

# REAL ESTATE BULLETIN

Official Publication of the  
California  
Department of Real Estate

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

Winter 1995

## Real Estate Advisory Commission Commissioner Appoints Eight New Members



Michael Cortney

**R**eal Estate Commissioner Jim Antt has appointed eight members to the Real Estate Advisory Commission (REAC). Commissioner Antt expects to fill the remaining two REAC positions in the very near future.

The members of REAC will assist the Commissioner in carrying out the responsibilities of the Department of Real Estate (DRE) and act as liaisons between DRE and the real estate industry. REAC meets at least four times each year, with the next meeting scheduled for January 12, 1996 at the Hilton Hotel in Anaheim.

The following information will help acquaint you with the new REAC members:

- ❑ **Michael Cortney**, a prior REAC member, is president of a residential development company and an active member of the Building Industry Association.
- ❑ **George Francis**, a real estate broker (as six of the REAC members must be) and a past president of the California Mortgage Bankers Association, currently serves as vice president of a mortgage banking firm in the Los Angeles area.
- ❑ **Vern Hansen**, a real estate broker, operates a brokerage firm in the Bay Area and is active in the California Association of Realtors.
- ❑ **Betty Johnson**, a real estate broker, owns and operates a real estate brokerage and facilities consulting firm in the San Diego area and has long term involvement with the California Association of Realtors and the National Association of Realtors.
- ❑ **Melinda Masson**, a past member of the Department's Subdivision Advisory Committee, owns and operates a homeowners' association management firm in the Orange County area.
- ❑ **Walt McDonald**, a past president of the California Association of Realtors, is a real estate broker who owns and operates a real estate and mortgage brokerage firm in the Riverside area.
- ❑ **Mack Powell**, a past president of the California Association of Realtors and a prior REAC member, is a real estate broker and a business consultant in the Sacramento area.
- ❑ **John Wong**, a real estate broker and 1995 president of the Chinese Real Estate Association, owns and manages a real estate brokerage firm in the Bay Area.

Commissioner Antt welcomes the REAC members and looks forward to their advice and assistance in addressing DRE, industry and consumer concerns. 🏠



Melinda Masson



Walt McDonald



Mack Powell



John Wong



George Francis



Vern Hansen



Betty Johnson

**REAL ESTATE BULLETIN**

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Vol. 55, No. 4 Winter 1995

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*

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Salesperson Examinations ..... (916) 227-0900  
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J. Chris Graves, *Managing Deputy Commissioner II*

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South — Los Angeles, Room 7111, 107 S. Broadway, 90012  
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North — Sacramento, P.O. Box 187005, 95818-7005  
Consumer Information ..... (916) 227-0813  
Margret Stroh, *Managing Deputy Commissioner III*

**1995 DRE Legislative Summary**

The brief descriptions of the 1995 legislation on the following pages are intended to alert you to the existence of pertinent changes in the law. They should not be relied upon as in-depth statements of the law. You should refer to the statutes for complete and accurate information. All statutes listed are effective January 1, 1996, unless otherwise noted.

forth the rights and responsibilities of board members and association members with respect to meetings.

**AB 104 (Hauser)**

*Common Interest Developments*

Provides that any prohibition against, or restriction on, the installation or use of a video or television antenna, including a satellite dish of 36" diameter or less, that is contained in a document that affects the transfer or sale of, or any interest in, a unit in a common interest project is void and unenforceable.

**AB 1644 (Granlund)**

*Out-of-State Subdivisions*

Requires that a person acting as a principal or agent who intends to sell or lease or offer for sale or lease, in California, subdivision interests (other than time-shares) located outside of the state but within the U.S., register the subdivision with the Department of Real Estate. All advertising and sales agreements must contain specified disclaimers. This new registration program replaces existing Subdivision Public Report/Permit requirements.

**SB 1029 (Calderon)**

*Common Interest Developments: Construction Defects*

Prescribes conditions for a common interest development association to satisfy before it commences an action for damages against the builder of the development for a defect in its design or construction. Requires that the court determine if, in the interest of justice, the action should be dismissed or if another remedy should be fashioned if the association does not comply with requirements, as specified.

**AB 46 (Hauser)**

*Common Interest Developments*

Reorganizes and expands the scope of the law relating to association board of directors' meetings by creating the "Common Interest Development Open Meeting Act." Also sets

Summary, continued on page 3

*Real Estate  
Advisory Commission*

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

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.

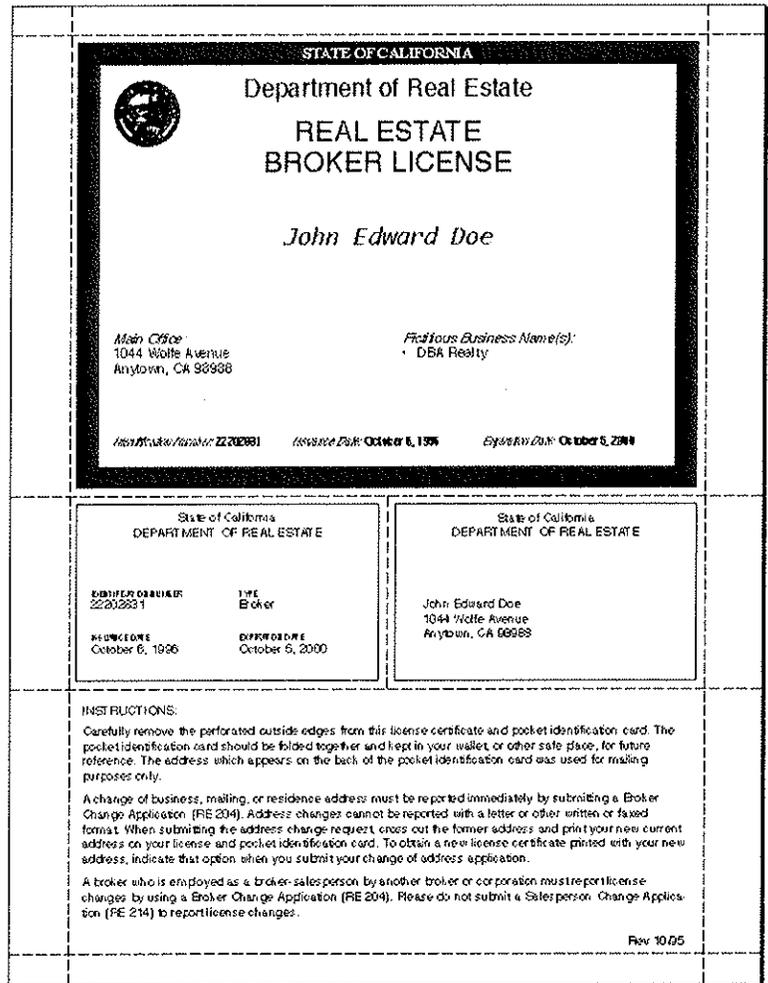
# New license certificates are on the way!

It is with great pleasure that we announce a new format for the real estate broker and salesperson license certificates. The new license certificate will be 5"x7", with an attractive blue border and a multi-colored background, making it suitable for framing.

The new license certificate will be mailed using an "Info Seal" product. The license certificate form will be folded with a pre-applied adhesive which forms a secure seal on all sides. In order to open the license certificate, the licensee will simply tear off the opening strips along perforated lines. By eliminating the labor and expense associated with envelopes, the Department will increase its operating efficiency.

The Department expects to begin issuance of the new license certificates by early 1996. Existing license certificates will remain valid through their expiration date. Because of this, there will be a handling charge required for duplicate license requests. Note, the Real Estate Law requires that real estate salespersons must continue to deliver their license certificates to their employing brokers, and the certificate must be maintained at the broker's main office.

