



Real Estate Bulletin

Providing Service, Protecting You

MESSAGE FROM COMMISSIONER DAVI

The Benefit of the Doubt



The recently formed Broker Supervision Task force was established in order to examine the laws, regulations and policies that shape a supervising broker's responsibilities in overseeing the activities of the brokerage and its employees. The notion behind this endeavor is to determine how existing requirements can be improved upon to ensure that consumer protections are maximized while giving supervising brokers guidance in discharging their duties.

The task force consists of leaders from the industry along with legal and enforcement staff from the DRE. While relatively new, the group has been extremely productive. One of the ideas that has been put into practice on a trial basis is the "Benefit of the Doubt Program". The idea is simple – establish clear protocols that allow the broker who fires an employee for cause to notify the DRE without fear that the DRE will automatically investigate the broker for lack of supervision. Existing law requires that a broker notify the DRE when the broker discharges an employee for a violation of the Real Estate Law. The law also requires the broker provide the DRE a detailed written description of the reasons the employee was fired. However, based on the small number of notifications received by the DRE, it is clear few brokers are notifying the DRE when they let a rogue agent go.

The Benefit of the Doubt program will make certain that the reporting broker will not automatically be named as a suspect. All cases involving brokers who notify the DRE of the termination of a licensed employee for cause will be centralized from Sacramento reviewing evidence and facts through a single lens. This will ensure consistency and promises that statewide investigative and compliance standards will be employed.

The program also provides for an isolated investigation focusing on alleged salesperson misconduct unless the facts warrant investigation expansion. The Benefit of the Doubt process guarantees that investigators will review the agent's history with prior brokers and look at any new current broker as well.

This program also introduces a reporting broker discipline hierarchy. If the reporting broker is found to be without gross negligence or fault, no DRE action would be taken against him or her. A reporting broker may receive a corrective action letter, which is not a public record, if technical compliance issues are uncovered despite the fact that the broker properly supervised agents either directly or through office manager designations, took actions to remedy problems, has office procedures and controls in place, and personally or through the designated office manager reviewed business activities and management reports.

Formal disciplinary action against the reporting broker would be considered when circumstances exist, such as active broker

participation in unlawful acts, or when guilty knowledge is substantiated, if the reporting broker is routinely absent from the office without designating an office manager, the broker fails to oversee the office manager, no office procedures are established, or there is a demonstrated lack of oversight. Additional factors include ignoring prior corrective action letters, or if a rent-a-broker situation exists.

Prior brokers, or in some cases, new current employing brokers, will be included in the investigation process to determine if a pattern exists which can lead to a maximum penalty against the agent. New employing brokers may also be contacted to establish the applicable disciplinary action proceedings against the previous broker, to substantiate and support reporting broker findings, to promote broker reporting, and to deter agent misconduct.

The specific governing laws and regulations for this program are Business and Professions Code Sections 10178, 10179, and 10177(h), and Section 2725 of the Regulations of the Real Estate Commissioner. Further information can be found in the Broker Compliance Evaluation Manual available on our Web site, http://www.dre.ca.gov/pdf_docs/brkrcomp.pdf.

It is my sincere hope this program is a success. We all win, the public and industry, when the bad or incompetent agents are put out of business. 🏠

One more update on the SAFE Act!

In previous issues of the Real Estate Bulletin we discussed the implementation of the SAFE Act. Specifically, real estate licensees who meet the definition of a residential mortgage loan originator (MLO) must meet the requirements outlined in the SAFE Act by December 31, 2010. For real estate licensees, this entails obtaining a MLO License Endorsement to their salesperson or broker licenses. The endorsement application process starts with registering with the Nationwide Mortgage Licensing System and Registry (NMLS&R).

As of March 1, 2010, the NMLS&R began allowing real estate

licensees to register and start the process to obtain a MLO License Endorsement. Applicants for the MLO License Endorsement should complete the following items through the NMLS&R by September 15, 2010 to allow the Department sufficient time to review and approve the endorsement. The following information provides an overview of the requirements to obtain a Mortgage Loan Originator License Endorsement. DRE anticipates issuing the endorsements before this Fall.

1. Online Application – To be completed and

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REAL ESTATE BULLETIN

Official Publication of the California Department of Real Estate

Vol. 70, No. 2

Summer 2010

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The Department of Real Estate Bilingual Outreach and Advocacy Team

In order to better address the needs of consumers, the Department is pleased to announce the creation of the Bilingual Outreach and Advocacy Team (BOA). The DRE created this special unit to assist the non-English speaking consumer who has been a target of real estate or mortgage fraud, has questions about the real estate law, or needs assistance in filing a complaint. The BOA is also actively involved in public outreach activities in underserved communities.

The BOA serves all of Southern California and is part of the Los Angeles South Regional Office. The unit is overseen by District Manager María Suárez and is comprised of certified bilingual staff. In addition to María Suárez, the staff members are: Amelia Núñez, Edgar Sarmiento, Ray Gino Dagnino, Jesús Muñoz, Paul Mim Mack, and Veronica Kilpatrick. The BOA is proactively attending Scam Stopper town hall meetings, general real estate information forums, and, in a partnership with Channel 34 Univision, participated in real estate telethons. In addition, the BOA currently has a monthly segment on Radio Luz FM 105.3, a Sacramento based radio talk show. These partnerships make up a forum to cover issues and topics that are relevant to non-English speaking consumers. Additionally, the BOA is tasked to act as interpreters to translate correspondence and provide input for the "En Español" section of DRE's Web site.

This unit is charged with timely investigating complaints involving an array of real estate misrepresentations and real estate fraud. In sum, the BOA is dedicated to assist, educate, and advocate for those individuals who are not able to effectively access or maneuver through the process of obtaining government assistance and intervention. To this end, the DRE is committed to providing opportunities for all California residents to have easy access to our services and to promote consumer protection. For further information, please contact the Bilingual Outreach and Advocacy Team at (213) 576-6878. 



The Bilingual Outreach and Advocacy Team is made up of (Back left to right) Jesús Muñoz, Ray Gino Dagnino, Edgar Sarmiento, Paul Mim Mack, (Front left to right) Amelia Núñez, María Suárez, and Veronica Kilpatrick

Broker supervision: The buck stops here

All too often, the disciplinary cases the Department of Real Estate investigates and prosecutes stem from complaints about real estate transactions in which the designated broker-officer responsible for supervising the sales force was an absentee or pro forma “rent-a-broker.” A “rent-a-broker” refers to a broker who is the broker of record on the Department’s records, but who abdicates all actual responsibility to another individual, usually the true owner of the company, who may or may not be licensed or qualified to manage a real estate business. While there are legitimate ways to delegate some legal responsibility for supervision to other licensees, California’s Real Estate Law requires that the designated broker-officer of a real estate corporation, and the employing broker of salespersons in a sole proprietorship, supervise the sales force.

Under the Real Estate Law, broker supervision is key to achieving maximum protection for the public who engage in



real estate transactions. In hiring and managing the sales force, reviewing and disseminating advertisements, protecting and accounting for trust funds, and handling escrows, brokers ensure that strict standards are adhered to, and that only trustworthy, competent individuals will be privy to the sensitive financial information and matters involved in buying, selling, leasing and mortgaging of real property.

