

# REAL ESTATE BULLETIN

Official Publication of the  
California  
Department of Real Estate  
<http://www.dre.ca.gov>

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

Summer 1998



August 1, 1998

## License Fee Reduction

As a result of increased operating efficiencies, self-imposed cost saving measures and an improved economy, the Department is able to reduce its fees for original and renewal real estate broker and salesperson licenses effective August 1, 1998.

The *License Fee Schedule* on the right contains a comparison of the current and new license fees.

### Issuance Date is Key

The fee decrease will be applied to all licenses which are issued on and after August 1, 1998. With respect to on-time renewals, the license expiration date determines the date of license issuance. Licenses which expire on July 31, 1998 have an effective renewal date of August 1, 1998 and will be subject to the new fee schedule. Licenses which expire prior to July 31, 1998 will be subject to the current fee schedule.

### Questions

Questions regarding the fee adjustment may be directed to the Department of Real Estate at (916) 227-0931.



### Reminder

## Proof of Legal Presence Required

As a result of federal legislation, the Department has adopted Regulation 2718, which will become effective August 1, 1998, requiring that all original and renewal real estate license applicants, including applicants for a restricted license, submit proof that they are legally present in the United States in order to obtain a license. On and after August 1, 1998, an acceptable document establishing legal presence in the United States *must* be submitted together with a State Public Benefits Statement (RE 205) before a license will be issued.

The most common document that can be used for establishing proof of U.S. citizenship is a birth certificate. In most cases, individuals can obtain a certified copy of their birth certificate from either the county recorder's office in the county where they were born, or from the state office of vital statistics for the state where they were born. The telephone numbers for the vital statistics offices for all states and U.S. territories and possessions are on page 2 in the list titled "Vital Statistics Offices."

There are a variety of other documents which can be used to establish proof of legal presence. The most common of these are Lists A (page 3) and B (page 4). A complete list of acceptable documents is contained on the State Public Benefits (Comprehensive List) (RE 205B) which may be obtained by contacting any DRE office or at our website.

Since it can take a number of weeks to obtain a certified copy of a birth certificate, and possibly longer for other kinds of documents, a license applicant

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### LICENSE FEE SCHEDULE

An illustration of a pair of scissors cutting through a stack of money, positioned to the left of the license fee schedule table.

	Current thru 7/31/98	New Effective 8/1/98
Salesperson Original, Conditional	\$265*	\$190*
Salesperson Original, Normal	\$240*	\$165*
Broker Original	\$285*	\$210*
Salesperson Renewal, On-Time	\$240	\$165
Salesperson Renewal, Late	\$360	\$247
Broker Renewal, On-Time	\$285	\$210
Broker Renewal, Late	\$427	\$315
Fingerprint Processing Fee	\$32*	\$32*

\* Note: The \$32 fingerprint processing fee is required if the applicant has never been licensed by this Department or if a license expired more than two years ago.

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Vol. 58, No. 2 Summer 1998

STATE OF CALIFORNIA

PETE WILSON, Governor

BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEAN R. DUNPHY, Secretary

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

**PRINCIPAL OFFICE**

2201 Broadway, P.O. Box 187000, Sacramento, 95818-7000  
Consumer Information ..... (916) 227-0864  
Mortgage Loan Activities ..... (916) 227-0770

**LICENSING NUMBERS**

General Licensing Information ..... (916) 227-0931  
Broker Examinations ..... (916) 227-0899  
Salesperson Examinations ..... (916) 227-0900  
Original Licensing (sales/brokers) ..... (916) 227-0904

John R. Liberator, *Chief Deputy Commissioner*  
Daniel M. Garrett, *Assistant Commissioner, Legislation and Public Information Services*  
Thomas R. Hensley, *Assistant Commissioner, Subdivisions*  
Fa-Chi Lin, *Chief Auditor*  
Betty R. Ludeman, *Assistant Commissioner, Enforcement*  
Edward F. Quinteros, Jr., *Asst. Commissioner, Administrative Services*  
Robin T. Wilson, *Chief Legal Officer*  
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Larry W. Smith, *Managing Deputy Commissioner IV, Mortgage Lending*  
Harold E. McDonald, *Deputy Commissioner III, Publications Deputy*  
Laura Curry, *Production Editor*

**NORTHERN ENFORCEMENT AREA**

Steve Ellis, *Managing Deputy Commissioner IV*

**ENFORCEMENT DISTRICT OFFICES**

San Francisco, Room 3400, 185 Berry Street, 94107  
Consumer Information ..... (415) 904-5925  
Les R. Bettencourt, *Managing Deputy Commissioner III*  
Sacramento, 2201 Broadway, P.O. Box 187000, 95818-7000  
Consumer Information ..... (916) 227-0864  
Charles W. Koenig, *Managing Deputy Commissioner III*  
Fresno, Room 3070, 2550 Mariposa Street, 93721  
Consumer Information ..... (209) 445-5009  
M. Dolores Ramos, *Managing Deputy Commissioner II*

**SOUTHERN ENFORCEMENT AREA**

Randy Brendia, *Managing Deputy Commissioner IV*

**ENFORCEMENT DISTRICT OFFICES**

Los Angeles, Room 8107, 107 S. Broadway, 90012  
Consumer Information ..... (213) 897-3399  
Thomas McCrady, *Managing Deputy Commissioner III*  
San Diego, Room 3064, 1350 Front Street, 92101-3687  
Consumer Information ..... (619) 525-4192  
J. Chris Graves, *Managing Deputy Commissioner II*

**SUBDIVISIONS**

Principal Office: Sacramento, P.O. Box 187005, 95818-7005  
Thomas R. Hensley, *Assistant Commissioner, Subdivisions*  
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Consumer Information ..... (213) 897-3908  
Robert D. Gilmore, *Managing Deputy Commissioner III*  
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Consumer Information ..... (916) 227-0813  
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# Changes to Trust Fund Record Keeping Requirements

By Dock Matthews, Supervising Auditor I

Commissioner's Regulations 2830.1 through 2835, inclusive, implement the trust fund handling and record keeping requirements of Business and Professions Code Section 10145. This article discusses the provisions of Regulations 2831 and 2831.1, as amended effective January 29, 1998.