A prototype of the new certificate is displayed on the right. 🏠



## Summary

continued from page 2

### SB 338 (Campbell)

#### State Funds

Provides that revenues derived from the assessment of fines and penalties by any State agency shall not be expended unless the Legislature specifically provides authority for the expenditure of these funds in the Budget Act.

### SB 537 (Hughes)

#### Recordation Fees

Provides that in addition to other recording fees, upon the adoption of a resolution by the county board of supervisors, a fee of up to \$2 shall be paid at the time of the recording of certain instruments. Requires that the fees collected be

placed in the Real Estate Fraud Prosecution Trust Fund to be distributed by the county chief administrative officer, as determined by a Real Estate Fraud Prosecution Trust Fund Committee.

### SB 1326 (Petris)

#### Secured Obligations: Common Interest Developments

Urgency: Enacted and effective 10/16/95

Requires any lender who originates a loan secured by the borrower's separate interest in a condominium project which requires earthquake insurance or imposes a fee or any other condition in lieu thereof, pursuant to an underwriting requirement imposed by an institutional third party purchaser, to disclose to the potential borrower

that earthquake insurance, or that fee or condition, will be required by the lender or the third party to whom the note is sold.

### AB 1695 (Johnson)

#### Mortgages

Requires publication of the notice of sale in a newspaper for three consecutive calendar weeks in the foreclosure of a mortgage or deed of trust. Provides that the trustee's sale shall be deemed perfected if the trustee's deed is recorded within fifteen calendar days after the sale, as specified. Authorizes the executor or administrator of an estate to cause a request for notice of default or notice of sale to be recorded. 🏠

# Brace that water heater — Now it's the law

from Seismic Safety Commission

Some of the most common problems in an earthquake are caused by water heaters. If unbraced, they can fall and break gas or electrical lines, causing a fire as well as extensive water damage.

Since July of 1991, all new or replacement water heaters sold in California have had to be braced, anchored or strapped.

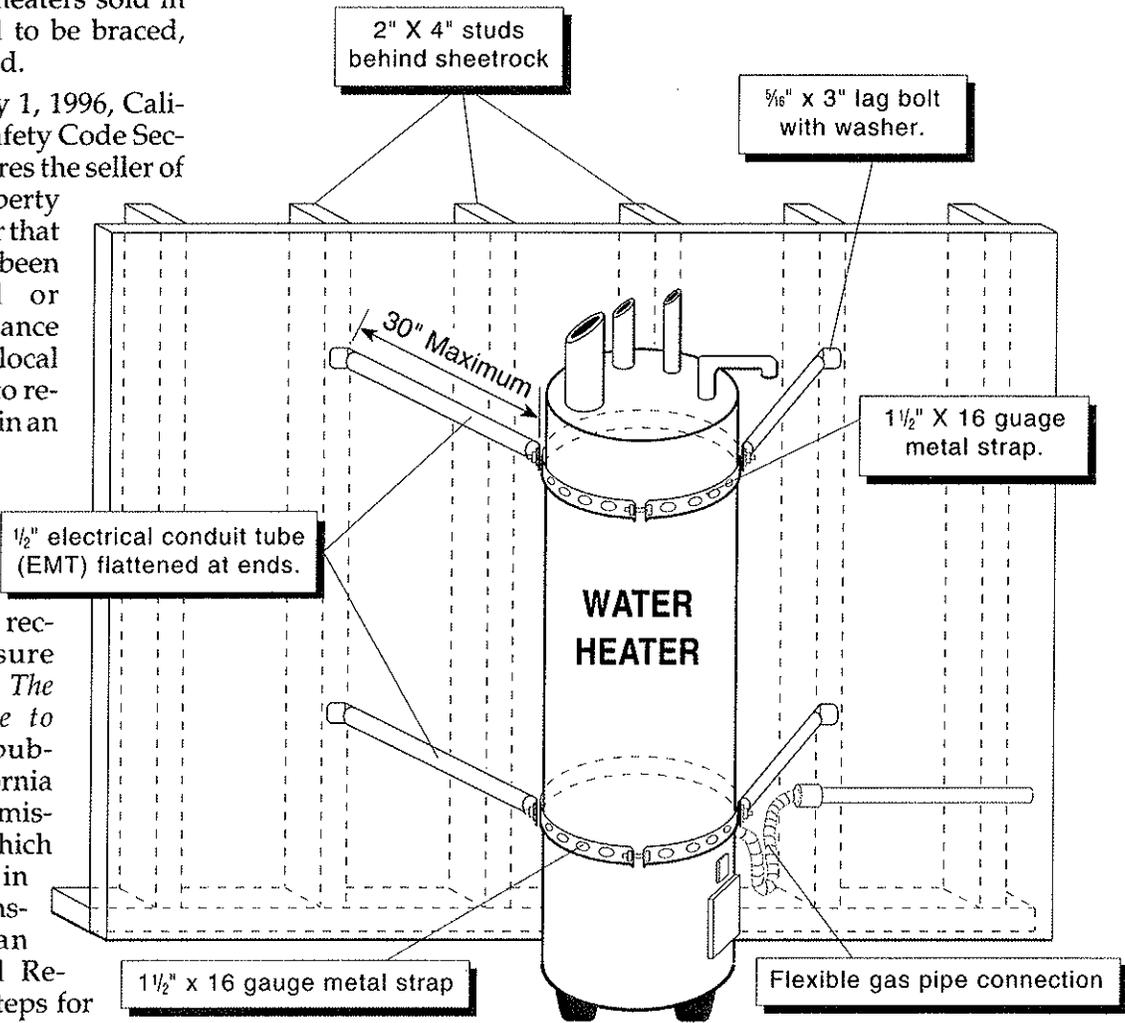
Effective January 1, 1996, California Health and Safety Code Section 19211 also requires the seller of any residential property to certify to the buyer that the water heater has been braced, anchored or strapped (in accordance with any applicable local code requirements) to resist falling or sliding in an earthquake.

This certification and disclosure of earthquake weaknesses must be made in writing. A recommended disclosure form is included in *The Homeowner's Guide to Earthquake Safety* published by the California Seismic Safety Commission. This booklet, which must be presented in most real estate transactions, includes an Earthquake Hazard Report Form, how-to steps for

identifying potential earthquake weaknesses, and suggestions for correcting them. A booklet on commercial properties is also available.

Both the homeowner's and commercial property owner's guides are available from the California Seis-

mic Safety Commission. The price (including tax and postage) is \$3.25 for the homeowner's guide and \$4.25 for the commercial guide. Quantity discounts are available. For more information call (916) 322-4917. 🏠



## 1996 Law Book to be available in paper or on computer disk

The Department expects to commence sales of the paper version of the 1996 law book in late January of 1996. Also, on a pilot basis, we will be offering a limited number of books in an electronic version, for Windows or Macintosh. The pilot project is intended to ensure that the electronic

version will meet the needs of our customers and that the product is adequately supported.