Broker supervision is key to achieving maximum protection for the public who engage in real estate transactions

The Real Estate Law is set forth primarily in Business and Professions (B&P) Code Section (§) 10000 et seq. and in the related rules set forth in the Regulations of the Real Estate Commissioner, Title 10, Chapter 6 of the California Code of Regulations (Regulations). The following is a discussion of some sections of the B&P and Regulations relating to the supervision requirement.

Broker’s Obligation to Supervise

A licensed real estate broker must supervise the real estate salespeople who are employed under the broker. This is true for corporate brokers and for “sole proprietor” brokers alike. There are no exceptions to this law. Moreover, it is never acceptable for an unlicensed individual to supervise a licensed real estate salesperson, or to conduct licensed acts.

Specifically, B&P §10159.2 sets forth the primary broker supervision requirement

by Martha Rosett, Real Estate Counsel III in which the designated licensed broker is responsible for exercising sufficient supervision and control over his or her employees necessary to achieve full compliance with the Real Estate Law. Where there are other corporate officers who hold broker licenses and wish to act in a supervisory capacity, they may do so providing that the corporation enacts a corresponding corporate resolution, and the resolution is promptly filed with the DRE.

Regulation 2743 provides the very limited and specific criteria that must be followed for the delegation of supervisory responsibility to other broker-officers of a corporation. The corporate resolution assigning supervisory responsibility over salespersons licensed to a corporate broker must make reference to a specified business address or addresses of the corporate broker, rather than by the listing of the names of salespersons subject to the supervision. In this way, a broker may use the services of brokers and salespersons to assist in supervising salespersons so long as the broker does not relinquish overall responsibility for supervision of the acts of salespersons licensed to the broker. Ultimately, it remains the designated broker’s responsibility to ensure that only qualified personnel are allowed to supervise the sales force and to ensure that the brokerage operates in compliance with the Real Estate law. What happens, for example, if a real estate salesperson who is being supervised by an officer other than the designated officer does something wrong which is within the scope of his or

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Advertising requirements for brokers handling escrow


In our Spring 2010 Real Estate Bulletin, we discussed compliance of the laws and regulations when a real estate broker is acting as an agent in a transaction and also handles the escrow pursuant to the exemption from the Escrow law contained in Section 10076(a)(4) of the Financial Code. In this article, we will address the advertising criteria as set forth in Section 2731(d) of the Regulations of the Real Estate Commissioner for brokers handling their own escrows.

When a broker has an in-house escrow division and has been issued a license with a fictitious business name containing the

term “escrow”, or any term which implies that escrow services are provided, the broker is required to include the term “a non-independent broker escrow” in any advertising, signs, or electronic material. This term provides full disclosure to the public that they are not dealing with an independent escrow company, and that available services are limited.

In addition to the above, to renew a real estate broker license with a fictitious business name containing the term “escrow”, or any term which implies that escrow services are provided, the fictitious business name will not be issued or

renewed by the Department unless the fictitious business name itself includes the term, “a non-independent broker escrow.” Renewing real estate brokers will need to file a new fictitious business name statement (FBN’s), containing the now required language, with the county in which their main office is located and submit the FBN’s along with the renewal application.

For further information and instructions on deleting or renewing a fictitious business name, please review the Department’s RE 282 Fictitious Business Name Information, available on our Web site at http://www.dre.ca.gov/pdf_docs/forms/re282.pdf. 

Disciplinary action: December 2009 — February 2010

- 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]

- Below are brief summaries of various regulations and code sections. The full text of the sections is available on the DRE Web site www.dre.ca.gov under Real Estate Law and/or Regulations.
- Disciplinary actions that are “stayed” means there is “a delay in carrying out” all or part of the recommended discipline.

COMMISSIONER'S REGULATIONS

2715	Licensee's failure to maintain current business or mailing address with DRE
2725	Failure of broker to exercise reasonable supervision over the activities of his or her salespersons
2726	Failure to have broker-salesperson agreements
2731	Unauthorized use of fictitious business name
2731(a)	Failure to obtain fictitious business name license
2753	Broker's failure to retain salesperson's license at main office or return the license at termination of employment
2763(a)(1)	Violation of license examination rules
2831	Failure to keep proper trust fund records
2831.1	Inadequate separate trust fund beneficiary records
2831.2	Failure to reconcile trust account
2832	Failure to comply with trust fund handling provisions
2832(a)	Failure of broker to place trust funds into hands of owner, into neutral escrow depository or trust fund account within three business days of receipt
2834	Trust account withdrawals by unauthorized or unbonded person
2840	Failure to give approved borrower disclosure
2842.5	Mortgage loan disclosure statement violation
2848	Violation of mortgage loan advertising rules
2950	Violation of broker-controlled escrow requirements

BUSINESS AND PROFESSIONS CODE

123	Subversion of real estate examination
475(a)	Making a false statement in license application
480(a)	Denial of license on grounds of conviction of crime, dishonest or fraudulent act, or act which would warrant suspension or revocation of license.
480(c)	Denial of license on grounds of false statement in license application
490	Substantially related criminal conviction
10085	Failure to submit advance fee materials
10130	Acting without license
10137	Unlawful employment or payment of compensation
10140.6	Failure to disclose license status in advertising of acts for which a license is required
10145	Trust fund handling
10145(a)(1)	Failure of broker to place trust funds into neutral escrow depository, the hands of the principal or a trust fund account
10145(c)	Failure by salesperson to deliver trust funds to broker
10148	Failure to retain records and make available for inspection
10159.2	Failure by designated officer to supervise licensed acts of corporation
10159.5	Failure to obtain license with fictitious business name
10161.8	Failure of broker to notify Commissioner of salesperson employment

10162	Failure to maintain a place of business
10165	Failure to comply with specified B&P code sections
10176(a)	Making any substantial misrepresentation
10176(b)	Making false promise
10176(c)	Continued & flagrant course of misrepresentations through salespersons
10176(d)	Failure to disclose dual agency
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(h)	Secret profit under option agreement
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(c)	False advertisement
10177(d)	Violation of real estate law or regulations
10177(e)	Willfully using term "Realtor" or any trade name or insignia of membership in any real estate organization of which the licensee is not a member
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(i)	Improper use of government employment giving access to confidential records
10177(j)	Fraud or dishonest dealing as principal
10177(k)	Violation of restricted license condition
10177(n)	Violation of real estate syndicate provisions of corporate securities law
10177.5	Civil fraud judgment based on licensed acts
10232.4	Failure to give lender/purchaser disclosure
10234(a)	Failure to record trust deed in name of beneficiary
10235	False advertising in mortgage loan activities
10236.4	Failure to include license number or DRE License Information telephone number in documents
10238(a)	Failure of broker to notify Commissioner within 30 days of 1st multi-lender transaction or of any material change in required notice
10238(f)	Violation of restriction to sell notes in excess of 10 to qualified persons
10238(h)	Exceeding loan-to-value limits
10240	Failure to provide mortgage loan disclosure statement
10241	Improper mortgage loan disclosure statement