Regulation 2831 requires that a broker's record of all trust funds received include certain elements, in columnar form and chronological sequence. The elements are:

- date trust funds received;

*Continued on page 12*

## Vital Statistics Offices

To obtain information for obtaining a "full record" certified copy of your birth certificate from your state of birth, or U.S. territory or possession, call the appropriate number listed below:

**States**

Alabama	(334)	613-5418
Alaska	(907)	465-3391
Arizona	(602)	255-3260
Arkansas	(501)	661-2336
California	(916)	445-2684
Colorado	(303)	756-4464
Connecticut	(860)	509-7897
Delaware	(302)	739-4721
District of Columbia	(202)	645-5962
Florida	(904)	487-3160
Georgia	(404)	656-4900
Hawaii	(808)	586-4533
Idaho	(208)	334-5988
Illinois	(217)	782-6555
Indiana	(317)	233-2700
Iowa	(515)	281-4944
Kansas	(913)	296-1400
Kentucky	(502)	564-4212
Louisiana	(504)	922-1184
Maine	(207)	287-3184
Maryland	(800)	832-3277
Massachusetts	(617)	753-8600
Michigan	(517)	335-8656
Minnesota	(612)	623-5121
Mississippi	(601)	960-7981
Missouri	(314)	658-1134
Montana	(406)	444-4228
Nebraska	(402)	471-2871
Nevada	(702)	687-4480
New Hampshire	(603)	271-4654
New Jersey	(609)	292-4087

New Mexico	(505)	827-0121
New York	(518)	474-3077
North Carolina	(919)	733-3526
North Dakota	(701)	328-2360
Ohio	(614)	466-2531
Oklahoma	(405)	271-4040
Oregon	(503)	731-4095
Pennsylvania	(412)	656-3126
Rhode Island	(401)	222-2811
South Carolina	(803)	734-4830
South Dakota	(605)	773-3355
Tennessee	(615)	741-1763
Texas	(512)	458-7111
Utah	(801)	538-6105
Vermont	(802)	863-7275
Virginia	(804)	225-5000
Washington	(360)	753-5936
West Virginia	(304)	558-2931
Wisconsin	(608)	266-1371
Wyoming	(307)	777-7591

**U.S. Territories & Possessions**

American Samoa	(684)	633-1222
Guam		011-671-734-7292
Puerto Rico	(809)	728-7980 (ext. 238)
Virgin Islands		
St. Croix	(809)	773-4050
St. Thomas	(809)	774-1734
Commonwealth of the Northern Mariana Islands	(670)	234-6401
Canal Zone		1-800-272-7854

*Real Estate Advisory Commission*

Michael Cortney	Betty Johnson	Mack Powell
George Francis	Melinda Masson	John Wong
Vern Hansen	Walt McDonald	

## Legal Presence

*Continued from page 1*

should request the appropriate documentation as early as possible to avoid processing delays.

In terms of the initial implementation of this requirement, the Department will adhere to the following time frames:

### Original Licenses

On and after August 1, 1998, evidence of legal presence must be received before an original license, including a restricted license, will be issued by the Department, regardless of when the application is mailed or received. Applicants who file prior to August 1, 1998 should exercise care to ensure that their applications are complete and without error. Deficiencies will require additional correspondence which may extend the date of license issuance to or past August 1, 1998, and thus require proof of legal presence. Remember, for legal presence purposes, the critical date is the date of license issuance, not the date of mailing or receipt of the application.

### On Time Renewals

All renewal applicants, including applicants for renewal of restricted licenses, whose licenses expire on July 31, 1998 or later will be required to submit evidence of legal presence, regardless of when the renewal application is mailed or received. Licenses which expire on July 31, 1998 have an effective renewal date of August 1, 1998 and will be required to submit proof of legal presence to renew.

Licenseses who file a renewal application prior to their expiration date, and have otherwise met all renewal requirements with the exception of filing a legal presence document, will be granted a 90-day working extension for the purpose of obtaining the documentation. If the licensee is unable to secure the document within the 90-day period, an additional 60-day working extension is available by filing a written request which sets forth a legitimate reason for the delay in obtaining the document. If appropriate documenta-



### LIST A

#### ACCEPTABLE DOCUMENTS TO ESTABLISH U.S. CITIZENSHIP

A person who is a citizen of the United States as evidenced by one of the following:

1. A copy of a birth certificate issued in or by a city, county, state, or other governmental entity within the United States or its outlying possessions.
2. A U.S. Certificate of Birth Abroad (FS-545, DS-135) or a Report of Birth Abroad of a U.S. Citizen (FS-240).
3. A birth certificate or passport issued from:
  - A. Puerto Rico, on or after January 13, 1941;
  - B. Guam, on or after April 10, 1989;
  - C. U.S. Virgin Islands, on or after February 25, 1927;
  - D. Northern Mariana Islands, after November 4, 1986;
  - E. American Samoa;
  - F. Swain's Island; or
  - G. District of Columbia.
4. A U.S. passport (expired or unexpired).
5. Certificate of Naturalization (N-550, N-57, N-578).
6. Certificate of Citizenship (N-560, N-561, N-645).
7. U.S. Citizen Identification Card (I-179, I-197).
8. An individual Fee Register Receipt (Form-G-711) that shows that the person has filed an application for a New Naturalization or Citizenship Paper (Form N-565).
9. Any other document which establishes a U.S. place of birth or indicates U.S. citizenship.

tion establishing legal presence is not submitted to the Department by the end of the authorized extension period(s), the renewal application will be considered late. This means that the licensee will not be able to engage in activities which require a real estate license until appropriate documentation is submitted and the license is renewed. Also, a late renewal fee will be required under these circumstances.

### Late Renewals

On and after August 1, 1998, the Department will not be able to issue a license to an individual who is renewing late until proof of legal presence is established and documentation evidencing that status is submitted to the Department, regardless of when the application is mailed or received. For example, an application for late renewal mailed in July, resulting in a license being issued in August, would require proof of legal presence, since the license is being issued on or after August 1, 1998. Accordingly, late renewal ap-

plicants who file prior to August 1, 1998 should exercise care to ensure that their applications are complete and without error. Deficiencies will require additional correspondence which may extend the date of license issuance to or past August 1, and thus require proof of legal presence.

The Department encourages all licensees to submit appropriate legal presence documentation as early as possible to avoid processing delays. With respect to existing licenses, the Department will accept the legal presence document along with the State Public Benefits Statement (RE 205) at any time during the four-year license term. If the legal presence document and State Public Benefits Statement are not submitted early, please remember that the documentation must be submitted to the Department before a license can be renewed.