The contents of the book will be on 3.5" diskettes, in a "Folio VIEWS" information processing program with word search, information tagging, annotation, linking and edit-

ing capabilities. The price for either a paper or electronic version will be \$20 plus tax. To purchase both the paper and an electronic version, the price will be \$35 plus tax. You may use the form on page 11 to order the book; however, to simplify processing, please do not send your order until late January. 🏠

## DISCIPLINARY ACTION — JUNE 1995 TO AUGUST 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
2752	Broker's failure to notify DRE of new salesperson
2785(b)(2)	False representation to lender/purchaser about borrowers ability to repay loan
2830	Failure to maintain trust fund account
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
2832.1	Broker's failure to obtain permission to disburse trust funds from an account involving multiple beneficiaries
2833	Escrow trust fund handling violation
2833(d)	Failure to maintain record of unexplained trust account overages
2834	Trust account withdrawals by unauthorized person
2840	Failure to give borrower disclosure
2842.5	Failure to obtain borrower's signature on a mortgage loan disclosure statement
2846.5	Annual trust fund account reporting requirements
2846.8	Quarterly trust fund status reporting requirements
2950(h)	Failure of broker to advise all parties of licensee's interest in agency holding escrow
2970	Misleading advance fee advertising material

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
10232	Failure to notify DRE of threshold status
10232(e)	Failure to notify DRE of threshold status
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
10232.5	Failure to provide lender disclosure statement
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
10240	Failure to give mortgage loan disclosure statement
10241(a)	Failure to disclose loan expenses on mortgage loan disclosure statement
10241	Improper mortgage loan disclosure statement

### Business and Professions Code

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(c)	Failure by salesperson to deliver trust funds to broker
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
10161.8	Failure of broker to notify Commissioner of salesperson employment
10162	Failure to maintain a place of business
10176(a)	Making any substantial misrepresentation
10176(b)	Making false promise
10176(c)	Course of misrepresentation through salespersons
10176(e)	Commingling 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

### LICENSES REVOKED

#### Fresno Region

**American Founders, Inc. (REC)**  
 1541 E. Linwood Ave., Turlock  
*Effective:* 7/13/95  
*Violation:* 2830, 2831, 2831.1, 2831.2, 2832.1, 10145, 10176(e), 10177(d), 10232.4, 10232.5

**P & B Capital Group, Inc. (REC)**  
 7635 El Camino Real, Atascadero  
*Effective:* 7/12/95  
*Violation:* 2831, 2832, 10145, 10176(a)(b)(c), 10177(d)

**Pivo, Steven Leslie (REB)**  
 17546 El Monte Rd., Atascadero  
*Effective:* 7/12/95  
*Officer of:* P & B Capital Group, Inc.  
*Violation:* 2831, 2832, 10145, 10176(a)(b)(c), 10177(d)

**Wallis, Brent Arthur (RES)**  
 6150 N. Miire, Fresno  
*Effective:* 7/14/95  
*Violation:* 490, 10177(b)

#### Los Angeles Region

**Allstate Funding, Inc. (REC)**  
 13801 Ventura Blvd., Ste. 206, Sherman Oaks  
*Effective:* 6/8/95  
*Violation:* 10162, 10176(i)

**Apple Financial, Inc. (REC)**  
 1111 S. Arroyo Parkway, Ste. 680, Pasadena  
*Effective:* 6/8/95  
*Violation:* 10177(d)

**Cheng, Ole (RES)**  
 735 Arcadia Ave., #L, Arcadia  
*Effective:* 7/5/95  
*Violation:* 490, 498, 10177(b)(d)

**Citizens Home Loan Corp. (REC)**  
 30742 Lakefront Dr., Agoura Hills  
*Effective:* 6/20/95  
*Violation:* 10145, 10177(d)

**Doaks, Lynette (RES)**  
 2127 Penn St., Harrisburg, PA  
*Effective:* 6/8/95  
*Violation:* 490, 10177(b)

**Hainey, Elizabeth V. (RES)**  
 688 N. Rimsdale Ave., #10, Covina  
*Effective:* 7/12/95  
*Violation:* 490, 10177(b)

**Intek Financial Services, Inc. (REC)**  
 9665 Wilshire Blvd., Ste. 812, Beverly Hills  
*Effective:* 8/17/95  
*Violation:* 2726, 2831, 10176(g), 10177(d), 10240