FINANCIAL CODE

4973(b)(1)	Violation of covered loan prohibitions regarding negative amortization and installment payment totals.
4973(f)	Covered loan violation
4975 (k)(1)	Failure to provide covered loan consumer notice

REVOKED LICENSES

FRESNO REGION

Amarillas, Maria P. (RES)

204 Vineyard Dr., Greenfield
Effective: 12/23/09
Violation: 490, 10177(b)

Baltazar, Oscar F. (RES)

5060 California Ave., Ste. 1000,
Bakersfield
Effective: 2/16/10
Violation: 490, 10177(b)

Hatton, Michael Orby (RES)

PO Box 580345, Modesto
Effective: 2/22/10
Violation: 490, 10177(b)

La Nore, Val (RES)

PO Box 546, Soquel
Effective: 12/7/09
Violation: 490, 10177(b)

Pena, Daniel Richard (RES)

1105 Glen Ave., Modesto
Effective: 12/9/09
Violation: 490, 10177(b)

Reyes, Cristina Madrigal (RES)

749 La Mesa Dr., Salinas
Effective: 2/25/10
Violation: 10177.5

Vega, Roberto (RES)

710 Armand Ave., San Miguel
Effective: 2/23/10
Violation: 490, 10177(b)

LOS ANGELES REGION

Ajugwo, Kenneth Arinze (REB)

18745 Strathern Ave., Reseda
Effective: 1/19/10
Violation: 490, 10177(b)

Alvarez, Cecilia (RES)

11742 Glencove Dr., Garden Grove
Effective: 1/25/10
Violation: 490, 10177(b)(k)

Astillero, Christopher De Taza (RES)

3050 E. Birch St., Brea
Effective: 1/25/10
Violation: 490, 10177(b)

Avila, Diana (RES)

1049 Eubank Ave., Wilmington
Effective: 2/1/10
Violation: 490, 10177(b)

Becerra, David (RES)

9642 Planter St., Pico Rivera
Effective: 12/14/09
Violation: 490, 10177(b)(k)

Berman, Teresa Ann (RES)

327 E. Victoria C, Santa Barbara
Effective: 1/25/10
Violation: 490, 10177(b)

Camacho, Alejandro (RES)

33 Via Madera,
Rancho Santa Margarita
Effective: 2/1/10
Violation: 490, 10177(b)

Chao, Stephanie Hsing-Yun (RES)

7095 Hollywood Blvd. #339,
Hollywood

Effective: 12/14/09
Violation: 490, 10177(b)

Connelly, Nadeze (RES)

9624 Redfern Ave., Inglewood
Effective: 2/1/10
Violation: 490, 10177(b)

Cooper, Robert Bruce Nicholson (REB)

927 Deep Valley Dr., Ste. 215,
Rolling Hills Estates
Effective: 12/14/09
Violation: 10176(a)(c)(i), 10177.5

Do, Tim (REB)

17011 Beach Blvd. #900,
Huntington Beach
Effective: 2/1/10
Violation: 2831, 2831.1, 2832,
2840, 10145, 10176(e)
(g), 10177(d)(g), 10240

Ehtibaryan, Levon (RES)

1550 N. Hobart Blvd. #203,
Los Angeles
Effective: 1/6/10
Violation: 490, 10177(b)

Euzarraga, David Henry (REB)

31461 Rancho Viejo Rd. #203,
San Juan Capistrano
Effective: 2/10/10
Violation: 490, 10177(b)

Flores Wheeler, Adriana (RES)

35746 County Line Rd., Yucaipa
Effective: 1/25/10
Violation: 490, 10177(b)

Gluhareff, Eugene E. (REB)

2669 Myrtle Ave., Ste. 211,
Signal Hill
Effective: 1/25/10
Violation: 490, 10177(b)

Hermosillo, Richard Reyes (RES)

3241 Abbey Lane, Palmdale
Effective: 1/25/10
Violation: 490, 10177(b)

Israel, Manoochehr (RES)

21801 Roscoe Blvd. #236,
Canoga Park
Effective: 1/25/10
Violation: 490, 10177(b)

Javid, Abe (RES)

PO Box 27907, Anaheim
Effective: 2/22/10
Violation: 490, 10177(b)

Jimenez, Sofia Toledo (RES)

12209 Hesperia Rd., Ste. G,
Victorville
Effective: 1/26/10
Violation: 490, 10177(b)

Lundin, Randy Richard (REB)

2014 1/2 Plant Ave., Redondo Beach
Effective: 1/19/10
Violation: 490, 10177(b)

Martin, Kerry L. (RES)

18016 Crenshaw Blvd., Torrance
Effective: 12/14/09
Violation: 490, 10177(b)

Marzullo, James Harold (RES)

3134 Federal Ave., Los Angeles
Effective: 1/19/10
Violation: 490, 10177(b)

McGee, Paul Edward (REB)

5622 W. Pico Blvd., Los Angeles

Effective: 1/25/10
Violation: 490, 10177(b)

Mellas, David Eugene (RES)

PO Box 66, Glendale
Effective: 1/19/10
Violation: 490, 10177(b)

Montrief, Michael Royce (REB)

34031 Silver Lantern #1,
Dana Point
Effective: 1/11/10
Violation: 490, 10177(b)

Neuman, Michael Richard (RES)

872 Charleston Way, Brea
Effective: 12/28/09
Violation: 490, 10177(b)

Padilla, Silvano (RES)

10983 Oneida Ave., Pacoima
Effective: 2/22/10
Violation: 490, 10177(b)

Plascencia, Francisco (RES)

3950 Via Real #68, Carpinteria
Effective: 2/1/10
Violation: 490, 10177(b)

Rahming, Phyllis Ann (RES)

PO Box 5673, San Clemente
Effective: 12/30/09
Violation: 10176(i)

Ratliffe, Chad A. (RES)

618 Litchfield Ave., Santa Barbara
Effective: 1/25/10
Violation: 490, 10177(b)

Reese, Laurie Ann (RES)

10505 Cole Rd., Whittier
Effective: 2/22/10
Violation: 490, 10177(b)

Schutmaat, Derk Wayne (REB)

No. 58508 PO Box 515381,
Los Angeles
Effective: 1/12/10
Violation: 490, 10177(b)

Tse, Anna Oi Na (RES)

1990 Santa Anita Ave.,
South El Monte
Effective: 12/17/09
Violation: 490, 10177(b)

Valino, Armando Corpuz (REB)

4157 Eagle Rock Rd. Unit 8,
Los Angeles
Effective: 2/1/10
Violation: 475(a), 480(a), 490,
10177(b)(f)

Vallejo, Anna Bianca (RES)

1213 Riderwood Ave.,
Hacienda Heights
Effective: 1/13/10
Violation: 490, 10177(b)

Vasconez, Wilson Oswaldo (RES)

9230 Appleby St., Downey
Effective: 12/14/09
Violation: 490, 10177(b)

Vinh, Hai (RES)

2166 W. Broadway #806, Anaheim
Effective: 1/25/10
Violation: 490, 10177(b)

Yun, Erica C. (RES)

100 W. Valencia Mesa Dr.,
Fullerton
Effective: 1/19/10
Violation: 490, 10177(b)

OAKLAND REGION

Alexander Anthony & Brown, Inc. (REC)