***Please plan early to avoid the possibility of processing delays at the time of license issuance or renewal!*** 🏠



**LIST B**  
**ACCEPTABLE DOCUMENTS TO  
ESTABLISH LEGAL ALIEN STATUS**

An alien lawfully admitted for permanent residence under the Immigration and Naturalization Act (INA) must submit supporting documentation to establish legal presence under one of the following categories:

1. An alien lawfully admitted for permanent residence under the Immigration and Naturalization Act (INA). Evidence includes:
  - INS Form I-551 (Alien Registration Receipt Card, commonly known as a "green card"); or
  - Unexpired Temporary I-551 stamp in foreign passport or on INS Form I-94.
2. An alien who is granted asylum under Section 208 of the INA. Evidence includes:
  - INS Form I-94 annotated with stamp showing grant of asylum under Section 208 of the INA;
  - INS Form I-688B (Employment Authorization Card) annotated "274a.12(a)(5)";
  - INS Form I-766 (Employment Authorization Document) annotated "A5";
  - Grant Letter from the Asylum Office of INS; or
  - Order of an immigration judge granting asylum.
3. A refugee admitted to the United States under Section 207 of the INA. Evidence includes:
  - INS Form I-94 annotated with stamp showing admission under Section 207 of the INA;
  - INS Form I-688B (Employment Authorization Card) annotated "274a.12(a)(3)";
  - INS Form I-766 (Employment Authorization Document) annotated "A3"; or
  - INS Form I-571 (Refugee Travel Document).
4. An alien paroled into the United States for at least one year under Section 212(d)(5) of the INA. Evidence includes:
  - INS Form I-94 with stamp showing admission for at least one year under Section 212(d)(5) of the INA.
5. An alien whose deportation is being withheld under Section 243(h) of the INA (as in effect immediately prior to September 30, 1996) or Section 241(b)(3) of such Act (as amended by Section 305(a) of Division C of Public Law 104-208). Evidence includes:
  - INS Form I-668B (Employment Authorization Card) annotated "274a.12(a)(10)";
  - INS Form I-766 (Employment Authorization Document) annotated "A10"; or
  - Order from an immigration judge showing deportation withheld under Section 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under Section 241(b)(3) of the INA.
6. An alien who is granted conditional entry under Section 203(a)(7) of the INA as in effect prior to April 1, 1980. Evidence includes:
  - INS Form I-94 with stamp showing admission under Section 203(a)(7) of the INA;
  - INS Form I-688B (Employment Authorization Card) annotated "274a.12(a)(3)"; or
  - INS Form I-766 (Employment Authorization Document) annotated "A3"
7. An alien who is a Cuban or Haitian entrant (as defined in Section 501(e) of the Refugee Education Assistance Act of 1980). Evidence includes:
  - INS Form I-551 (Alien Registration Receipt Card, commonly known as a "green card") with the code CU6, CU7, or CH6;
  - Unexpired temporary I-551 stamp in foreign passport or on INS Form I-94 with code CU6 or CU7; or
  - INS Form I-94 with stamp showing parole as "Cuban/Haitian Entrant" under Section 212(d)(5) of the INA.
8. An alien paroled into the United States for less than one year under Section 212(d)(5) of the INA. Evidence includes:
  - INS Form I-94 showing this status.
9. An alien who has been declared a battered alien. Evidence includes:
  - INS petition and supporting documentation.

## **DRE Discipline Mandates Broker Payment For A Follow-Up Audit**

*from Deidre L. Johnson, Sac. Legal*

If you are a real estate broker audited by the Department of Real Estate and the audit finds trust fund related violations of the law, you may end up paying for the Department's cost of a "follow-up" audit to determine if the violations have been corrected. How does this come about?

The Department routinely audits brokers' trust accounts, and general accounts where appropriate. As a result of violations found in an audit, the Department will either initiate disciplinary action or issue an order to desist and refrain from the violations.

If violations are proved at an administrative hearing, the Commissioner will issue a final decision ordering disciplinary action or upholding the order to desist and refrain. A final decision can also result from an agreement settling the action or a failure to defend the action. Usually, the decision will contain a specific order providing for a chargeable follow-up audit to ensure the broker is in compliance with the Real Estate Law. But even without such an order, Section 10148 of the Business and Professions Code allows the Commissioner to conduct and charge for a follow-up compliance audit.

The broker who is subject to a chargeable audit will be notified by letter from the Department to schedule an appointment to begin the audit. The notice will provide an estimate of the cost, generally based on the time it took to complete the first audit. The Department will calculate the reasonable cost for the audit using the estimated average hourly salary for audit personnel.

*Continued on page 11*

The preceding lists (A and B) contain the most common documents which can be used to establish U.S. Citizenship or legal alien status. 🏠

# Disciplinary Action — Dec. 1997 to Feb. 1998

- ✓ 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 filed 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.

✓ Disciplinary actions that are "stayed" means "a delay in carrying out" all or part of the recommended discipline.



## Commissioner's Regulations

2715	Broker's failure to maintain current business address with DRE
2725	Failure of broker to exercise reasonable supervision
2726	Failure to have broker-salesperson agreements
2731	Unauthorized use of fictitious business name
2731(a)	Failure to obtain fictitious business name license
2742(c)	Failure of corporation to be in good standing
2752	Broker's failure to notify DRE of salesperson employment
2830	Failure to deposit trust funds into trust fund account
2831	Inadequate trust fund records
2831.1	Inadequate separate trust fund beneficiary records
2831.2	Failure to reconcile trust account
2831(a)(6)	Failure to keep records of trust funds not deposited in account
2832	Failure to comply with trust fund handling provisions
2832.1	Failure to obtain permission to reduce trust fund balance in a multiple beneficiary account
2833	Failure to account for unexplained trust fund overages
2834	Trust account withdrawals by unauthorized or unbonded person
2834(a)	Unauthorized person making withdrawals from trust fund account
2835	Retention of broker funds in trust account
2840	Failure to give borrower disclosure
2842.5	Failure to obtain borrower's signature on a mortgage loan disclosure statement
2846.5	Annual independent public accountant trust fund account reporting requirements
2849.01	Mortgage loan annual report format
2910	Criteria of substantial relationship
2950(h)	Failure to advise all parties of licensee's interest in agency holding escrow
2951	Record keeping requirements for broker handled escrows
2970	Advance fee accounting

## Business and Professions Code

480	Denial of license based upon certain grounds
490	Substantially related criminal conviction
498	License obtained by fraud, deceit or misrepresentation/omitting a material fact
10085	Failure to submit advance fee materials
10130	Acting without license
10131(d)	Acting as a mortgage loan broker without a license
10137	Unlawful employment or payment of compensation
10145	Trust fund handling
10146	Advance fee handling
10145(c)	Failure by salesperson to deliver trust funds to broker
10146	Failure to handle advance fees properly 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/termination
10162	Failure to maintain a place of business
10163	Failure to obtain a branch office license

