terms and conditions.

Davis, Donald Harry (RES)
4443 Heppner Ln., San Jose
Effective: 1/5/95
Violation: 490, 10177(b)
Right to RRES license on terms and conditions.

Fonarow, Robert Alan (REB, REO)
26611 Carmel Center Pl., Carmel
Effective: 1/9/95
Violation: 10176(e), 10177(d)(g)(h)(j)

Officer of: Breen & Co., Inc.
Right to RRES license on terms and conditions; RRES suspended for 30 days-all stayed.

Kees, Howard Jr. (REB)
9956 Voltaire Ave., Oakland
Effective: 12/21/94
Violation: 2831, 10176(a)(i), 10177(d)

Right to RRES license on terms and conditions.

O'Connor, Lora Anne (RES)
308 Laurel Pl., San Rafael
Effective: 1/9/95
Violation: 498, 10177(a)
Right to RRES license on terms and conditions.

Singh, Aruna K. (RES)
130 El Camino Real, Millbrae
Effective: 2/22/95
Violation: 490, 10177(b)
Right to RRES license on terms and conditions.

Teng, Chuen-Meei Y. (RES)
22038 McClellan Rd., Cupertino
Effective: 2/28/95
Violation: 490, 10177(b)
Right to RRES license on terms and conditions.

Visconti, David Carey (RES)
3909 Stevenson Blvd., #201, Fremont
Effective: 2/15/95
Violation: 10177(j)
Right to RRES license on terms and conditions.

SUSPENDED INDEFINITELY

Los Angeles Region

Bellevue, James Scott (REB)
2505 4th, #212, Santa Monica
Effective: 1/12/95
Violation: 2715, 10162, 10165

Davis, Carl A. (RRES)
5128 Veronica St., Los Angeles
Effective: 2/8/95
Violation: 10177(k)

Poochigian, Andrew James (RRES)
332 N. Poplar Ave., Montebello
Effective: 12/27/94
Violation: 10177(k)

SUSPENDED WITH STAYS

Fresno Region

Burrus, Bette (REB, REO)
1665 W. Shaw, #104, Fresno
Effective: 2/13/95
Violation: 2725, 2830, 2831, 2831.1, 2831.2, 2832, 2833, 2905, 10177(d)
Suspended for 60 days-stayed for 2 years on terms and conditions.

Los Angeles Region

Barker, Barbara Caroline (REB)
61 Rivo Alto Canal, Long Beach
Effective: 12/23/94
Violation: 490, 10177(b)
Suspended for 30 days-stayed for 1 year on condition.

Buxer, Jon (REB, REO)
7026 Vista Del Mar Ln., Playa Del Rey
Effective: 1/12/95
Violation: 10145, 10177(d)(h)
Officer of: Conservative Financial Group, Inc.
Suspended for 90 days-all but 30 days stayed for 2 years on terms and conditions.

Conservative Financial Group, Inc. (REC)
8383 Wilshire Blvd., Ste. 610, Beverly Hills
Effective: 1/12/95
Violation: 10145, 10177(d)(h)
Suspended for 90 days-all but 30 days stayed for 2 years on terms and conditions.

Garcia, Sergio (REB)
2865 E. Florence, Ste. B, Huntington Park
Effective: 1/25/95
Violation: 2725, 2726, 2731, 10177(d)(h)
Suspended for 10 days; permanently stayed.

Glendora Avenue Corp. (REC)
5353 East 2nd St., Ste. 205, Long Beach
Effective: 1/18/95
Violation: 2725, 2731, 2752, 10145, 10148, 10177(d)(h)
Suspended for 60 days-stayed for 2 years on terms and conditions.

Great American Funding Corp. (REC)
870 Hampshire Rd., Ste. G, Westlake Village
Effective: 1/10/95
Violation: 2831, 2831.1, 2831.2, 2832.1, 2951, 2970, 10146, 10176(e), 10177(d)(h)
Suspended for 60 days-stayed for 2 years on terms and conditions.

Grey, Fred (REB)
237 E. Channel Islands Blvd., Port Hueneme
Effective: 2/14/95
Violation: 10177(g)
Suspended for 60 days-stayed for 1 year on terms and conditions.