14375 Saratoga Ave. #202, Saratoga
Effective: 12/28/09
Violation: 2726, 2731(a),
10159.5, 10161.8(a),
10177(d), 10240

Arnold, Kim (RES)

1617 Carl Ave., Milpitas
Effective: 12/14/09
Violation: 10176(a)(i)

Assifi, Farshid Jeff (REB)

6601 Owens Dr., Ste. 155,
Pleasanton
Effective: 12/14/09
Violation: 2725, 2742, 10130,
10137, 10159.2(a),
10177(d)(h)

Bhogal, Kuljeet Singh (RES)

38208 Guava Dr., Newark
Effective: 12/30/09
Violation: 490, 10177(b)

Brown, Terrance (REB)

14375 Saratoga Ave. #202, Saratoga
Effective: 12/28/09
Violation: 2742(c), 10159.2,
10177(d)(g)(h)

Brownlee, Audrey Elaine (RES)

1539 Wellesley Ave., Santa Rosa
Effective: 12/14/09
Violation: 10176(a)(i)

California Mutual Real Estate

Investments, Inc. (REC)
6601 Owens Dr., Ste. 155,
Pleasanton
Effective: 12/14/09
Violation: 2742, 10130, 10137,
10148(a), 10177(d)

CFS Realty & Mortgage, Inc. (REC)

PO Box 39, San Ramon
Effective: 2/15/10
Violation: 2715, 2742(c), 10162,
10165, 10177(d)

Espinoza, Raymond (RES)

431 E. McKinley Ave., Sunnyvale
Effective: 12/31/09
Violation: 490, 10177(b)

First Financing Group, Inc. (REC)

2570 San Ramon Valley Blvd.
#A-201, San Ramon
Effective: 2/15/10
Violation: 2753, 2831, 10160,
10177(d), 10236.4(b),
10240(a)

Fode, Amanda Dee (RES)

1224 Kenilworth Rd., Hillsborough
Effective: 12/23/09
Violation: 490, 10177(b)

Fong, David Joe (RES)

3535 Savage Ave., Pinole
Effective: 12/23/09
Violation: 490, 10177(b)

Gilak, Zahra R. (RES)

5000 Acacia Way, Penngrove
Effective: 2/1/10
Violation: 490, 10177(b)

Harmer, Robert Chase (RES)

1920 Hicks Ave., San Jose

Effective: 2/18/10
Violation: 490, 10177(b)
Ledesma, Fred Elizardo (RES)
8459 Larch Ave., Cotati
Effective: 12/31/09
Violation: 490, 10177(b)
Liu, Samuel Xin Yang (RES)
3128 Geary Blvd., San Francisco
Effective: 12/14/09
Violation: 490, 10177(b)
Lopez, Kristine Leigh (RES)
2233 Hampshire Dr., Byron
Effective: 12/31/09
Violation: 10176(a)(c)(d)(i), 10177(j)
Luna, Gerardo (RES)
970 Summer Place Dr., San Jose
Effective: 12/31/09
Violation: 490, 10177(b)
Luque, John Joseph Jr. (RES)
39180 Liberty St., Ste. 101, Fremont
Effective: 1/19/10
Violation: 490, 10177(b)
McCowan, Shavoyné Delice (RES)
2601 Nuestra Castellio Ct. #6307, San Jose
Effective: 2/3/10
Violation: 490, 10177(b)
Meeker, Elvis Angel (RES)
205 Hillside Rd., Antioch
Effective: 12/31/09
Violation: 490, 10177(b)
Mojaddedi, Nasira (REB)
401 Camberly Ct., San Ramon
Effective: 2/25/10
Violation: 10130, 10137, 10176(a)(i), 10159.2, 10177(d)(g)(h)(j)
Nguyen, Kenneth Khoa Van (REB)
142 N. Milpitas Blvd. #255, Milpitas
Effective: 12/2/09
Violation: 490, 10177(b)
Pjanic, Emir (RES)
661 Hermitage Way, San Jose
Effective: 1/20/10
Violation: 490, 10177(b)
Rai, Kamaldeep Singh (RES)
4050 Hammingway Common, Fremont
Effective: 1/25/10
Violation: 480(c), 490, 10177(a)
Roberts, Joyce Isi (REB)
2033 Gateway Place 5th Floor, San Jose
Effective: 2/3/10
Violation: 490, 10177(b)
Rodriguez, Dora T. (RES)
3438 Mt. Prieta Dr., San Jose
Effective: 12/31/09
Violation: 490, 10177(b)
Rosaes, Wilbert Ezequiel (RES)
7207 Via Colina, San Jose
Effective: 12/31/09
Violation: 490, 10177(b)
Saad, Bianca (RES)
25200 Carlos Bee Blvd., Hayward
Effective: 2/1/10
Violation: 490, 10177(b)

Sadarangani, Sagar Lal (RES)
4475 MacBeth Cir., Fremont
Effective: 2/3/10
Violation: 490, 10177(b)
Smith, Michael Jose (REB)
5859 MacArthur Blvd., Oakland
Effective: 12/14/09
Violation: 10148(a), 10177(d)
Suppe, Ray C. (RES)
PO Box 1045, Alamo
Effective: 12/31/09
Violation: 490, 10177(b)
Turner, Robert L. (REB)
2410 Camino Ramon, Ste. 125, San Ramon
Effective: 2/15/10
Violation: 2715, 10159.2(a), 10162, 10165, 10177(d)(h)
Vucetic, Miodrag (RES)
1170 Fairview Ave., San Jose
Effective: 2/1/10
Violation: 490, 10177(b)
Walker, James Brent (RES)
3039 Peralta Blvd., Fremont
Effective: 12/31/09
Violation: 490, 10177(b)

SACRAMENTO REGION

Baxter, Lamarr Andre (RES)
4801 Laguna Blvd., Ste. 105-203, Elk Grove
Effective: 12/28/09
Violation: 490, 10177(b)
Costa, James Dennis (RES)
PO Box 816, Corning
Effective: 12/15/09
Violation: 10130, 10176(a)(b)(c)(i), 10177(d)(g)(j), 10240, 10232.4
Dhillon, Balbir Singh (REB)
679 N. Palora Ave., Ste. C, Yuba City
Effective: 2/25/10
Violation: 10177.5
Ford, Shannon Elaine (RES)
1070 Montclair Dr., Redding
Effective: 2/1/10
Violation: 490, 10177(b)
Ghent, Jaret Lonnie (RES)
3210 E. Chinden Blvd., Ste. 115, Eagle, ID
Effective: 1/25/10
Violation: 10130, 10177(d)(f)(j)
Hyman, Daniel Abraham (RES)
1002 Monterey Ct., Roseville
Effective: 1/11/10
Violation: 490, 10177(b)
Jan, Mohammad (RES)
152 Cabana Ct., Tracy
Effective: 12/2/09
Violation: 490, 10177(b)
Khoury, Nidal R. (RES)
811 Regency Park Cir., Sacramento
Effective: 1/25/10
Violation: 2832, 10145(a)(1), 10176(a)(i), 10177(d)(g)(j)