10165	Penalties for violation of: §§10160, 10161.7, 10161.8, 10162 or 10163
10167.2	Engaged in prepaid rental listing service without a PRLS license or a real estate license
10176(a)	Making any substantial misrepresentation
10176(b)	Making false promise
10176(e)	Commingling trust funds with brokers funds
10176(f)	Exclusive listing agreement without definite termination date
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 in performing licensed acts
10177(h)	Failure to supervise salespersons or licensed acts of corporation
10177(j)	Fraud or dishonest dealing as principal
10177(k)	Violation of restricted license condition
10177.5	Civil fraud judgment based on licensed acts
10211	Corporate license violation
10232	Failure to notify DRE of threshold status
10232.2(a)	Failure to provide independent audit reports
10232.2(c)	Failure to provide trust fund reports
10232.25	Failure to file trust fund status reports
10232.25(e)	Failure to complete and maintain trust fund status reports
10232.4	Failure to give lender/purchaser disclosure
10240	Failure to give mortgage loan disclosure statement
10240(a)	Failure to give mortgage loan disclosure statement

## LICENSES REVOKED

### Fresno Region

**North Atlantic Financial Services, Inc. (REC)**  
 201 E. Rumble Rd., Ste. E., Modesto  
*Effective:* 12/9/97  
*Violation:* 2731, 10176(a)(i), 10177(d), 10240

**Yang, Pauline (RES)**  
 3235 Keyes Rd., Ceres  
*Effective:* 1/20/98  
*Violation:* 10176(a)

### Los Angeles Region

**Alabi, Michael A. (RES)**  
 P.O. Box 56027, Los Angeles  
*Effective:* 12/15/97  
*Violation:* 490, 10177(b)

### Anderson, Willie B. (RES)

12339 East 195th St., Artesia  
*Effective:* 12/30/97  
*Violation:* 490, 10177(b)

### Ashley, John Charles (REB, REO)

23571 Sunnymead Ranch Pky., #109, Moreno Valley  
*Effective:* 11/26/97  
*Officer of:* Inland Pacific Realty, Inc. & J & M Ashley Co., Inc.  
*Violation:* 10177.5

### Bauer, Kirk (RES)

1714 Ximeno Ave., Long Beach  
*Effective:* 2/3/98  
*Violation:* 490, 10177(b)

### Brehm, Kendall Harrison (REB)

8522 Etiwanda, Northridge  
*Effective:* 12/16/97  
*Violation:* 10177(h)

### Burnes, Robert Arthur (RES)

P.O. Box 11, Idyllwild  
*Effective:* 12/10/97  
*Violation:* 490, 10177(b)



- Carter, Dale Eugene (REB, REO)**  
18180 Yorba Linda Blvd., #501,  
Yorba Linda  
Effective: 2/17/98  
Officer of: Action Network  
Realty Services, Inc.  
Violation: 2752, 2830, 2831,  
2831.1, 2831.2, 2832, 2834,  
2950(h), 10145, 10148, 10161.8,  
10177(d)
- Chapman, Marsha (RES)**  
4102 Hacienda Ln., Chino  
Effective: 12/30/97  
Violation: 490, 10177(b)
- Cox, Sharon Lynn (RES)**  
77979 Dudley Dr., Palm Desert  
Effective: 12/4/97  
Violation: 490, 10177(b)
- Dority, Scott De Wayne (RES)**  
2174 Roanoke Rd., San Marino  
Effective: 12/2/97  
Violation: 10130, 10177(d)
- Edell, Norman (RES)**  
8455 Fountain Ave., #416,  
West Hollywood  
Effective: 1/7/98  
Violation: 490, 10177(b)
- Epperson, Robbie Annette (RES)**  
400 S. Flower St., #167, Orange  
Effective: 12/11/97  
Violation: 490, 10177(b)
- Equal Financial and Investment  
Corporation (REC)**  
16661 Ventura Blvd., Ste. 308,  
Encino  
Effective: 1/8/98  
Violation: 2831.2, 2832.1,  
10145, 10177(d)
- Estado Financial Services, Inc.  
(REC)**  
1900 State St., Ste. H,  
Santa Barbara  
Effective: 2/26/98  
Violation: 10177(d)(f)
- Flores, Maria A. (REB)**  
149 N. Santa Anita Ave., Arcadia  
Effective: 12/1/97  
Violation: 2752, 2831, 2831.1,  
2831.2, 2832.1, 2835, 10145,  
10148, 10161.8, 10176(e)(i),  
10177(d)(g), 10240
- Freeborn, Colleen Carolyn (REB,  
REO)**  
18425 Burbank Blvd., #614,  
Tarzana  
Effective: 1/29/98  
Officer of: New York Central  
Mortgage, Inc.  
Violation: 10148
- Gelff, Joel (REB)**  
1901 Avenue of the Stars, #2000,  
Los Angeles  
Effective: 1/8/98  
Violation: 480, 10177(f)
- Glover, Dwayne Anthony (RES)**  
4450 California Pl., Long Beach  
Effective: 1/20/98  
Violation: 10177(j)
- Gold, Michael Ira (RES)**  
11321 Loch Lomond,  
Los Alamitos  
Effective: 2/17/98  
Violation: 490, 10177(b)
- Haro, Manuel Frank (RES)**  
135 12th St., Seal Beach  
Effective: 12/12/97  
Violation: 490, 10177(b)
- Hong, Seung Rock (REB)**  
3460 Wilshire Blvd., #407,  
Los Angeles  
Effective: 1/28/98  
Violation: 490, 10177(b)
- Inland Pacific Realty, Inc. (REC)**  
24871 Sunnymead Blvd.,  
Moreno Valley  
Effective: 11/26/97  
Violation: 10177.5
- IPC Development Group, Inc. (REC)**  
17418 Chatsworth St.,  
Granada Hills  
Effective: 12/16/97  
Violation: 10137, 10176(g),  
10177(d)
- Izquierdo, Fernando E. (RES)**  
2401 Colorado Blvd., #100,  
Los Angeles  
Effective: 11/18/97  
Violation: 490, 10176(a)(i),  
10177(b)
- Jackson, Lawrence Henry (REB,  
REO)**  
817 W. Micheltorena St., #B,  
Santa Barbara  
Effective: 2/26/98  
Officer of: Estado Financial  
Services, Inc.  
Violation: 10159.2,  
10177(d)(f)(g)
- Khadjehouri, Mahvash (RES)**  
2043 Jaybrook Dr.,  
Rancho Palos Verdes  
Effective: 1/8/98  
Violation: 490, 10177(b)
- Krotz, Daniel Burrus (RES)**  
1495 Sagebrush Rd.,  
Palm Springs  
Effective: 2/10/98  
Violation: 490, 10177(b)
- Lakeside Capital Corporation  
(REC)**  
32123 W. Lindero Canyon Rd.,  
Ste. 111, Westlake Village  
Effective: 12/2/97  
Violation: 2715, 10148, 10162,  
10177(d)
- Lambright, Jeanne Elizabeth (REB,  
REO)**  
14050 AA Cherry Ave., Fontana  
Effective: 12/24/97  
Officer of: Southridge Property  
Center  
Violation: 10145, 10159.2,  
10177(h)
- Lawrence, Ben L. (RES)**  
5405 Alton Pky, Irvine  
Effective: 1/26/98  
Violation: 498, 10177(a)
- Llerena, Washington H. (REB)**  
9901 S. Paramount Blvd.,  
Downey  
Effective: 12/2/97  
Violation: 2830, 2832, 2910,  
10145, 10177(d), 10240
- Lo, Chung Shung (RREB)**  
419 N. Atlantic Blvd., Rm. 110,  
Monterey Park  
Effective: 1/27/98  
Violation: 498, 10165,  
10177(a)(d)
- Marantz, Gregory Herman (RES)**  
4628 Stark Ave., Woodland Hills  
Effective: 1/29/98  
Violation: 490, 10177(b)
- New York Central Mortgage, Inc.  
(REC)**  
18425 Burbank Blvd., #614,  
Tarzana  
Effective: 1/29/98  
Violation: 10148, 10165,  
10177(d)
- Nguyen, Francois (RES)**  
P.O. Box 2054-155, Westminster  
Effective: 12/16/97  
Violation: 490, 10177(b)
- Niciforos, Arist (RES)**  
5615 Hellman Ave., Alta Loma  
Effective: 1/20/98  
Violation: 10176(a)(i), 10177(d)
- Noboa, Roberto Manuel (RES)**  
784 N. Colusa Dr., Walnut  
Effective: 11/18/97  
Violation: 10130, 10176(i),  
10177(d)(g)
- O'Brien, Ealen Clifton (RES)**  
11708 Oxford Ave., #B,  
Hawthorne  
Effective: 2/17/98  
Violation: 10176(i)
- O'Connell, Kevin Patrick (RES)**  
1519 6th St., #8A, Santa Monica  
Effective: 1/20/98  
Violation: 10130, 10176(a)(i),  
10177(d)
- Oshodi, Theresa Modupe (REB)**  
1455 Monterey Pass Rd., #201,  
Monterey Park  
Effective: 2/24/98  
Violation: 10145, 10176(e),  
10177(d)(j)
- Ottway, Barbara Margaret (REB)**  
335 W. Foothill Blvd., Rialto  
Effective: 2/17/98  
Violation: 2752, 2830, 2831,  
2831.2, 2832.1, 10145, 10177(d)
- Palacios, Oscar (RES)**  
216 E. Harcourt St., Long Beach  
Effective: 12/2/97  
Violation: 498, 10177(a)
- Parker, Joseph Anthony (RES)**  
4321 Dapper Ct., Oxnard  
Effective: 12/4/97  
Violation: 490, 10177(b)
- Prestige Funding, Inc. (REC)**  
1518 Huntington Dr.,  
South Pasadena  
Effective: 12/9/97  
Violation: 2715, 2752, 10137,  
10145, 10161.8, 10162, 10177(d)
- Raskin, Alex (RES)**  
9665 Heather Rd., Beverly Hills  
Effective: 12/8/97  
Violation: 490, 10177(b)
- Southridge Property Center (REC)**  
14050 AA Cherry Ave., Fontana  
Effective: 12/24/97  
Violation: 10145
- Tuinenburg, Gil R. (RES)**  
27021 Via Noveno, Mission Viejo  
Effective: 1/23/98  
Violation: 498, 10177(a)
- Winston, Carole Annette (REB)**  
1916 N. Pepper Dr., Altadena  
Effective: 12/3/97  
Violation: 10162, 10165,  
10177(d)(j)
- Worotko, Wladimir Alexanderowich  
(RREB)**  
168 Lamour Dr.,  
La Canada-Flintridge  
Effective: 1/13/98  
Violation: 10177(k)