**Johnson, George Albert (REB)**  
 410 E. Ocean Ave., Lompoc  
*Effective:* 8/28/95  
*Violation:* 10162, 10165



- Sheue, Keith (RES)**  
25408 Hardy Pl., Newhall  
Effective: 7/11/95  
Violation: 498, 10177(a)
- Standard Mortgage Co., Inc. (REC)**  
375 West 7th St., San Bernardino  
Effective: 8/3/95  
Violation: 10177(d)
- Ulrich, Nathanael H. (REB, REO)**  
643 South 2nd Ave., Ste. A,  
Covina  
Effective: 7/10/95  
Violation: 2725, 2726, 2830,  
2840, 2846.5, 2846.8, 10137,  
10145, 10177(d)(h), 10232(e),  
10232.2, 10232.25, 10240
- Vazquez, Arturo (RES)**  
15028 Imperial Hwy, La Mirada  
Effective: 7/11/95  
Violation: 498, 10177(a)
- Voy, Jodi A. (RES)**  
639 14th St., Manhattan Beach  
Effective: 6/27/95  
Violation: 10177(f)(j)
- 
- Santa Ana Region**
- Aliraqi, Ali (RES)**  
183 Pinestone, Irvine  
Effective: 7/11/95  
Violation: 498, 10177(a)
- Brokers Funding Service Corp. (REC)**  
1700 E. Garry Ave., Santa Ana  
Effective: 7/11/95  
Violation: 10130, 10177(d)
- Courtway, Emily (REB)**  
32272 Coast Hwy., Laguna Beach  
Effective: 7/12/95  
Violation: 2731, 2830, 2831,  
2831.1, 10145, 10176(a)(e)(i),  
10177(d)
- Devine, Jack Towery (RREB)**  
9932 Katella Ave., Anaheim  
Effective: 7/11/95  
Violation: 2832.1, 10086, 10145,  
10177(d)(k)
- El-Huzayel, Salem Salameh (REB)**  
421 N. Brookhurst St., Ste. 204,  
Anaheim  
Effective: 7/5/95  
Violation: 2785(b)(2), 10148,  
10176(b)(i), 10177(d)(j)
- Equity Marketing Associates (REC)**  
352 N. Brinton, San Jacinto  
Effective: 8/9/95  
Violation: 2731, 2830, 2831,  
2831.1, 2832.1, 2833, 2834,  
10145, 10148, 10177(d)
- Feld, John Harry (REB, REO)**  
12247 Orangemont Ln., Riverside  
Effective: 6/8/95  
Officer of: JRC Financial  
Services  
Violation: 2725, 2731, 2830,  
2831, 2831.1, 2840, 2950(h),  
10137, 10145, 10177(d)(h), 10240
- JRC Financial Services (REC)**  
17731 Mitchell North, Irvine  
Effective: 6/8/95  
Violation: 2725, 2731, 2830,  
2831, 2831.1, 2840, 2950(h),  
10137, 10145, 10176(a)(c)(i),  
10177(d)(j), 10240
- Mobile, Regina Mary (RES)**  
6661 Burnham Ave., Buena Park  
Effective: 7/18/95  
Violation: 10177(j)
- Moddelmog-Brown, Debra K. (RES)**  
19252 Sleeping Oak Dr.,  
Trabuco Canyon  
Effective: 7/21/95  
Violation: 490, 10177(b)
- Preston Forbes Financial Services Corporation (REC)**  
31882 Camino Capistrano, #244,  
San Juan Capistrano  
Effective: 7/17/95  
Violation: 10148, 10177(d)
- Roosen, Pennae (RES)**  
6101 Ball Rd., Ste. 101, Cypress  
Effective: 7/5/95  
Violation: 490, 10177(b)
- Shelton, Mary (RES)**  
Box 2777, Apple Valley  
Effective: 8/8/95  
Violation: 10130, 10131(a),  
10176(a)(c)(e)(i), 10177(d)
- Tran, Jane T. (RES)**  
5102 West 1st St., #C, Santa Ana  
Effective: 7/25/95  
Violation: 10177(a)
- Whisant, Judith Ann (REB)**  
11509 Cozumel, Cypress  
Effective: 8/29/95  
Violation: 2726, 10148,  
10176(i), 10177(d), 10177.5
- Wilkinson, Donald Thomas (REB, REO)**  
11940 Palm Dr.,  
Desert Hot Springs  
Effective: 8/9/95  
Officer of: Equity Marketing  
Associates  
Violation: 2731, 2830, 2831,  
2831.1, 2832.1, 2833, 2834,  
10145, 10148, 10159.2, 10177(d)
- 
- Sacramento Region**
- Drucker, Robert Neil (RES)**  
1333 Jefferson St., Napa  
Effective: 7/14/95  
Violation: 490, 10177(b)
- Metropolis Mortgage, Inc. (REC)**  
1010 Camerado Dr., #201B,  
Cameron Park  
Effective: 6/28/95  
Violation: 10176(a)(i), 10177(d),  
10240, 10241,
- River View Mortgage Inc. (REC)**  
8479 Hammonton-Smartville Rd.,  
Smartville  
Effective: 7/18/95  
Violation: 10177.5
- Ulmer, Margot Mahony (RES)**  
11130 North Dr., Clearlake  
Effective: 7/14/95  
Violation: 490, 10177(b)
- Verduzco, G. Max (REB)**  
440 Railroad Ave., Pittsburg  
Effective: 7/17/95  
Violation: 490, 10177(b)
- 
- San Diego Region**
- Brock, Milton L. (REB)**  
591 Camino De La Reina, #928,  
San Diego  
Effective: 8/1/95  
Violation: 10145,  
10177(d)(g)(h), 10232.5, 10234
- Doyle, Marvin Daniel (REB, REO)**  
12005 Wintercrest Dr., #244,  
Lakeside  
Effective: 7/26/95  
Officer of: Talisman, Ltd.  
Violation: 10176(i), 10177(f)(j),  
10177.5
- Gilday, Inc. (REC)**  
3737 Camino Del Rio South, Ste.  
208, San Diego  
Effective: 8/8/95  
Violation: 2832.1, 10086, 10145,  
10177(d)
- Gold Coast Title & Trust Deed, Inc. (REC)**  
591 Camino De La Reina, #928,  
San Diego  
Effective: 8/1/95  
Violation: 10145, 10177(d)(g),  
10232.5, 10234
- Golden Pacific Funding, Inc. (REC)**  
591 Camino De La Reina,  
Ste. 928, San Diego  
Effective: 8/1/95  
Violation: 10145, 10177(d)(g),  
10232.5, 10234
- Golden State Equity Corp. (REC)**  
285 El Camino Real, Ste. 117,  
Encinitas  
Effective: 8/1/95  
Violation: 10145, 10177(d)(g),  
10232.5, 10234
- Hadley, Albert Rogers Jr. (RES)**  
11074 Westonhill Dr., San Diego  
Effective: 8/1/95  
Violation: 10176(a)
- Jungkeit, Donald Otto (RES)**  
4328 Diegos Ct., Fallbrook  
Effective: 7/11/95  
Violation: 10176(a)(i),  
10177(f)(g)(j)
- Szabo, Thomas Redmond (RES)**  
5020-D Baltimore Dr., #305,  
La Mesa  
Effective: 6/6/95  
Violation: 490, 498, 10177(a)(b)
- Thurman, William Ted (REB)**  
6760 University Ave., Ste. 220,  
San Diego  
Effective: 7/11/95  
Violation: 10176(a)(i),  
10177(f)(g)(h)(j)
- 
- San Francisco Region**
- Barnd, Robert Junior (REB)**  
1020 Willow St., San Jose  
Effective: 7/24/95  
Violation: 10177.5
- Brantley, Dorothy Ann (RES)**  
419 Pacific St., Monterey  
Effective: 7/19/95  
Violation: 10130, 10131, 10137,  
10145(c), 10177(d)(j)
- Kim, Dennis Jonghwa (REB)**  
3250 Wilshire Blvd., Ste. 2204,  
Los Angeles  
Effective: 8/22/95  
Violation: 2725, 2830, 2831,  
2831.1, 2831.2, 10137, 10145,  
10177(d)(h)
- King Castle Properties, Inc. (REC)**  
8280 Florence Ave., Downey  
Effective: 7/11/95  
Violation: 10130, 10177(d)
- Kreis, Doreen R. (RES)**  
15809 Francisquito Ave., #3,  
Valinda  
Effective: 7/10/95  
Violation: 10177(f)(j)
- Laudadio, Christopher Edmond (RES)**  
223 Monterey Blvd.,  
Hermosa Beach  
Effective: 6/28/95  
Violation: 490, 10177(b)
- McGee, Martha Ann (RES)**  
4652 Park Granada Club,  
Canoga Park  
Effective: 8/28/95  
Violation: 2715, 10145(c),  
10176(i), 10177(d)(j)
- Metro Golden Financial Services, Inc. (REC)**  
7080 Hollywood Blvd., Ste. 812,  
Hollywood  
Effective: 8/17/95  
Violation: 2830, 2831, 2831.1,  
2831.2, 10145, 10148, 10177(d),  
10240
- Morrison, James Edward (REB, REO)**  
22365 Barton Rd., #314,  
Grand Terrace  
Effective: 6/6/95  
Violation: 498, 10177(a)(f)
- Pacific Investment Associates, Inc. (REC)**  
5410 Wilshire Blvd., Ste. 510,  
Los Angeles  
Effective: 8/30/95  
Violation: 10162, 10165,  
10177(f)
- Reyes, George (REB, REO)**  
30742 Lakefront Dr.,  
Agoura Hills  
Effective: 6/20/95  
Officer of: Citizens Home Loan  
Corporation  
Violation: 10177(d)(h), 10177.5
- Rosillo, Norma (RES)**  
16168 Kingside Dr., Covina  
Effective: 8/8/95  
aka: Cysneros, Norma  
Violation: 490, 10177(b)
- Secure Financial Group, Inc. (REC)**  
118 North 5th St., Montebello  
Effective: 7/12/95  
Violation: 10177(d)

**Carter, Randy (RES)**  
340 Lorton Ave., #210,  
Burlingame  
Effective: 6/1/95  
Violation: 10130, 10177(d)(g)(j)

**Cho, Ho Muk (RES)**  
434 Central Ave., #208, Alameda  
Effective: 8/31/95  
Violation: 490, 10177(b)

**Cross, Jack Stanton (REB, REO)**  
340 Lorton Ave., Ste. 210,  
Burlingame  
Effective: 6/1/95  
Officer of: VIP Mortgage Corp.  
Violation: 2830, 2831.1, 2831.2,  
2832.1, 10137, 10145,  
10177(d)(g)(h), 10240

**Fonseca, Pedro (RES)**  
P.O. Box 2302, Redwood City  
Effective: 7/24/95  
Violation: 10177.5

**Garcia, Michael E. (RES)**  
478 Calero Ave., San Jose  
Effective: 7/3/95  
Violation: 498, 10177(a)

**Glavor, George Leonard (RES)**  
2450 Washington Ave., #208,  
San Leandro  
Effective: 6/26/95  
Violation: 2970, 10085, 10085.5,  
10130, 10137, 10176(a)(i),  
10177(d)

**Homer Properties, Inc. (REC)**  
6472 Camden Ave., #210,  
San Jose  
Effective: 6/19/95  
Violation: 2831, 2831.1, 2831.2,  
2832.1, 10145, 10148,  
10176(a)(c)(i), 10177(g)

**Homer, William Evan (REB, REO)**  
6472 Camden Ave., #210,  
San Jose  
Effective: 6/19/95  
Officer of: Homer Properties,  
Inc.  
Violation: 2831, 2831.1, 2831.2,  
2832.1, 10145, 10148,  
10176(a)(c)(i), 10177(g)(h)