Merrill, Brian Douglas (RES)
5807 Baldwin St., Valley Springs
Effective: 1/20/10
Violation: 490
Moradi, Ahmad Shah (RES)
9672 Nature Trail Way, Elk Grove
Effective: 12/31/09
Violation: 490, 10177(b)
Roper, J. Travis (RES)
905 S. Pleasant Ave., Lodi
Effective: 2/15/10
Violation: 10145(c), 10176(a)(e)(i), 10177(d)(g)(j)
Vital, Jaime (RES)
2915 Patwin Place, Fairfield
Effective: 12/14/09
Violation: 10130, 10176(a), 10177(d)

SAN DIEGO REGION

Aguiar, Beth (RES)
8404 Protea Dr., Lakeside
Effective: 2/23/10
Violation: 490, 10177(b)
Cunningham, Richard W. (RES)
23465 Via Solana, Moreno Valley
Effective: 12/14/09
Violation: 490, 10177(b)
Henderson, David Lee (RES)
29946 Redwood Dr., Canyon Lake
Effective: 1/6/10
Violation: 490, 10177(b)
Marin, Sergio Ernesto (RES)
7197 Midnight Rose Cir., Corona
Effective: 1/19/10
Violation: 490, 10177(b)
Rivero, Richard Jesus (RES)
527 Encinitas Blvd. #100, Encinitas
Effective: 12/14/09
Violation: 490, 10177(b)
Chavez, Rodrigo (RES)
7038 Cascade Ave., Hesperia
Effective: 2/2/10
Violation: 10165, 10176(i), 10177(d)(g)
Right to RRES license on terms and conditions
Hwang, Kyung Hee (REB, REO)
4311 Wilshire Blvd., #110, Los Angeles
Effective: 12/21/09
Officer of: 100 Los Angeles Real Estate, Inc.
Violation: 10159.2, 10177(h)
Right to RRES license on terms and conditions
Lotter, Gerald Juergen (REB)
3330 Harbor Blvd., Third Floor, Costa Mesa
Effective: 1/27/10
Violation: 10137
Right to RRES license on terms and conditions
Morehouse, Thomas Jay (REB)
21049 Devonshire St., Chatsworth
Effective: 1/25/10
Violation: 490, 10177(b)
Right to RRES license on terms and conditions
Morris, Richard Leon (REB)
3100 E. Cedar St., Ste. 11, Ontario
Effective: 2/18/10
Violation: 10159.2, 10177(h)
Right to RRES license on terms and conditions
Ngo, Loann Myly (RES)
3844 Katella Ave., Los Alamitos
Effective: 12/28/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions
Rivera, Salomon Martin (REB)
2317 S. Garfield Ave., Monterey Park
Effective: 1/13/10
Violation: 2831, 2831.1, 2840, 10137, 10145, 10176(a)(e)(g), 10177(d)(g)(h), 10236.4(b), 10240
Right to RRES license on terms and conditions

REVOKED WITH RIGHT
TO A RESTRICTED
LICENSE

FRESNO REGION

Eanes, Kevin Scott (REB)
55 Shaw Ave., Ste. 208, Clovis
Effective: 12/9/09
Violation: 2831, 2831.1, 2831.2, 2832(a), 10148, 10176(e)(i), 10177(d)
Right to RRES license on terms and conditions

LOS ANGELES REGION

Barragan, Salvador (RES)
750 River St., Fillmore
Effective: 1/6/10
Violation: 490, 10177(b)
Right to RRES license on terms and conditions
Bedrosian, Jeanie (RES)
11693 San Vicente Blvd. #202, Los Angeles
Effective: 1/25/10
Violation: 490, 10177(b)
Right to RRES license on terms and conditions
Williamson, Jason Paul (REB)
16818 Redwood St., Fountain Valley
Effective: 12/14/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions
Yoon, Crystal Ji Hyun (RES)
20620 Anza Ave. #29, Torrance
Effective: 2/1/10

Violation: 10176(a)(b)(i)
Right to RRES license on terms and conditions

Zepeda, Antonio (REB)

2334 N. Sierra Hwy.,
San Bernardino
Effective: 2/8/10
Violation: 10145, 10176(i)(e),
10177(d)(g)(h)

Right to RRES license on terms and conditions

OAKLAND REGION**Dakin, Loren Joseph Jr. (RES)**

160 Lowell St., Redwood City
Effective: 2/24/10
Violation: 10176(a), 10177(g)
Right to RRES license on terms and conditions

Griffiths, John Piper (RES)

1311 Blewett Ave., San Jose
Effective: 12/21/09
Violation: 490(a), 10177(b)
Right to RRES license on terms and conditions

Lozano, Juan Ramirez (REB)

5980 Stoneridge Dr., Ste. 122,
Pleasanton
Effective: 12/2/09
Violation: 10177(a)
Right to RRES license on terms and conditions

Lucania, John Michael (RES)

212 Gates St., San Francisco
Effective: 1/5/10
Violation: 490(a), 10177(b)
Right to RRES license on terms and conditions

Romero, John Napoleon (REB)

1419 Burlingame Ave. #R,
Burlingame
Effective: 1/19/10
Violation: 480(c), 10177(a)
Right to RRES license on terms and conditions

Sabeh, Joseph George (REB)

43625 Mission Blvd. #102, Fremont
Effective: 12/14/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Smith, Charles Edward Jr. (REB)

2414 Sacramento St., Berkeley
Effective: 12/14/09
Violation: 10177(f)(g)
Right to RRES license on terms and conditions

SACRAMENTO REGION**Dickson, Regina Cheree (REB)**

PO Box 1733, Laytonville
Effective: 12/22/09
Violation: 2831, 2831.1, 2831.2,
10177(d), 10232.4,
10234(a), 10238(a)(f)
(h), 4973(b)(1), 4973(f),
4975(a)(1), 4975(k)(1)
Right to RRES license on terms and conditions

SAN DIEGO REGION**Burrell, James Patrick (REB)**

3358 30th St., San Diego
Effective: 12/10/09
Violation: 10177(h)
Right to RRES license on terms and conditions

Curran, Deron Patrick (RES)

41082 Cour Citran, Temecula
Effective: 1/26/10
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Kilbourne, Jennifer L. (RES)

26496 Arboretum Way #1502,
Murrieta
Effective: 1/6/10
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Nelson, Devi Jean (RES)

2826 Copley Ave., San Diego
Effective: 1/11/10
Violation: 10130, 10137
Right to RRES license on terms and conditions

Richard, Brian Edward (RES)

4134 Karst Rd., Carlsbad
Effective: 1/11/10
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Spann, Ginger Rea (REB)

1306 Main St., Ramona
Effective: 2/3/10
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Taggart, Lawrence William (REB)

1521 Kimberly Woods Dr.,
El Cajon
Effective: 12/22/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Yahya, Hassan Mohamed-Adib (RES)

17148 Crestpeak Court, Riverside
Effective: 1/27/10
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

SUSPENDED**LOS ANGELES REGION****Eadoin Mortgage Network, Inc. (REC)**

1147 Highland Ave.,
Manhattan Beach
Effective: 1/6/10
Violation: 10177(g)
Suspended for 30 days

Lett, John L. Sr. (REB)