### Sacramento Region

- Cregor, Lucian James Jr. (RES)**  
825 W. Center, Manteca  
Effective: 1/29/98  
Violation: 490, 10177(b)
- Dekker, Janice Ann (RES)**  
1101 Fruitvale Rd., Lincoln  
Effective: 1/22/98  
Violation: 490, 10177(b)
- Doubleday, Kristina Davine (REB)**  
3778 Arrowhead Ct.,  
El Dorado Hills  
Effective: 2/24/98  
Violation: 490, 10177(b)
- Gage, Janice Gibson (RES)**  
8876 Country Hill Ct., Elk Grove  
Effective: 2/10/98  
Violation: 490, 10177(b)
- Hafen, Paul Wayne (REB)**  
1815 D Ygnacio Valley Rd.,  
Ste. 390, Walnut Creek  
Effective: 12/22/97  
Violation: 490, 10177(b)
- Kowitz, Cynthia Diana (RES)**  
4030 S. Land Park Dr.,  
Sacramento  
Effective: 12/22/97  
Violation: 490, 10177(b)
- Lyman, Russell Lloyd Jr. (REB,  
REO)**  
844 Union Ave., Ste. C, Fairfield  
Effective: 2/16/98  
Officer of: R. L. Valley Home  
Loans, Inc.  
Violation: 10177(h)
- R. L. Valley Home Loans, Inc.  
(REC)**  
844 Union Ave., Ste. C, Fairfield  
Effective: 2/16/98  
Violation: 2831.1, 2831.2,  
10232.2(c)

### San Diego Region

- Behar, Karen Rosen (RES)**  
431 Camino Elevado, Bonita  
Effective: 1/8/98  
Violation: 490, 10177(b)

**Bettencourt, Martin Charles (RES)**  
710 E. San Ysidro Blvd., #1392,  
San Ysidro  
Effective: 2/3/98  
Violation: 490, 10177(b)

**Crabtree, Olen Wayne (REB)**  
678 3rd Ave., Ste. 305,  
Chula Vista  
Effective: 12/23/97  
Violation: 10176(i), 10177(d)

**ECIB, Incorporated (REC)**  
7676 Hazard Center Dr., Ste. 100,  
San Diego  
Effective: 2/2/98  
Violation: 2731(a), 2830,  
2830.1, 2831, 2831.1, 2831.2,  
2832, 2832.1, 2834, 10145,  
10145(a), 10159.5, 10163, 10165,  
10176(i), 10177(d), 10240

**Leffler, Michael Dana (RES)**  
532 1/2 Via De La Valle, #C,  
Solana Beach  
Effective: 1/20/98  
Violation: 490, 10177(b)