Marche, Steven M. (REB, REO)
870 Hampshire Rd., Ste. C, Westlake Village
Effective: 1/10/95
Violation: 2831, 2831.1, 2831.2, 2832.1, 2951, 2970, 10146, 10176(e), 10177(d)(h)
Officer of: Great American Funding Corp.
Suspended for 60 days-stayed for 2 years on terms and conditions.

Murphy, Stephen Michael (REO)
5353 East 2nd St., Ste. 205, Long Beach
Effective: 1/18/95
Violation: 2725, 2731, 2752, 10145, 10148, 10177(d)(h)
Officer of: Glendora Avenue Corporation
Suspended for 60 days; stayed for 2 years on terms and conditions.

Santa Ana Region

Cesa, Susan (RES)
7519 E. Bridgewood Dr., Anaheim
Effective: 2/7/95
Violation: 10177(d)(f)
Suspended for 30 days; all but 3 days stayed for 1 year on terms and conditions.

Simkins, Donald Conway (REB)
10 Terraza, Irvine
Effective: 1/18/95
Violation: 10145, 10177(d)(g)(h)
Officer of: Allied Bankers Mortgage Corporation
Right to RRES license on terms and conditions; RRES license suspended for 60 days.

Taufer, Bradley (RES)
P.O. Box 4680, Cerritos
Effective: 1/12/95
Violation: 10145(c), 10176(b)(i), 10177(d)(j)
Right to RRES license on terms and conditions.

Zabihi, Michael (RES)
19371 Sierra Perla Rd., Irvine
Effective: 2/28/95
Violation: 490, 10177(b)
Right to RRES license on terms and conditions.

Sacramento Region

Buch, Diane Carol (RES)
8525 Elk Grove Blvd., #135, Elk Grove
Effective: 2/21/95
Violation: 10176(i), 10177(j)
Right to RRES license on terms and conditions.

Davi, Robert Stephen (REB, REO)
7121 Canelo Hills Dr., Citrus Heights
Effective: 2/6/95
Violation: 2725, 2731(a), 10130, 10131, 10137, 10177(d), 10232.1, 10235.5
Officer of: Capital City Mortgage Corp.
Right to RRES license on terms and conditions.

Glieden, Beverley Kay (REB)
3148 Clayton Rd., Concord
Effective: 2/7/95
Violation: 10176(i)
Right to RRES license on terms and conditions.

Goodman, Stephen Arnold (REB)
412 Kirby Ct., Walnut Creek
Effective: 12/28/94
Violation: 10145, 10177(d)(g)
Right to RRES license on terms and conditions.

Harris, Nancy Carol (REB)
1491 River Park Dr., Sacramento
Effective: 2/21/95
Violation: 2830, 10177(d)(g)
Right to RRES license on terms and conditions.

Wyler, Terry (REB)
22 S. Grant St., Roseville
Effective: 1/16/95
Violation: 490, 10177(b)
Right to RRES license on terms and conditions.

Coberly, Robert Alvin (REB)
1119 S. Milliken Ave., Ste. E,
Ontario
Effective: 2/21/95
Violation: 10137
Suspended for 30 days; stayed on
condition.

Hughes, Robert Ray (REO)
4175 Luther St., Riverside
Effective: 1/18/95
Violation: 2725, 10159.2,
10177(d)
Officer of: American Five Star
Suspended for 60 days; all but 30
days stayed for 1 year on terms
and conditions.

Kerley, Deborah Oliver (REB)
431 W. Lambert Rd., Ste. 302,
Brea
Effective: 2/15/95
Violation: 10137
Suspended for 90 days; stayed for
1 year on terms and conditions.

MacDonald, John Harold (RES)
1215 Grand Canyon Way, Brea
Effective: 2/15/95
Violation: 10130, 10177(d)(f)
Suspended for 90 days; all but 30
days stayed for 1 year on terms
and conditions.

Marrotte, Rose Maxine (REB)
82-626 Bogart Dr., Indio
Effective: 1/10/95
Violation: 10145, 10177(d)
Suspended for 30 days; stayed for
1 year on condition.

Saxton, Glenn Everett (REB)
10586 La Lila Ln.,
Fountain Valley
Effective: 2/21/95
Violation: 10177(d)
Suspended for 30 days—stayed for
1 year on terms and conditions.

Seifert, Richard William (REB)
12341 Newport Ave., #A100,
Santa Ana
Effective: 2/14/95
Violation: 2831, 2832, 2835,
10145, 10176(e), 10177(d)(g)
Suspended for 60 days; stayed for
2 years on terms and conditions.