**Jackson, Beverly Martinez (RES)**  
61 Sereno Cir., Oakland  
Effective: 8/31/95  
Violation: 490, 10177(b)

**Jose, Arden C. (RES)**  
2325 Galway Dr.,  
South San Francisco  
Effective: 7/24/95  
Violation: 490, 10177(b)

**Lee, Roderick Mvn (RES)**  
1705 Ganges Ave., El Cerrito  
Effective: 8/28/95  
Violation: 490, 10177(b0)

**Pamintuan, Erlinda Balingit (RES)**  
68 Morton Dr., Daly City  
Effective: 6/12/95  
Violation: 10176(i)

**Philco Mortgage Company, Inc. (REC)**  
2901 Moorpark Ave., Ste. 100,  
San Jose  
Effective: 7/25/95  
Violation: 10177.5

**Preseau, Verna Edina (RES)**  
P.O. Box 922, Forestville  
Effective: 8/7/95  
Violation: 490, 10177(b)

**Salinas, Roy Rogelio (RRES)**  
40254 Condon St., Fremont  
Effective: 8/31/95  
Violation: 10177(k)

**Spelleri, Christopher C. (RES)**  
P.O. Box 90414, San Jose  
Effective: 8/31/95  
Violation: 498, 10177(a)

**Talisman, Ltd. (REC)**  
746 Second St., Santa Rosa  
Effective: 7/26/95  
Violation: 2830, 2831, 2834,  
2840, 10145, 10176(a)(c),  
10177(d), 10240(a)

**Vicente, Felomina Campillo (RES)**  
2698 Berryessa Rd., San Jose  
Effective: 8/31/95  
Violation: 490, 10177(b)

**Villamaria, Jasmine (RES)**  
480 Boynton Ave., #27, San Jose  
Effective: 6/19/95  
Violation: 490, 10177(b)

**VIP Mortgage Corporation (REC)**  
1301 Shoreway Rd., Ste. 308,  
Belmont  
Effective: 6/1/95  
Violation: 2752, 2831.2, 2832.1,  
10137, 10145, 10161.8,  
10176(e)(g)(i), 10177(d)

**SUSPENDED  
INDEFINITELY**

*San Francisco Region*

**Stallings, Sharon Ruth (REB)**  
4133 Middlefield Rd., Palo Alto  
Effective: 7/17/95  
Violation: 10162, 10165,  
10177(d)  
Suspended Indefinitely

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

*Los Angeles Region*

**Bardakjian, Paul (RES)**  
18550 Hatteras St., #109, Tarzana  
Effective: 6/16/95  
Violation: 498, 10177(a)  
Right to RRES license on terms  
and conditions.

**Bourgeois, Louis Wright (RES)**  
910 First St., Manhattan Beach  
Effective: 7/1/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES license  
suspended for 1 year.

**Duncan, Eve Marie (RES)**  
P.O. Box 8402, Calabasas  
Effective: 7/5/95  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Figueiredo, Paul J. (RES)**  
P.O. Box 864, Manhattan Beach  
Effective: 6/7/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES to be  
suspended for 60 days.

**Freeman, David Ellis (RES)**  
2003-A Voorhees, Redondo Beach  
Effective: 6/5/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES license to  
be suspended for 90 days.

**Freeman, Susan Wright (RES)**  
225 S. Sepulveda, Ste. 250,  
Manhattan Beach  
Effective: 6/13/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES license  
suspended for 90 days.

**Garnett, Dianne Mary (RES)**  
2935 Shadowbrook Ln.,  
Westlake Village  
Effective: 8/8/95  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions.

**Granville, Michael (RES)**  
4521 Van Nuys Blvd.,  
Sherman Oaks  
Effective: 6/13/95  
Violation: 10177(h)  
Right to RRES license on terms  
and conditions; RRES to be  
suspended for 15 days.

**Greenholtz, David Ira (REB, REO)**  
11645 Montana Ave, Unit 120,  
Los Angeles  
Effective: 6/13/95  
Violation: 10176(i)  
Right to RRES license on terms  
and conditions; RRES license  
suspended for 6 months.

**Harmik, Inc. (REC)**  
1141 N. Brand Blvd., Ste. 100,  
Glendale  
Effective: 8/3/95  
Violation: 2830, 2832.1, 10145,  
10177(d)  
Right to RRES license on terms  
and conditions.

**Kim, Steve Wan (REB)**  
4221 Wilshire Blvd., #340,  
Los Angeles  
Effective: 6/20/95  
Violation: 10176(a)  
Right to RRES license on terms  
and conditions.

**Lee, Ho Mok (RES)**  
4221 Wilshire Blvd., #340,  
Los Angeles  
Effective: 6/20/95  
Violation: 10176(a)  
Right to RRES license on terms  
and conditions.

**Manning, Charles Ray (RES)**  
1703 Morgan Ln.,  
Redondo Beach  
Effective: 6/7/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES suspended  
for 60 days-stayed for 1 year.

**McIlillo, Marti (RES)**  
225 S. Sepulveda Blvd., Ste. 250,  
Manhattan Beach  
Effective: 6/29/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions.

**Meng, Mark Christopher (RES)**  
P.O. Box 90305, Long Beach  
Effective: 8/31/95  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions.

**Nazaryan, Robert B. (RES)**  
3423 Honolulu Ave.,  
La Crescenta  
Effective: 8/20/95  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions.

**Nichols, Barbara Mary (REB)**  
1703 Morgan Lane,  
Redondo Beach  
Effective: 6/7/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES suspended  
for 60 days, stayed for 1 year.

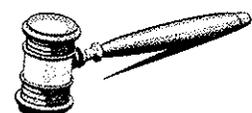
**Poghossian, Harmik (REB, REO)**  
1141 N. Brand Blvd., Ste. 100,  
Glendale  
Effective: 8/3/95  
Officer of: Harmik, Inc.  
Violation: 2830, 2832.1, 10145,  
10177(d)  
Right to RRES license on terms  
and conditions

**Potenti, Tony (RES)**  
P.O. Box 7000-369,  
Redondo Beach  
Effective: 7/1/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES license  
suspended for 30 days, stayed on  
terms and conditions.

**Royds, Tom George (RES)**  
1821 Kingsdale Ave.,  
Redondo Beach  
Effective: 6/12/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions.

**Thomas, Dean Allen (RES)**  
637 S. Prospect, #101,  
Redondo Beach  
Effective: 7/1/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES license  
suspended for 90 days, first 60  
days stayed.

**Thomas, Jack B. (REB)**  
3440 Carson St., #100, Torrance  
Effective: 6/12/95  
Violation: 10177(f)  
Right to RRES license on terms  
and conditions; RRES license  
suspended for 60 days.





### Santa Ana Region

#### Andahl, Thomas Weston (REB, REO)

7371 Seabluff Dr., #108,  
Huntington Beach

Effective: 8/22/95

Violation: 10177(j)

Right to RREB license on terms  
and conditions.

#### Callaway, Clinton Herrick (REB)

47800 Madison St., #176, Indio

Effective: 6/14/95

Violation: 10177(d)(h)

Right to RREB license on terms  
and conditions.

#### Christina, Cathy (RES)

19671 Beach Blvd., Ste. 101,  
Huntington Beach

Effective: 8/29/95

Violation: 490, 10177(b)

Right to RRES license on terms  
and conditions.

#### Cleveland, James (REB)

4309 South 1st St., Austin, TX

Effective: 7/11/95

Violation: 490, 10177(b)

Right to RREB license on terms  
and conditions; RREB license  
suspended for 6 months.

#### Cortes, Robert (RES)

8121 Kendra Ct., Anaheim Hills

Effective: 8/8/95

Violation: 498, 10177(a)

Right to RRES license on terms  
and conditions.

#### Fabulich, Davor (REB)

26381 Crown Valley Pky, #220,

Mission Viejo

Effective: 7/13/95

Violation: 10177(d)(f)(g)

Right to RREB license on terms  
and conditions.