**Lewis, John F. (RES)**  
500 S. Magnolia Ave., El Cajon  
Effective: 12/16/97  
Violation: 490, 10177(b)

**Maynard, Jerry Paul (REB)**  
3820 Haines St., #6, San Diego  
Effective: 2/23/98  
Violation: 490, 10177(a)(b)

**Venegas, Julia Edith (REB)**  
1002 Surrey Dr., Bonita  
Effective: 12/9/97  
Violation: 10176(f), 10177(d)

**Walling, Leslie Ann (RES)**  
8861 Villa La Jolla Dr., #504,  
La Jolla  
Effective: 12/30/97  
Violation: 490, 10177(b)

**San Francisco Region**

**Ansari, Bijan (REB)**  
1700 Hamilton Ave., #200,  
San Jose  
Effective: 12/2/97  
Violation: 490, 10177(b)

**Baseline Capital, Inc. (REC)**  
15951 Los Gatos Blvd., #11A,  
Los Gatos  
Effective: 1/26/98  
Violation: 2740, 2742(c), 10130,  
10137, 10145, 10177(d)(f), 10211

**Baure, David Baruela (RES)**  
1350 Arnold Dr., Ste. 5, Martinez  
Effective: 12/22/97  
Violation: 10177.5

**Brockman, Phillip William (REB)**  
2140 Peralta Blvd., #207, Fremont  
Effective: 12/1/97  
Violation: 10130, 10176(a)(b)(i),  
10177(d)(j), 10234

**Campbell, Bruce Edward (RES)**  
3939 Monroe Ave., #154,  
Fremont  
Effective: 1/22/98  
Violation: 490, 10177(b)

**Dania, Jaffe Hawkins (REB)**  
1475 S. Bascom Ave., #206,  
Campbell  
Effective: 12/2/97  
Violation: 490, 10177(b)

**David, Nemencio M. (REB)**  
401 Buel Ave., Pacifica  
Effective: 1/22/98  
Violation: 2715, 10162,  
10177(d)

**Domingue, Norris Jr. (RRES)**  
P.O. Box 2226, San Jose  
Effective: 2/10/98  
Violation: 10130, 10145,  
10176(a)(e)(i), 10177(d)

**Frick, Juli A. (RES)**  
146 Buchanan Ct., Sausalito  
Effective: 1/22/98  
Violation: 10177(k)

**Giffen, Stephen Burleigh (REB)**  
1658 E. Capital Expressway,  
#418, San Jose  
Effective: 1/5/98  
Violation: 490, 10177(b)

**Hayes, Christopher Ray (RES)**  
5406 Thornwood Dr., #190,  
San Jose  
Effective: 2/24/98  
Violation: 490, 10177(b)

**McKendree, Glenn Dale (RES)**  
3616 Sonoma Ave., Santa Rosa  
Effective: 12/30/97  
Violation: 10177(j)

**McKendree, Mack Ray (REB)**  
3616 Sonoma Ave., Santa Rosa  
Effective: 12/30/97  
Violation: 2831(a)(6), 10148,  
10177(d)(g)(h), 10232.4

**McKendree, Michael Ted (RES)**  
2322 4th St., Santa Rosa  
Effective: 12/30/97  
Violation: 10137, 10176(a)(c)(e)  
(i), 10177(j)

**Rodriguez, Gustavo (REB)**  
1000 Valencia St., San Francisco  
Effective: 1/7/98  
Violation: 10177.5

**Sands, Fatima (RES)**  
951-B Edgewater Blvd.,  
Foster City  
Effective: 1/6/98  
Violation: 490, 10177(b)

**Scott, Donald Pendleton (REB)**  
507 Concord Dr., Menlo Park  
Effective: 1/22/98  
Violation: 2715, 10162,  
10177(d), 10177.5

**St Clair, Richard Wayne (REC)**  
246 Krismer St., Milpitas  
Effective: 12/24/97  
Violation: 490, 10177(b)

**Varela, Rafael E. (RES)**  
117 Clement St., San Francisco  
Effective: 1/5/98  
Violation: 490, 10177(b)

**REVOKED WITH A RIGHT  
TO A  
RESTRICTED LICENSE**

**Fresno Region**

**Young, Marcella May (REB)**  
5201 Pla Vada Dr., Bakersfield  
Effective: 12/11/97  
Violation: 2830, 2832.1, 10145,  
10148, 10177(d)(h)  
Right to RREB license on terms  
and conditions

**Los Angeles Region**

**Anderson, Robert B. (REB, REO)**  
21915 S. Figueroa, Carson  
Effective: 1/8/98  
Violation: 10159.2, 10177(h)  
Right to RRES license on terms  
and conditions

**Baker, Eddie Duane (REB)**  
4413 Riverside Dr., #E, Chino  
Effective: 11/26/97  
Violation: 2725, 2726, 2831,  
2831.1, 2831.2, 2834, 10137,  
10177(d)(h)  
Right to RREB license on terms  
and conditions

**Campo, Phil (REB, REO)**  
761 E. Green St., Ste. 6, Pasadena  
Effective: 12/9/97  
Officer of: Campus Mortgage,  
Inc.  
Violation: 2725, 2830, 2831,  
2831.2, 2832, 2832.1, 2833, 2834,  
10145, 10177(d)(h)  
Right to RREB license on terms  
and conditions

**Campus Mortgage, Inc. (REC)**  
761 E. Green St., #6, Pasadena  
Effective: 12/9/97  
Violation: 2830, 2831, 2831.2,  
2832, 2832.1, 2833, 2834, 10145,  
10177(d)  
Right to RREC license on terms  
and conditions

**Chang, Julio E. (RES)**  
445 S. Ardmore Ave., #138,  
Los Angeles  
Effective: 1/8/98  
Violation: 498, 10177(a)  
Right to RRES license on terms  
and conditions

**Chilcutt, William David (REB)**  
333 Mariposa Dr., Ventura  
Effective: 1/20/98  
Violation: 10177(h)  
Right to RREB license on terms  
and conditions

**Copperman, Linda Marie (REB,  
REO)**  
737 Redwood Ave., El Segundo  
Effective: 12/16/97  
Officer of: Sunburst Funding  
Group, Inc.  
Violation: 2831, 2831.1, 2831.2,  
10145, 10159.2, 10177(d)(h)  
Right to RREB license on terms  
and conditions

**Cordar, Ava V. (RES)**  
4091 Riverside Dr., #102, Chino  
Effective: 12/22/97  
Violation: 10130, 10137,  
10177(d)  
Right to RRES license on terms  
and conditions