14540 Hamlin St., Ste. A, Van Nuys
Effective: 2/2/10
Violation: 10137, 10177(d)
Suspended for 90 days

SUSPENDED WITH STAY**FRESNO REGION****Lopez, John Anthony (REB)**

5323 N. Valentine Ave. #151,
Fresno
Effective: 1/11/10
Violation: 2715, 10162, 10165,
10177(g)
Suspended for 90 days—stayed for one year on terms and conditions

LOS ANGELES REGION**Alaniz, Luis Cesar (REB, REO)**

15218 Summit Ave., Ste. 300 734,
Fontana
Effective: 2/2/10
Officer of: Mountain Side
Lending Corporation
Violation: 10137, 10177(d)(g),
10240, 10241

Suspended for 120 days—stayed for 2 years on terms and conditions

Cote, Brenda Angelica (REB)

5925 Ball Rd., Cypress
Effective: 1/4/10
Violation: 10177(g)

Suspended for 60 days—stayed for 2 years on terms and conditions

Donathan, Robert Henry (REB, REO)

12 Journey, Ste. 12, Aliso Viejo
Effective: 12/21/09
Officer of: Emerald Bay
Financial of Southern
California, Inc.

Violation: 2715, 10162, 10177(d)
Suspended for 60 days—stayed for 2 years on terms and conditions

Duran, Ramon Estrada (REB, REO)

2901 W. Beverly Blvd., Montebello
Effective: 1/5/10
Violation: 2831, 2831.2, 2832,
2832.1, 2834,
10177(d)(g)(h)

Suspended for 5 days—stayed for one year on terms and conditions

Dynamic Brokers, Inc. (REC)

2901 W. Beverly Blvd., Montebello
Effective: 1/5/10
Violation: 2831, 2831.2, 2832,
2832.1, 2834,
10177(d)(g)

Suspended for 5 days—stayed for one year on terms and conditions

Emerald Bay Financial of Southern California, Inc. (REC)

801 N. Parkcenter Dr., Ste. 106,
Santa Ana
Effective: 12/21/09
Violation: 2715, 10162, 10177(d)
Suspended for 60 days—stayed for 2 years on terms and conditions

M & H Partners, Inc. (REC)

5911 Heil Ave., Ste. B & C,
Huntington Beach
Effective: 12/9/09
Violation: 2715, 2848, 10140.6,

10162, 10177(d)(g),
10235

Suspended for 60 days—stayed for 2 years on terms and conditions

Mejia, Teresa (RES)

PO Box 187, Montclair
Effective: 1/19/10
Violation: 10130, 10177(d)
Suspended for 120 days—90 days stayed for 2 years on terms and conditions

Mohr, Richard Peter (REB)

305 E. Grove, Orange
Effective: 12/9/09
Violation: 10137, 10161.8(a),
10177(d)(g)

Suspended for 90 days—stayed for 2 years on terms and conditions

Moore, Joseph Michael (REB, REO)

5911 Heil Ave., Ste. B & C,
Huntington Beach
Effective: 12/9/09
Officer of: M & H Partners, Inc.
Violation: 2715, 2848, 10140.6,
10162, 10177(d)(g),
10235

Suspended for 60 days—stayed for 2 years on terms and conditions

Murillo, Esteban Raoul (REB, REO)

1147 Highland Ave.,
Manhattan Beach
Effective: 1/6/10
Officer of: Eadoin Mortgage
Network, Inc.

Violation: 10177(g)
Suspended for 30 days—stayed for one year on terms and conditions

Purcell, Danielle H. (REB)

1268 Glenneyre St., Laguna Beach
Effective: 1/8/10
Violation: 2831, 2831.1, 2831.2,
10145, 10177(d)

Suspended for 60 days—stayed for 2 years on terms and conditions

Quintero, Ronald Claude (REB)

26081 Meritt Circle, Ste. 1119,
Laguna Hills
Effective: 2/1/10
Violation: 10085, 10159.5,
10177(d)(g)

Suspended for 90 days—stayed for 2 years on terms and conditions

Thacher, Robert Morton (REB)

7144 Airway Ave., Yucca Valley
Effective: 1/20/10
Violation: 10177(g)
Suspended for 30 days—stayed for 2 years on terms and conditions

OAKLAND REGION**Baycal Financial Corporation (REC)**

111 Anza Blvd. #308, Burlingame
Effective: 1/7/10
Violation: 2831, 10176(e),
10177(d)

Suspended for 100 days—stayed for 2 years on terms and conditions

Ibis Universal Corporation (REC)

1754 Technology Dr., Ste. 234,
San Jose
Effective: 1/11/10
Violation: 2726, 10177(d),
10240, 10241

Suspended for 60 days—stayed for
2 years on terms and conditions

JBC Financial Services, Inc. (REC)

1650 S. Amphlett Blvd., Ste. 114,
San Mateo
Effective: 1/19/10
Violation: 2752, 2831, 2831.1,
2831.2, 2832, 2842.5,
10177(d)

Suspended for 30 days—stayed on
terms and conditions

McGovern, Thomas B. (REB)

1650 S. Amphlett Blvd., Ste. 114,
San Mateo
Effective: 1/19/10
Violation: 2752, 2831, 2831.1,
2831.2, 2832, 2842.5,
10159.2(a), 10177(d)(h)

Suspended for 30 days—stayed on
terms and conditions

Murphy, Matthew Peter (REB)

4341 Piedmont Ave., Oakland
Effective: 1/5/10
Violation: 2725, 10159.2,
10177(g)(h)

Suspended for 60 days—stayed for
2 years on terms and conditions

Pacific Capital Holdings, Inc. (REC)

4341 Piedmont Ave., Oakland
Effective: 1/5/10
Violation: 2726, 2753, 2831,
2831.2, 2832, 2835,
10145, 10160,
10176(e), 10177(d)

Suspended for 60 days—stayed for
2 years on terms and conditions

Pierce, Robert Steven (REB)

39500 Stevens Pl. #108, Fremont
Effective: 1/5/10
Violation: 2725, 10159.2,
10177(g)(h)

Suspended for 60 days—stayed for
2 years on terms and conditions

Tsia, Anthony C.K. (REB)

111 Anza Blvd. #308, Burlingame
Effective: 1/7/10
Violation: 10177(h)

Suspended for 100 days—stayed for
2 years on terms and conditions

SACRAMENTO REGION**Cohen, Brian (REB)**

611 Arbutus Ave., Chico
Effective: 1/4/10
Violation: 2831, 2831.1, 2831.2,
2832, 2834, 10145,
10176(e), 10177(d)

Suspended for 60 days—30 days
stayed for 2 years on terms and
conditions

Goss, Roger Lathrop (REB)

103 Placerville Dr., Placerville
Effective: 12/28/09
Violation: 2831, 10130,
10177(d), 10240

Suspended for 60 days—30 days
stayed for 2 years on terms and
conditions

Norcal Gold, Inc. (REC)

11290 Point East Dr., Ste. 140,
Rancho Cordova
Effective: 12/7/09
Violation: 2731, 2831, 2831.2,
2832, 2834, 10130,
10137, 10145,
10159.5, 10177(d)