Slatton, James Allred (RES)
1820 W. Orangewood, Ste. 211,
Orange
Effective: 2/7/95
Violation: 10177(d)(f)
Suspended for 30 days; all but 5
days stayed for 1 year on terms
and conditions.

Sacramento Region

Sipiora, Jonie La Rae (REB, REO)
2494 Lake Tahoe Blvd., Ste. C-3,
South Lake Tahoe
Effective: 12/21/94
Violation: 2731, 2831.1, 2831.2,
2834, 10145(a), 10159.5,
10177(d), 10232, 10232.2,
10232.25, 10240
Officer of: Golden Pacific
Financial, Inc.
Suspended for 30 days—stayed for
1 year on terms and conditions.

San Diego Region

**Miller, Clarence Edwin (REB,
REO)**
7290 Navajo Rd., Ste. 205,
San Diego
Effective: 12/20/94
Violation: 10159.2, 10177(d)
Officer of: West Coast Mortgage
Investment Company
Suspended for 90 days; all but 30
days stayed for 2 years on terms
and conditions.

**West Coast Mortgage Investment
Company (REC)**
7290 Navajo Rd., Ste. 205,
San Diego
Effective: 12/20/94
Violation: 2725, 2830, 2831,
2831.1, 2831.2, 2833, 2834,
2950(h), 10145, 10176(g),
10177(d), 10232.4, 10240
Suspended for 90 days; all but 30
days stayed for 2 years on terms
and conditions.

San Francisco Region

Choi, John Sungwood (REB)
3148 El Camino Real, #212,
Santa Clara
Effective: 2/21/95
Violation: 10176(a), 10177(g)
Suspended for 90 days; stayed for
1 year on terms and conditions.

Ganulin, Eladia Margarita (REB)
1860 Lombard St., San Francisco
Effective: 2/1/95
Violation: 2830, 10177(d)
Suspended for 30 days; stayed for
1 year on condition.

**Golden Pacific Financial, Inc.
(REC)**
550 S. Winchester Blvd.,
Ste. 100, San Jose
Effective: 12/21/94
Violation: 2731, 2831.1, 2831.2,
2834, 10145(a), 10159.5,
10177(d), 10232, 10232.2,
10232.25, 10240
Suspended for 60 days; stayed for
2 years on terms and conditions.

**Philco Mortgage Company, Inc.
(RREC)**
2901 Moorpark Ave., Ste. 100,
San Jose
Effective: 1/9/95
Violation: 10176(a), 10177(d),
10233.1
Suspended for 30 days; stayed for
2 years on terms and conditions.
RREC license is continued with
new terms and conditions.

Selzer, Richard Paul (REB)
350 E. Gobbi St., Ukiah
Effective: 1/25/95
Violation: 10177(d), 11012
Suspended for 30 days; stayed for
1 year on terms and conditions.

C.E. Requirements

continued from page 1

requirement that a conditional salesperson complete two specified college-level courses within 18 months of licensure.)

In addition to the four courses listed above, all other licensees must complete an additional 18 hours of courses in the consumer protection category. The remaining 15 hours of continuing education courses may be from either the consumer protection or consumer service categories.

A license with an expiration date of December 31, 1995 will be subject to the new continuing education requirements because its renewal will be effective January 1, 1996.

For the second or subsequent renewals effective on or after January 1, 2000, the 45 hours of continuing education must include any two of the four courses listed above or a four-hour survey course covering all four subjects. 🏠

INDEFINITE SUSPENSIONS (under Recovery Acct. provisions)

Los Angeles Region

**Accosta, Ronald Ellin (REB),
Del Rey Realty Co., Inc. (REC)**
11050 Santa Monica Blvd., Ste.
201, Los Angeles
Effective: 12/16/94

Ixtlahuac, Carlos Galindo (REB)
274 S. Atlantic Blvd., Los
Angeles
Effective: 2/14/95

Santa Ana Region

**Empire Funding Corporation
(REC)**
216 Orange St., Redlands
Effective: 2/14/95

San Diego Region

Phillips, Richard George (REB)
6487 Elmhurst Dr., San Diego
Effective: 12/16/94

San Francisco Region

Berry, Louita Renee (RES)
734 E. Lake Ave., Ste. 1,
Watsonville
Effective: 12/28/94

Nubla, Perla M. (RES)
105 Valleyview Way, South San
Francisco
Effective: 1/13/95

Spruiell, Daniel Curtis (REB)
4847 Hopyard Rd., Ste. 3319,
Pleasanton
Effective: 1/12/95

SUSPENDED

Los Angeles Region

Stanley, Michael Anthony (REB)
2030 East 3rd, #8, Long Beach
Effective: 2/28/95
Violation: 2970, 2972, 10026,
10085, 10131.2, 10146
Suspended for 30 days.