**Deshay, David Brown (REB, REO)**  
13701 Riverside Dr., #208,  
Sherman Oaks  
Effective: 12/16/97  
Officer of: First Assurance Trust  
Deed Services, Inc.  
Violation: 2831, 2831.1, 2831.2,  
2832.1, 10145, 10159.2,  
10177(d)(h), 10232  
Right to RREB license on terms  
and conditions

**Ferreira, Carmelo (RES)**  
11951 Andasol Ave.,  
Granada Hills  
Effective: 12/9/97  
Violation: 490, 10137,  
10176(e)(i), 10177(b)  
Right to RRES license on terms  
and conditions; RRES license to  
be suspended for 120 days

**First Assurance Trust Deed  
Services, Inc. (REC)**  
13701 Riverside Dr., #208,  
Sherman Oaks  
Effective: 12/16/97  
Violation: 2831, 2831.1, 2831.2,  
2832.1, 10145, 10177(d), 10232  
Right to RREC license on terms  
and conditions

**Freiburger, Michael Lyn (REB)**  
2945 Harding St., Ste. 202,  
Carlsbad  
Effective: 12/15/97  
Violation: 2715, 2731, 2831,  
2831.1, 2831.2, 2832, 2832.1,  
2834, 2970, 10145(a), 10161.8,  
10177(d)(g)  
Right to RREB license on terms  
and conditions

**Garcia, Gustavo (RES)**  
2901 W. Beverly Blvd.,  
Montebello  
Effective: 2/3/98  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions; RRES to be  
suspended for 45 days

**Gardner, Marcelline Moudioh  
(RES)**  
14397 Erie Rd., Apple Valley  
Effective: 12/23/97  
Violation: 10145(c), 10176(a),  
10177(d)  
Right to RRES license on terms  
and conditions

**Hill, Jeffrey Alan (REB)**  
24981 Dana Point Harbor Dr.,  
Ste. 110, Dana Point  
Effective: 12/9/97  
Violation: 490, 10177(b)  
Right to RREB license on terms  
and conditions

**Hom, Robert K. (REB, REO)**  
1737 Via Del Rey,  
South Pasadena  
Effective: 12/9/97  
Officer of: Prestige Funding, Inc.  
Violation: 2715, 2752, 10145,  
10161.8, 10162, 10177(d)(g)  
Right to RREB license on terms  
and conditions

**Hopper, Chrystle Farley (REB)**  
3407 E. Coast Hwy,  
Corona Del Mar  
Effective: 12/30/97  
Violation: 2731, 2831, 2831.2,  
2832, 2835, 10145, 10176(e),  
10177(d)  
Right to RREB license on terms  
and conditions





## Off-Site Broker Escrow Operation Requires Branch Office License

Steve Ellis, Regional Manager, Enforcement

If you are a broker conducting your own escrows from a location outside your main office, you must have a branch office license for the off-site escrow operation.

A broker may create an escrow division which is not located within the same physical site as the broker's licensed real estate activities, provided this branch office license requirement is met and the escrows are only for transactions in which the broker is performing acts for which his or her license is required.

The exemption for broker escrows is contained in Section 17006(a)(4) of the Financial Code. This section states that a broker may conduct an escrow in the course of or incidental to a real estate transaction in which the broker is an agent or party and in which the broker's real estate license is required. Because the law requires the broker to be acting within the scope of his or her broker license when conducting such escrows, there must be a transaction associated with each escrow being processed by the broker under the exemption. In other words, the escrow is an extension of a licensed transaction for which the broker is responsible.

Section 10163 of the Business and Professions Code requires a broker to obtain a license for each additional office where licensed real estate activity occurs. Since a broker escrow is an extension of a licensed real estate transaction, the escrow location must be either the main or a branch office, regardless of whether other types of licensed real estate activity are also occurring at the site.

Because an exempt escrow is part of a broker's licensed operation, all laws and regulations enforced by the Department of Real Estate relating to record keeping, trust fund handling and supervision apply to conducting the escrow. See Regulations 2950 and 2951. A violation of Regulation 2950 could subject the broker to disciplinary action under Section 10177(d) of the Business and Professions Code.

Brokers should be aware that the exemption from the Escrow Law is personal to the broker and escrow duties must not be delegated outside the direct supervision of the broker. In addition, the exemption is not available for any arrangement entered into for the purpose of performing escrows for any business other than the broker's licensed activities, whether at the broker's main office or a branch office. 🏠