#### Flood, Desmond Walter (REB)

2415 Random Dr., Anaheim

Effective: 6/6/95

Violation: 10176(b)

Right to RRES license on terms  
and conditions.

#### Kittner, Suzette Deann (RES)

8 Encore Ln., Aliso Viejo

Effective: 8/8/95

aka: Kirkwood, Suzette D.

Violation: 490, 498, 10177(a)(b)

Right to RRES license on terms  
and conditions.

#### Kremling, Karen Maria (RES)

1520 Fisher Cir., Placentia

Effective: 7/5/95

Violation: 10177(b)

Right to RRES license on terms  
and conditions.

#### Lovas, Barbara Kay (RES)

P.O. Box 4203, Crestline

Effective: 6/12/95

Violation: 10176(a)(i), 10177(d)

Right to RRES license on terms  
and conditions.

#### Maguire, Charles Joseph (REB)

73091 Country Club Dr.,

Palm Desert

Effective: 6/8/95

Violation: 10177(d)

Right to RREB license on terms  
and conditions.

#### Marron, Jose Alfredo (RES)

47 Willow Grove, Irvine

Effective: 8/8/95

Violation: 10145(c), 10177(d)

Right to RRES license on terms  
and conditions.

#### Mayers, Wendie Lynn (RES)

1323 Pavoreal, San Clemente

Effective: 8/22/95

Violation: 10130, 10177(d)

Right to RRES license on terms  
and conditions.

#### Nasto, Joan Javier (REB)

22031 Susan Ln.,

Huntington Beach

Effective: 6/14/95

Violation: 10177(d)(h)

Right to RREB license on terms  
and conditions.

#### Sackett, David Allen (REB)

23 Thunder Trail, Irvine

Effective: 8/1/95

Violation: 10176(e), 10177(d)

Right to RREB license on terms  
and conditions.

#### Sharma, Vinod (RES)

177-16 N. Singingwood, Orange

Effective: 8/8/95

Violation: 10177(b)

Right to RRES license on terms  
and conditions.

### Sacramento Region

#### Cserep, Michelle Celeste (RES)

6600 Richard Ave., Placerville

Effective: 6/28/95

Violation: 10176(a)(i)

Right to RRES license on terms  
and conditions.

#### Fischer Mortgage & Investments Corp. (REC)

532 Main St., Placerville

Effective: 6/13/95

Violation: 2710, 2831.1, 2832,

2834, 2846.5, 10146, 10177(d),

10232, 10232.2

Right to RREC license on terms  
and conditions.

#### Hilbers, Joan Inez (REB)

1301 Gray Ave., Yuba City

Effective: 8/2/95

Violation: 2725, 2726, 2830,

2832.1, 2834, 10145, 10177(d)(h)

Right to RREB license on terms  
and conditions.

#### Huber, Charles E. (RES)

1032 Earl Ct., Stockton

Effective: 8/30/95

Violation: 10130, 10131, 10177(d)

Right to RRES license on terms  
and conditions.

#### Lec, Lemuel Cheong-Wai (RES)

2005 Alta Loma St., Davis

Effective: 6/5/95

Violation: 490, 10177(b)

Right to RRES license on terms  
and conditions.

### San Diego Region

#### Bleshenski, Scott David (REB, REO)

591 Camino De La Reina,

Ste. 928, San Diego

Effective: 8/1/95

Officer of: Golden Pacific  
Funding, Inc.

Violation: 10145,

10177(d)(g)(h), 10232.5, 10234

Right to RREB license on terms  
and conditions

#### Buckels, Ernest Douglas (REB, REO)

2831 Camino Del Rio South,

#104, San Diego

Effective: 8/1/95

Officer of: Gold Coast Title &  
Trust Deed, Inc.

Violation: 10145,

10177(d)(g)(h), 10232.5, 10234

Right to RREB license on terms  
and conditions.

#### Destefani, Dean Kirk (RES)

783 Sepia Ct., Oceanside

Effective: 8/3/95

Violation: 10145(c), 10177(d)

Right to RRES license on terms  
and conditions.

#### Romano, David G. (RES)

47 Campton Place, Lagnua Niguel

Effective: 7/13/95

Violation: 490, 10177(b)

Right to RRES license on terms  
and conditions.

#### Shapiro, Benjamin Sherman (RES)

4964 Brillo St., San Diego

Effective: 6/1/95

Violation: 490, 10177(b)

Right to RRES license on terms  
and conditions.

### San Francisco Region

#### Andrade, Raymond George (RES)

1701 Laguna St., #305, Concord

Effective: 8/17/95

Violation: 490, 10177(b)

Right to RRES license on terms  
and conditions; RRES license  
suspended for 60 days.

#### Bassett, Richard Andre (REB)

1471 Tyler Park Way,

Mountain View

Effective: 8/2/95

Violation: 10176(a)(i), 10177(d),

10232.4, 10232.5

Right to RRES license on terms  
and conditions.

#### Doyle, Rodger Philip (REB, REO)

567-A Summerfield Rd.,

Santa Rosa

Effective: 7/27/95

Officer of: Talisman, Ltd.

Violation: 2830, 2831, 2834,

2840, 10145, 10176(a)(e),

10177(d)(g), 10240(a)

Right to RREB license on terms  
and conditions.

#### Horton, John Robert II (RES)

197 Via Lantana, Aptos

Effective: 8/17/95

Violation: 490, 10177(b)

Right to RRES license on terms  
and conditions; RRES license to  
be suspended for 30 days.

#### Hunter, Michael David (REB)

12 Denali Dr., San Mateo

Effective: 8/30/95

Violation: 10177(j)

Right to RREB license on terms  
and conditions.

#### Kashkooli, Heshmatt (RES)

1812 Grand Teton Dr., Milpitas

Effective: 6/26/95

Violation: 490, 10177(b)

Right to RRES license on terms  
and conditions.

#### Lambertson, Peter Leo (RES)

20182 5th St. West, Sonoma

Effective: 7/26/95

Violation: 10177(j)

Right to RRES license on terms  
and conditions.

#### Lapham, Mark Whitney (REB)

751 Diablo Rd., Danville

Effective: 8/17/95

Violation: 490, 10177(b)(f)

Right to RREB license on terms  
and conditions; RREB license  
suspended for 60 days.

#### Nguyen, Nam Van (RES)

1945 Minto Dr., San Jose

Effective: 7/3/95

Violation: 490, 10177(b)

Right to RRES license on terms  
and conditions.

#### Zapantis, Dino Jerry (RES)

275 West 3rd Ave., San Mateo

Effective: 6/1/95

Violation: 10177(j)

Right to RRES license on terms  
and conditions.

## PUBLIC REPROVALS

### Santa Ana Region

#### Carlton, Daniel C. (REB, REO)

19100 Von Karman Ave.,

Ste. 750, Irvine

Effective: 7/5/95

Officer of: Stuart-Wright

Mortgage, Inc.

Violation: 10137, 10177(d)(h)

Publicly reproved.

## SUSPENDED

### Los Angeles Region

#### Centeno, Ivonne E. (REB)

11016 E. Artesia Blvd., Cerritos

Effective: 8/3/95

Violation: 10145, 10177(d)(h)

Suspended for 30 days

### Santa Ana Region

#### Grisa, Arthur Rudolph (REB)

72-605 Hwy 111, Ste. B,

Palm Desert

Effective: 6/8/95

Violation: 2831, 10177(d)

Suspended for 30 days

## SUSPENDED WITH STAYS

### Fresno Region

**AMI Financial, Inc. (REC)**  
1170 W. Shaw, #103, Fresno  
Effective: 6/13/95  
Violation: 2833(d), 2842.5,  
10177(d)(g), 10240, 10241  
Suspended for 20 days, stayed for  
2 years on terms and conditions.