Suspended for 60 days—stayed for
2 years on terms and conditions

Romanishin, Tanya (RES)

1420 E. Roseville Pkwy., Ste. 140
130, Roseville
Effective: 1/11/10
Violation: 2763(a)(1), 123,
10177(a)(d)

Suspended for 6 days—stayed for
one year on terms and conditions

Verdeo Funding, Inc. (REC)

4168 Douglas Blvd., Ste. 200,
Granite Bay
Effective: 1/21/10
Violation: 2832, 2970, 10085,
10145, 10146, 10177(d)

Suspended for 30 days—stayed for
2 years on terms and conditions

Williams, David Meredith (REB)

4168 Douglas Blvd., Ste. 200,
Granite Bay
Effective: 1/21/10
Violation: 10159.2, 10177(h)

Suspended for 45 days—stayed for
2 years on terms and conditions

Winders, Paul Russell (REB)

560 First St. #C103, Benicia
Effective: 2/11/10
Violation: 2831, 2831.1, 2831.2,
2832, 10145, 10176(e)
(i), 10177(d)

Suspended for 60 days—stayed for
one year on terms and conditions

Yee, Timothy Craig (REB)

11290 Point East Dr., Ste. 140,
Rancho Cordova
Effective: 12/7/09
Violation: 10159.2, 10177(d)(h)

Suspended for 60 days—stayed for
2 years on terms and conditions

LICENSE SURRENDERED**FRESNO REGION****MacKenzie, Stephen Dustin (REB)**

915A North Main St., Salinas
Effective: 2/25/10

LOS ANGELES REGION**Ali, Riasat (RES)**

3537 East Ave. H13, Lancaster
Effective: 11/24/09

Allen, Angela Lorraine (REB)

3040 Linden Ave., Long Beach
Effective: 12/14/09

Cavero, Luis Enrique (RES)

13151 Yorba Ave., Apt. 150, Chino
Effective: 12/14/09

Central American Mortgage Co., Inc. (REC)

14 N. Central Ave., Upland
Effective: 12/14/09

Chiuminatta, Jeffrey Alan (REB, REO)

7525 Irvine Center Dr., Ste. 200,
Irvine
Effective: 2/24/10
Officer of: Green Credit
Solutions, Inc.

Grand Masters Lending, Inc. (REC)

16742 Orange Way, Fontana
Effective: 2/8/10

Green Credit Solutions, Inc. (REC)

7525 Irvine Center Dr., Ste. 200,
Irvine
Effective: 2/24/10

Hasson, Ronald (RES)

16055 Ventura Blvd., Ste. 1200,
Encino
Effective: 12/21/09

Key Lenders, Inc. (REC)

16133 Ventura Blvd., Penthouse H,
Encino
Effective: 12/21/09

Levan, Paul (RES)

9166 Cerritos Ave. #42, Anaheim
Effective: 12/14/09

Melone, Curtis James (RES)

7525 Irvine Center Dr., Ste. 200,
Irvine
Effective: 2/24/10

Menendez, Mario (REB, REO)

13601 E. Whittier Blvd., Ste. 409,
Whittier
Effective: 12/14/09
Officer of: Pegaso Realty, Inc.,
Central American
Mortgage Co., Inc.

Oganesyan, Elita (REB)

12107 Gerald Ave., Granada Hills
Effective: 1/12/10

Pegaso Realty, Inc. (REC)

14 N. Central Ave., Ste. A, Upland
Effective: 12/14/09

Pitts, Diana Marie (PRLS)

18538 Beach Blvd.,
Huntington Beach
Effective: 12/14/09

Previti, James Peter (REB, REO)

3536 Concoors St., Ste. 300,
Ontario
Effective: 2/16/10

Razi, Negar Nicole (RES)

23032 Vose St., West Hills
Effective: 12/14/09

Young, Gerald Thomas (RES)

15252 Seneca Rd., Unit 183,
Victorville
Effective: 12/7/09

OAKLAND REGION**Jeter, Raymond Lorenzo (REB)**

2570 N. First St., Ste. 200, San Jose
Effective: 12/21/09

Luu, Hoa Lisa (REB)

2323 Trinity Hills Ct., San Jose
Effective: 1/26/10

Peavey, William Benson Jr. (REB)

202 Alta Vista Dr.,
South San Francisco
Effective: 9/14/09

Schaefer, Paul Adam (REB)

4795 Old Redwood Hwy., Ste. B,
Santa Rosa
Effective: 1/25/10

Stein, Clement Joseph Jr. (REB)

10 Commodore Dr., Emeryville
Effective: 12/22/09

Ting, Sen (RES)

PO Box 875, Millbrae
Effective: 1/7/10

Whitfield Financial Services, Inc. (REC)

900 E. Hamilton Ave., Ste. 100,
Campbell
Effective: 12/21/09

SACRAMENTO REGION**Bingham, Lisa Maria (RES)**

700 Gibson Dr. #1821, Roseville
Effective: 12/31/09

Daugherty, Carl Patrick (RES)

2087 Morley Way, Sacramento
Effective: 1/11/10

Loan Review, Inc. (REC)

1430 Blue Oaks Blvd. #250,
Roseville
Effective: 12/10/09

SAN DIEGO REGION**AJPROP.COM, Inc. (REC)**

3358 30th St., San Diego
Effective: 12/10/09

Bridge Harbor Mortgage Services, Inc. (REC)

11716 Mira Lago Way, San Diego
Effective: 12/10/09

Mocan, Daniela (RES)

808 Allegre Circle, Corona
Effective: 12/28/09

**INDEFINITE
SUSPENSIONS**

(under Recovery Act provisions)

FRESNO REGION**Landers, Rhonda Faye (RES)**

2308 S. Waldby Ave., Fresno
Effective: 1/22/10

Tullos, Bonnie Ilene (REB)

955 Via Solano, Arroyo Grande
Effective: 12/28/09, 12/31/09,
1/22/10, 1/29/10,
2/1/10, 2/22/10

Indefinite Suspensions

Cont'd

LOS ANGELES REGION

Castillo, Antonio (REB)

8504 Firestone Blvd., #380, Downey

Effective: 2/12/10

Ehlert, Georg Bruno (RES)

276 S. Parker St., Orange

Effective: 2/22/10

Laureano, Donald (REB)

19301 Plummer St., Northridge

Effective: 12/08/09

On Line Funding (REC)

3915 W. 102ND St., Inglewood

Effective: 12/31/09

Zepeda,Leobardo Mendoza, Jr. (RES)

1641 N. Elm Ave., Santa Maria

Effective: 2/9/10

OAKLAND REGION

Bullard, Rodney Alonzo (REB)

4935 Bridle Way, Antioch

Effective: 12/28/09

Tran, Yem Dang (REB)

289 Ascente Commons, San Jose

Effective: 12/31/09

Are appraisal fees and credit report fees trust funds?

Generally, a broker who collects fees in advance (advance fees), for the purpose of arranging a loan, must comply with all of the advance fees laws and regulations (Business and Professions Code (B&P) §10026, 10085 & 10146 and Commissioner's Regulations 2970 & 2972).