### INDEFINITE SUSPENSIONS (under Recovery Act. provisions)

#### Affiliated Investment Services, Inc. (REC)

2740 Fulton Ave., Ste. 125,  
Sacramento  
Effective: 1/12/98

#### Brenzel, Gary Richard (RES)

P.O. Box 2578, Yountville  
Effective: 1/12/98

#### Carreras, William (REB)

177 Riverside Ave.,  
Newport Beach  
Effective: 1/14/98

#### Christel, Darlene Clara (REB)

#### Christel, Sheldon L. (RES)

525 Oakvale Terrace,  
Walnut Creek  
Effective: 2/4/98

#### Combs, Michael E. (RES)

P.O. Box 90612, Santa Barbara  
Effective: 12/1/97

#### Cosper, Gary Owen (REB)

2502 Lake St., Bakersfield  
Effective: 2/4/98

#### DiLorenzo, Vincent (REB)

1912 S. University, #205,  
Denver, Colorado  
Effective: 1/29, 2/4 & 2/25/98

#### Douglas, Gary Michael (REB)

4920 Topanga Canyon Blvd.,  
Ste. 150, Woodland Hills  
Effective: 2/25/98

#### Edgeworth, Michael Joseph (REB)

120 North M St., Tulare  
Effective: 2/25/98

#### Fierro, Antonio C. (RRES)

P.O. Box 2265, Pico Rivera  
Effective: 1/12/98

#### Greater Home Equity Savings Corp. (REC)

11155 W. Washington Blvd.,  
Culver City  
Effective: 1/12/98

#### Ipo Realty Services, Inc. (REC)

4452 Park Blvd., Ste. 209,  
San Diego  
Effective: 1/14/98

#### Jacobi, Phyllis Marie (REB)

1316 West Ave J, Lancaster  
Effective: 12/1/97 & 1/14/98

#### Leemon, Fred M. (REB)

One Newport Pl., Ste. 101,  
Newport Beach  
Effective: 12/18/97

#### Lopez, Lilia Domingo (REB)

2449A E. Plaza Blvd.,  
National City  
Effective: 1/14/98

#### Manns, Bruce Lee (RES)

8455 Fountain Ave., #108,  
Los Angeles  
Effective: 12/18/97

#### Moore, Monica Marie (REB)

3701 Birch St., Newport Beach  
Effective: 12/12/97

#### Pollastrini, Steven Herbert (RREB)

223 E. Thousand Oaks Blvd.,  
#314, Thousand Oaks  
Effective: 12/1/97

#### Stallings, Sharon Ruth (REB)

4133 Middlefield Rd., Palo Alto  
Effective: 1/12/98

#### Standard Mortgage Company, Inc. (REC)

375 West 7th St., San Bernardino  
Effective: 2/4/98

#### Vandolah, Florinda (RES)

3313 Avocado Hill Way,  
Hacienda Heights  
Effective: 1/14/98

#### Waters, John Howard (REB)

1300 W. Gonzales Rd., Ste. 202,  
Oxnard  
Effective: 12/12/97

#### Weismann, Paul Michael (RES)

177 Riverside Dr.,  
Newport Beach  
Effective: 1/14/98

#### Zenith Home Loan (REC)

6400 Laurel Canyon Blvd.,  
Ste. 600, North Hollywood  
Effective: 12/18/97 & 2/25/98

#### West Coast Home Loans (REC)

4929 Wilshire Blvd., 8th Fl.,  
Los Angeles  
Effective: 2/25/98

### Our Apologies

In the Spring 1998 *Real Estate Bulletin* we reported the revocation of Jung Soo Suh's real estate license. This disciplinary action occurred after we were erroneously advised that a person with the same name, who had been convicted of a criminal offense, was real estate broker Suh. We have corrected our records and removed from Mr. Suh's file all references to the conviction and disciplinary action. We sincerely apologize to Mr. Suh for this error.

## Follow-up Audit

Continued from page 4

Following the chargeable audit, the Department will send the broker an itemized bill for payment. The bill is usually sent within 30 days after the audit is completed. There are serious ramifications if the broker fails or refuses to pay the bill or make payment arrangements satisfactory to the Commissioner. As of January 1, 1998, if the broker fails to pay within 60 days, Section 10148 of the Business and Professions Code authorizes the Commis-

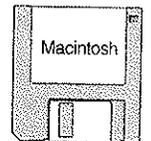
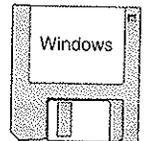
sioner to file a new action to suspend, revoke, or deny renewal of the broker's license. If the final decision or order in the first case so provides, the broker's license may be summarily suspended pending a hearing on the new charge. The Department may also file a civil suit to obtain a judgment for payment of the bill.

If the results of the follow-up audit show that the broker has corrected the prior violations, and that there are no new violations, the file will be closed. If there are new or continuing violations, however, new charges may be filed against the broker's license.

If you, as a real estate broker, are audited and found to have violated the trust fund laws or regulations, you should study and understand the specific violations found and take appropriate steps to correct them. It would also be important to set up systems and policies to prevent occurrence of the same or any other type of trust fund violation. With diligent attention to the trust fund laws and regulations, the chargeable follow-up audit should determine that you are in compliance with the law. 🏠

## Real Estate Publications

- To order one or more of DRE's publications, photocopy or remove this page from your *Bulletin*. Complete and submit all information requested.
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386 DX2/33Mhz IBM compatible personal computer; 4MB physical RAM; 10MB available hard disk space; Windows version 3.11 or later; 3 1/2 diskette drive, 1.44MB format.
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8MB physical RAM; Macintosh System 7; 8MB available hard disk space.
- Refer to DRE's website for downloadable forms and brochures.  
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DRE	RE#	Title of Publication, Brochure, Report or Video	Cost	Quantity	Your Cost
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	2	1998 Real Estate Law Book	\$20		
	2A	1998 Real Estate Law Book (Windows version) Refer to system requirements above.	\$20		
	2B	1998 Real Estate Law Book (Macintosh version) Refer to system requirements above.	\$20		
		1998 Real Estate Law Book — Paper copy AND <input type="checkbox"/> Windows <input type="checkbox"/> Macintosh	\$35		
	4	Instructions to License Applicants (brochure)	free		
	6	Disclosures in Real Property Transactions (1993; booklet)	\$2		
	8	Operating Cost Manual for Homeowner Associations	\$10		
	25	Reserve Study Guidelines for Homeowner Association Budgets (1997)	\$10		
	35	Trust Deed Investments — What You Should Know (brochure) and	\$2		
	35A	Using the Services of a Mortgage Broker (brochure) (35 & 35A are a set)	per set		
	39	Common Interest Development Brochure (brochure)	free		

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

**Address Service Requested**

**Postal Carrier:**

- Bar code used by DRE to scan returned Bulletins
- Please do not deface or cover

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## **Trust Funds**

*Continued from page 2*

- from whom trust funds received;
- amount received;
- date of deposit, if funds are deposited in an account;
- check number and date of related disbursement of funds previously deposited to an account;
- daily balance of the account; and,
- with respect to trust funds not deposited in an account, identity of other depository and date funds were forwarded.

A broker can comply with amended Regulation 2831 by maintaining, in accordance with generally accepted accounting principles, cash receipts and disbursement journals, or similar records, or automated data processing systems provided the records include the above elements in a format which facilitates both tracing of the funds and monthly reconciliation with the individual records kept pursuant to Regulation 2831.1.

Regulation 2831 also addresses a broker's handling of "pass-through" checks written by a principal and given, through the broker, to third party payees for services such as escrow, credit and appraisal. As amended, the regulation provides that if, in a particular transaction, the total of such checks from a principal does not exceed \$1,000.00, the broker does not have to record handling of the checks pursuant to the requirements/elements detailed above. As previously required, the broker must keep for three years copies of receipts in connection with the checks/services and be prepared to account to the Department or the principal for receipt and distribution of the checks.

Regulation 2831.1 requires that a broker maintain, for each beneficiary or transaction, a separate columnar record of funds deposited to the broker's trust bank account. Kept chronologically, the record must include:

- date of deposit;
- amount of deposit;
- date of each related disbursement;
- check number of each related dis-

bursement;

- amount of each related disbursement;
- if applicable, dates and amounts of interest earned and credited to the account; and,
- balance after posting to the account on any date.

A broker can comply with amended Regulation 2831.1 by maintaining, in accordance with generally accepted accounting principles, trust ledgers, or similar records, or automated data processing systems provided the records include the above elements in a format which facilitates both tracing of the funds and monthly reconciliation with the records kept pursuant to Regulation 2831.

Basically, the Department made these changes to clarify the records necessary to facilitate discernment of a broker's trust fund accountability. As appropriate, proper records should also help establish that a broker has fulfilled his/her supervisory responsibilities relative to trust fund handling. 🏠