Santa Ana Region

American Five Star (REC)
4175 Luther St., Riverside
Effective: 1/18/95
Violation: 2831, 2831.1, 2831.2,
2832, 10177(d)
Suspended for 60 days

Sacramento Region

Stiner, Theodore Earl (REB)
3484 Dunbar Rd., Rescue
Effective: 2/7/95
Violation: 10177(d)(g)(h), 10240
Suspended for 30 days.

PUBLIC REPROVALS

San Diego Region

Rubin, Arnold Lincoln (RES)
7969 Lemon Cr., La Mesa
Effective: 2/23/95
Violation: 490, 10177(b)



Monthly Reconciliation of Trust Account Records

by Fa-Chi Lin, Chief Auditor

Commissioner's Regulation 2831.2 requires that a real estate broker who receives trust funds that are deposited into and disbursed from a trust fund bank account must reconcile the trust fund records at least once a month. This reconciliation is intended to make sure that the balance of Record of All Trust Funds Received and Disbursed agrees with the total of the balances of the Separate Beneficiary Records. This reconciliation is **in addition to** the bank reconciliation that should be done monthly. The Regulation also specifies that:

A record of the reconciliation must be maintained, and it must identify the bank account name and number, the date of the reconciliation, the account number or name of the principals or beneficiaries or transactions, and the trust fund liabilities of the broker to each of the principals, beneficiaries or transactions.

The monthly reconciliation of the trust account records is one of

the most important things a broker can do to make sure that the accounting system is accurate and that the trust account contains the proper amount of funds. Unfortunately, over 25% of Department of Real Estate audits reveal that brokers have failed to perform and maintain a monthly reconciliation of their records. Many of these brokers are also found to have trust accounts that are out of balance.

Spending a little time each month to perform a reconciliation of the accounting records will help prevent the carrying forward of accounting entry errors that could result in major trust fund shortages or overages.

For your reference, an illustration of a reconciliation of trust account records is presented as follows:

Reconciliation Report

Bank Account Name:	
Bank Account Number:	
Date Of Reconciliation:	
Balances Per Separate Beneficiary Records:	
Principal (or property) A	\$XX.XX
Principal (or property) B	XX.XX
Principal (or property) C	XX.XX
Principal (or property) D	XX.XX
Etc.	XX.XX
Total of Separate Beneficiary Records	XXX.XX
Balance per Record of All Trust Funds Received	XXX.XX
Difference (if any, must be fully explained)	\$XX.XX

Are you liable for employment taxes for your real estate salespersons?

by California Employment Development Department (EDD)

A few simple words in the contract between a real estate broker and a salesperson will shield the broker from unintended liability for employment taxes. There is a strong likelihood that real estate salespersons are employees under the laws administered by EDD. When EDD finds an incorrectly classified real estate salesperson whose earnings are not generating the tax required by the California Unemployment Insurance Code (CUIC), the employing broker is subject to an unplanned tax liability. However, the CUIC *does*

contain a specific exemption for real estate salespersons when the following conditions are met:

- the agent is licensed as a real estate broker or salesperson;
- substantially all earnings paid to the salesperson are commissions rather than salary or hourly compensation; and,
- a written contract exists between the agent and the broker which contains an effective statement as discussed below.

Because this is an exemption from tax liability, the courts have construed it narrowly. Therefore, simply stating in the contract that the worker will be treated as an independent contractor is *not* sufficient. Rather, the contract must state that the worker will "not be treated as an employee for state tax purposes" or that the worker "will be treated as an independent contractor for state tax purposes." 

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SHIPPING NAME			SUBTOTAL	
SHIPPING ADDRESS			+ SALES TAX	
CITY	STATE	ZIP CODE	TOTAL ENCLOSED	\$

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1993	Fall	James P. Antt Appointed to Real Estate Advisory Commission			

Official Publication

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