**Galvan, Ignacio Joseph (REB, REO)**  
1541 E. Linwood Ave., Turlock  
Effective: 7/13/95  
Officer of: American Founders,  
Inc.  
Violation: 2830, 2831, 2831.1,  
2831.2, 2832.1, 10145, 10176(e),  
10177(d), 10232.4, 10232.5  
Suspended for 90 days, all but 30  
days stayed for 2 years on terms  
and conditions.

**Tucker, Stanley William (REB, REO)**  
647 W. Shaw, Ste. N, Fresno  
Effective: 6/13/95  
Officer of: AMI Financial, Inc.  
Violation: 2833(d), 2842.5,  
10177(d)(g)(h), 10240, 10241  
Suspended for 20 days, stayed for  
2 years on terms and conditions.

### Los Angeles Region

**Chavez Corporation (REC)**  
11016 E. Artesia Blvd., Cerritos  
Effective: 8/3/95  
Violation: 10177(d)  
Suspended for 30 days, stayed on  
conditions.

**Ghatts, Ashraf R. (RES)**  
4852 Penrose Ave., Moorpark  
Effective: 8/15/95  
Violation: 10137, 10177(d)  
Suspended for 60 days, 30 days  
stayed for 1 year on terms and  
conditions.

**Kim, Nyom (REB)**  
19702 Sheryl Ave., Cerritos  
Effective: 8/8/95  
Officer of: Pine Tree Finance  
Corporation  
Violation: 2725, 10137, 10159.2,  
10177(h)  
Suspended for 90 days, all but 30  
days stayed for 2 years on terms  
and conditions.

**Pine Tree Finance Corporation (REC)**  
4051 Wilshire Blvd., #102,  
Los Angeles  
Effective: 8/8/95  
Violation: 2831, 2831.2, 2831.3,  
2832.1, 2834, 10137, 10145,  
10177(d)  
Suspended for 90 day, all but 30  
days stayed for 2 years on terms  
and conditions.

**Sadeghi, Parichehr (RES)**  
5239 Fulton Ave., Van Nuys  
Effective: 6/19/95  
Violation: 10177(f)  
Suspended for 30 days, stayed on  
condition.

**Skulick, Sheri Lynne (RES)**  
5410 West 134th St., Hawthorne  
Effective: 6/5/95  
Violation: 10177(f)  
Suspended for 60 days, stayed for  
2 years on terms and conditions.

**Solow, Beverly (REB)**  
5959 W. Century Blvd., #1020,  
Los Angeles  
Effective: 8/8/95  
Violation: 10137  
Suspended for 60 days, stayed for  
1 year on terms and conditions.

**Steiler, Richard Walter (REB, REO)**  
375 West 7th St., San Bernardino  
Effective: 8/3/95  
Officer of: Standard Mortgage  
Company, Inc.  
Violation: 10177(d)(h)  
Suspended for 60 days, all but 30  
days stayed for 1 year on terms  
and conditions.

**Thomas, Rick Ray (RES)**  
2008 Huntington Ln.,  
Redondo Beach  
Effective: 6/5/95  
Violation: 10177(f)  
Suspended for 90 days, all but 30  
days stayed for 1 year on terms  
and conditions.

**Trans-Union Mortgage Corp. (REC)**  
4221 Wilshire Blvd. Ste. 340,  
Los Angeles  
Effective: 6/20/95  
Violation: 10176(a)  
Suspended for 90 days, stayed for  
1 year on terms and conditions.

**Yu, Chi-Chong (REB)**  
1609 W. Valley Blvd., Ste. 318,  
Alhambra  
Effective: 6/8/95  
Officer of: Apple Financial, Inc.  
Violation: 10177(d)(h)  
Suspended for 90 days, all but 30  
days stayed for 1 year on terms  
and conditions.

### Santa Ana Region

**Helms, George Lewis (REB, REO)**  
6965 El Camino Real, Ste. 202,  
La Costa  
Effective: 7/5/95  
Violation: 2725, 2726, 2831,  
2831.1, 10145, 10177(d), 10240  
Suspended for 60 days, 30 days  
stayed for 2 years on terms and  
conditions.

**RES Mortgage Corp. (REC)**  
250 E. Rincón, Ste. 101, Corona  
Effective: 8/1/95  
Violation: 2726, 2831, 2831.1,  
10145, 10177(d), 10240  
Suspended for 60 days, all but 30  
days stayed for 2 years on terms  
and conditions.

**Rhodes, James Elmer (REB, REO)**  
117 Camino Arroyo South,  
Palm Desert  
Effective: 7/5/95  
Officer of: Bank Street Mortgage  
Bankers  
Violation: 10159.2, 10177(d)(h)  
Suspended for 120 days-60 days  
stayed for 2 years on terms and  
conditions.

**Scott, Robert Stuart (REB)**  
1851 East 1st St., #900, Santa Ana  
Effective: 8/30/95  
Violation: 10177(d)  
Suspended for 60 days, stayed for  
1 year on terms and conditions.

**Stuart-Wright Mortgage, Inc. (RREC)**  
5 Centerpointe Dr., Ste. 100,  
La Palma  
Effective: 7/5/95  
Violation: 10137, 10177(d)(k)  
Suspended for 30 days, stayed on  
condition.

### Sacramento Region

**Volk, Ronald Edward (REB, REO)**  
735 Sunrise Blvd., Ste. 130,  
Roseville  
Effective: 6/13/95  
Violation: 2710, 2831.1, 2832,  
2834, 2846.5, 10146, 10177(d)(h),  
10232, 10232.2  
Suspended for 30 days, all but 15  
days stayed for 2 years on terms  
and condition.

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

**Charter Mortgage & Investments, Inc. (REC)**  
921 14th Street, Modesto  
Effective: 8/22/95

**Coleman, Merritt Alan (RES)**  
1508 Stanford Street, #5, Santa  
Monica  
Effective: 6/29/95

**Don Murphy & Associates, Inc. (REC)**  
4014 W. Washington Blvd., Los  
Angeles  
Effective: 8/22/95

**Eastar Group, Inc. (REC)**  
5900 Hoffman Lane, Fair Oaks  
Effective: 7/25/95

**Embry, John Edward (REB)**  
3174 Rowena Ave., Los Angeles  
Effective: 7/10/95

**First Financial Mortgage Corpora-  
tion (REC)**  
7009 Owensmouth Ave., Canoga  
Park  
Effective: 7/10/95

**Kaneshiro, Russ Alan (REB)**  
20311 Valley Blvd., Suite A,  
Hacienda Heights  
Effective: 7/6/95

**Lechuga, Manuel Ricardo (REB)**  
P.O. Box 3134, Simi Valley  
Effective: 7/6/95

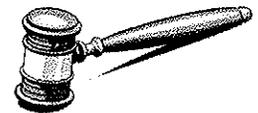
**McCulloh, Wanda (REB)**  
422 Larkfield Center, Ste. 245,  
Santa Rosa  
Effective: 7/6/95

**Murphy, Donald Bernard (RES)**  
4014 W. Washington Blvd., Los  
Angeles  
Effective: 8/22/95

**Thompson, Sheldon Lynn (REB)**  
921 14th Street, Modesto  
Effective: 8/22/95

**Torres, Joyce Elizabeth (RES)**  
239 Navone St., Vallejo  
Effective: 8/9/95

**Wang, Kenneth K. (REB)**  
5900 Hoffman Lane, Fair Oaks  
Effective: 7/25/95



### POSTAL STATEMENT

Statement of *Real Estate Bulletin* issued quarterly was filed with Postmaster on September 28, 1995. Location of office of publication and headquarters of publisher is 2201 Broadway, Sacramento, CA 95818. Publisher: Jim Antt, Jr., Real Estate Commissioner, State of California; Managing Editor: Daniel M. Garrett, Manager of Legislation & Public Information, Department of Real Estate; Production Editor: Laura Curry, Staff Services Analyst, Department of Real Estate; all with offices at the address given above. Owner: Department of Real Estate, State of California, 2201 Broadway, Sacramento, CA 95818-7000. Bondholders, mortgagees, and other security holders: none. Average number of copies each issue during preceding 12 months: 298,021; paid circulation through dealers, etc.: none; mail subscriptions: 291,721; total paid circulation: 291,721; free distribution: 2,000; total distribution: 293,721; office use, leftover, etc.: 4,300; total press run: 298,021. Actual number of copies of single issue published nearest to filing date: 289,000; sales through dealers and carriers, etc.: none; mail subscriptions: 282,700; free distribution: 2,000; total distribution: 284,700; office use, leftover, etc.: 4,300; total press run: 289,000.

## Real Stories of the DRE

by Robin Wilson, Chief Legal Officer

In the Fall '95 *Bulletin*, I reported on the Legal Section's productivity for fiscal year 1994-95. The basic message of the report was that the Department's investigative deputies, the auditors and the attorneys had again effectively worked together to carry out the Commissioner's statutory mandate to protect "the purchasers of real property and those persons dealing with real estate licensees." But these numbers only provide a glimpse of the story behind these efforts. They don't tell us much about the kinds of activities which lead to the filing of license disciplinary cases. This article summarizes a few of the representative cases prosecuted by the Legal Section during the last fiscal year.

### Sales Transactions

❖ Respondent salesperson prepared a deposit receipt which stated that she had received a \$2,000 check from the buyer as an earnest money purchase deposit. Respondent told the buyers to leave the name of the payee blank because she had not yet selected an escrow or title company. After acceptance of the offer by the sellers, respondent put her own name as payee on the check, cashed it, and used the proceeds for her own purposes. Thereafter, in the course of assisting the buyers to qualify for a loan, respondent did not tell the potential lender that the buyers would have to borrow part of the down payment. Instead, without the knowledge of the buyers, she prepared a loan application representing that the source of the down payment was a gift and/or savings. Respondent then sent a phony gift letter to the lender. The buy-



ers were unaware of the phony application and the gift. When the lender would not approve the loan because it could not verify the source of the down payment, the deal fell through. The buyers had to hire an attorney to get their borrowed \$27,000 down payment released from escrow.

Oh yes, the initial check given to them by the respondent to repay their purchase money deposit was not honored by the bank because of insufficient funds in her checking account. Respondent's salesperson license was revoked.

- ❖ Respondents, who were married to each other, negotiated the sale of three lots. In connection with the sale, respondents: misrepresented the value and condition of the lots and the area where the lots were located; did not advise the buyer of the extent of their ownership interest in the lots; did not advise the buyer that there were environmental or pollution problems in the area surrounding the lots; did not give the buyer any comparable sales prices or flood or geological fault information about the property; never showed the buyer the specific lots purchased; and were selling lots zoned R3 when they knew the buyer intended to use the lots for commercial purposes. Respondents' licenses were revoked.
- ❖ The buyer was seeking an option to purchase desert land for his waste management business. Respondent allegedly located some land and asked the buyer for two \$10,000 checks for the ostensible purpose of procuring the options. The respondent converted the checks for his own use. The buyer still has not received his money back. Respondent's license was revoked.

### Property Management

❖ An audit found a \$13,163 trust fund shortage, representing negative balances in the accounts of six principals. Respondent's claim that he had authority to short the accounts of these six principals was not accepted by the administrative law judge (ALJ). In fact, the ALJ pointed out that the respondent admitted that \$5,400 of the shortage was not temporary, but was due to bad debt collection.

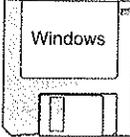
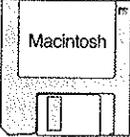
The audit also found that the respondent was using a non-complying interest-bearing account which had paid him over \$1,300 in interest, and that respondent had failed to keep proper trust account records. In her proposed decision recommending revocation, the ALJ noted that respondent's designated officer always blamed someone else for his company's failure to comply with the Real Estate Law.

❖ This case involved a husband and wife team. The wife was an attorney and a broker. The husband was a salesperson employed by the wife. The husband ran his own property management business. In connection with the management of a fourplex, the administrative law judge found the husband engaged in a deliberate and sustained pattern of dishonest conduct and misappropriation of trust funds totaling at least \$8,500. The husband provided the owner with false and misleading monthly statements; did not deposit trust funds into the owner's bank account as agreed; used the owner's funds for personal use and business related expenses; and surcharged the owner 10% to 25% on all prop-



Real Stories, continued on page 12

# Real Estate Publications

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	2A	1996 Real Estate Law Book (Windows version) <i>Refer to system requirements above.</i>	\$20.00		
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	6	Disclosures in Real Property Transactions (1993; <i>booklet</i> )	\$2.00		
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	15	Fixed Rate/Adjustable Rate Mortgages: Availability and ... Preferences (1990; <i>report</i> )	\$9.00		
	16	Study of the Future Outlook of California Common Interest Developments (1991; <i>report</i> )	\$9.00		
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	32	Compliance with the Real Estate Transfer Disclosure Law (1988; <i>video</i> )	\$25.00		
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	35	Trust Deed Investments — What You Should Know ( <i>brochure</i> ) and	\$2.00		
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	46	The Impacts of Tax Reform on Real Estate Investment in California (1991; <i>report</i> )	\$9.00		
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## SHIPPING INFORMATION

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

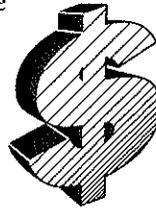
## Real Stories

continued from page 10

erty maintenance bills. As with many cases like this, record keeping and other trust fund violations were found. The husband's license was revoked outright and the wife's license was revoked with the right to a restricted license for failing to supervise her husband.

### Mortgage Loan Brokerage

- ❖ Respondent had a trust fund shortage in excess of \$100,000.00, created by not paying lenders when notes were paid off. Instead, the broker used the funds to continue to make monthly payments to those lenders as well as others. This was a classic Ponzi scheme. Needless to say, the respondent corporation's license was revoked.
- ❖ This case involved a \$27,000 trust fund shortage, inappropriate signatories on the trust account, commingling, failure to maintain separate records, failure to reconcile the trust account, and failure to provide proper disclosures to lenders and borrowers. The interesting thing about this case is that the designated broker lived in Guam and had signed a power of attorney authorizing the salespersons/owners to act on his behalf. Not surprisingly, the designated broker defaulted at hearing.
- ❖ Respondent, a real estate salesperson, acted as a broker arranging mortgage loans. First, respondent arranged a \$50,000 loan for fictitious borrowers. Then he talked the lender into loaning an additional \$50,000 to the same fictitious borrowers by representing that they needed more money and time to pay. Subsequently, respondent arranged two more fraudulent loans from the same lender, for \$20,000 each. The lender lost a total of \$140,000 and the salesperson lost his license.
- ❖ There are two interesting aspects to this case. The first is that



in connection with arranging a loan in the principal amount of \$18,000, respondent charged costs and expenses to the borrower of almost \$8,000. The borrower netted only \$10,100. The second is that respondent corporation operated out of Sacramento while the designated officer lived in Santa Monica where he was employed as an associate property manager for another company. Both the corporation's and designated officer's licenses were revoked. The designated officer was given the right to apply for a restricted salesperson license.

These cases only reflect a sampling of the many investigated and prosecuted by the Department for the benefit of the consumer and the real estate industry. 🏠

Official Publication  
CALIFORNIA DEPARTMENT OF REAL ESTATE  
P.O. Box 187000  
Sacramento, California 95818-7000

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