But, there are instances where the broker collects monies for performing a service such as an appraisal or obtaining a credit report—in these instances, the Department does not interpret these payments as advance fees, as the broker collects an amount equal to the cost of performing such services (the actual appraisal cost and/or the cost of the credit report). Any excess funds above and beyond the cost to perform these services would be considered advance fees. Despite not being treated as advance fees, appraisal and credit report fees are considered to be trust funds.

Depending on the situation, there are ways that appraisal fees and/or credit report fees must be handled by the broker:

1. They can either be collected directly from the borrowers up front, or
2. They can be collected at the close of escrow.

Credit report and appraisal fees *are* trust funds; they *are not* broker's funds.

Collected Directly from Borrowers Up Front

When a broker receives a check in his/her name for credit report and/or appraisal fees (trust funds), the trust funds should be deposited into a bank account in the name of the broker as trustee (a trust account), no later than three business days following receipt of the funds.

The broker must have a columnar record for all trust funds received and disbursed, and a separate record for each beneficiary should be maintained. The broker would need to maintain a written monthly reconciliation of the columnar record to the separate records.

According to B&P §10145(a)(1), "A real estate broker who accepts funds belonging to others in connection with a transaction subject to this part shall deposit all those funds ... into a trust fund account maintained by the broker in a bank or recognized depository in this state. All funds deposited by the broker in a trust fund account shall be maintained there until disbursed by the broker in accordance with instructions from the person entitled to the funds." Also see Commissioner's Regulations 2832(a), 2831 (a) (b)(c), 2831(e), 2831.1(a), and 2831.2

Collected at the Close of Escrow

When credit report and appraisal fees are collected at the close of

escrow, and if the broker has already paid for the services with his/her own money prior to receiving these funds at the close of escrow, the broker is just getting a reimbursement. These are not trust funds.

However, if the broker receives a check from the escrow company, payable to the broker, for credit report and appraisal fees, and he/she has not paid for the services, they are not broker's funds. They are trust funds and have to be treated as such. They should not be deposited into the broker's general account. When a broker deposits trust funds in the general account, the broker is commingling trust funds with broker's funds in the general account, which violates B&P §10176(e) and 10145 along with the Commissioner's Regulation 2832.

B&P §10176 states that "The commissioner may, upon his or her own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee within this state, and he or she may temporarily suspend or permanently revoke a real estate license at any time where the licensee, while a real estate licensee, in performing or attempting to perform any of the acts within the scope of this chapter has been guilty of any of the following:


(e) "Commingling with his or her own money or property the money or other property of others which is received and held by him or her."

If the credit report and appraisal fees are included in the broker's commission check (from escrow), the entire check would need to be deposited into the trust account and the part of the funds belonging to the broker should be disbursed not later than twenty-five days after their deposit.

Regulation 2835 states that "Commingling" as used in B&P §10176(e) is prohibited except as specified in this section. For purposes of Section 10176(e), the following shall not constitute "commingling":

2835(b) "The deposit into a trust account maintained in compliance with subdivision (d) of funds belonging in part to the broker's principal and in part to the broker when it is not reasonably practicable to separate such funds, provided the part of the funds belonging to the broker is disbursed not later than twenty-five days after their deposit and there is no dispute between the broker and the broker's principal as to the broker's portion of the funds. When the right of a broker to receive a portion of trust funds is disputed by the broker's principal, the disputed portion shall not be withdrawn until the dispute is finally settled."

(d) "The trust fund account into which the funds are deposited is maintained in accordance with the provisions of §10145 and the regulations of this article."

Credit report and appraisal fees paid up front are not usually treated as advance fees, however, they are trust funds and must comply with trust fund handling laws and regulations. 



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her employment? Depending on the facts and circumstances and the nature of the violation, the designated broker-officer may still be responsible along with the officer to whom supervision was delegated.

The supervision requirement in B&P §10159.2 is supported by B&P §10177(h). Enacted in 1955, this subsection authorizes two causes for disciplinary action:

- (1) for any broker who fails to exercise “reasonable supervision” over the salespersons practicing under his or her license, and
- (2) for any designated corporate broker licensee who fails to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required.

Hence, a broker’s failure to provide adequate supervision can lead to disastrous consequences not only for the affected consumers, but also for the broker’s future as a real estate licensee.

In exercising reasonable supervision over the activities of their salespersons, Regulation 2725 requires that brokers establish policies, rules, procedures and systems to review, oversee, inspect and manage:

- (a) Transactions requiring a real estate license.
- (b) Documents which may have a material effect upon the rights or obligations of a party to the transaction.

(c) Filing, storage and maintenance of such documents.

(d) Handling of trust funds.

(e) Advertising of any service for which a license is required.

(f) Familiarizing salesperson with the requirements of federal and state laws relating to the prohibitions against discrimination.

(g) Regular and consistent reports of licensed activities of salespersons.

The form and extent of such policies, rules, procedures and systems must take into consideration the number of salespersons employed and the number and location of branch offices. In other words, a designated broker should keep track of who is working for the company, what the license status is of employees, and out of which office they are working. A broker also must have a system in place to monitor the overall policies, rules, procedures and systems. Brokers may use the services of other brokers and salespersons to assist in administering these supervisory policies and procedures, so long as the broker does not relinquish overall responsibility for supervision of the acts of salespersons licensed to the broker.

Ensuring License Requirements are Met

Any person, individual or corporation,

who engages in the business of, or advertises as, a real estate broker or a real estate salesperson must first obtain a real estate license from the Department. It is therefore incumbent upon brokers to hire licensed agents, and ensure that only employees who are licensed perform activities requiring a real estate license. It is the employing brokers and/or the designated broker officers of corpo-

rations who are responsible for ensuring that agents are properly licensed and that unlicensed employees do not perform activities requiring a real estate license. In this way, supervising brokers ensure that the sales force is licensed and has the basic requisite knowledge, skills, experience and character to represent members of the public in real estate transactions.

Because corporations are “persons” under the Real Estate Law, corporations may obtain real estate broker licenses. However, a licensed corporate broker may act only through a designated corporate officer who is a licensed broker. B&P §10211 requires that the corporation designate a supervising broker in its application for a real estate license. If there is no licensed officer designated as the supervising broker for the corporation, the corporation cannot perform licensed activities. A designated broker-officer of a corporation is, while so employed, licensed only to act for and on behalf of the corporation as an officer. However, a designated broker-officer may also hold a separate license through which he or she may act as an individual broker. A corporate licensee engaging in the real estate business when there is no designated broker-officer is acting in an unlicensed capacity. This may subject the corporation to discipline by the Department as well as to criminal penalties.

In addition, in order to be licensed by the Department of Real Estate and to do business as a corporate real estate broker, the corporation must be in good standing with other agencies of the State. If a corporation, for example, has its corporate status suspended or revoked, it is no longer a corporation in good standing. The designated broker officer of a corporation is responsible for ensuring compliance with this provision of the Real Estate Law.

Among the express administrative duties of supervision are the requirements that the broker physically possess the licenses of the salespeople he or she employs. The salesperson license must reflect the current employing broker. In addition, brokers must notify the DRE when hiring or terminating a salesperson. Brokers must maintain written agreements between the broker and each

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accessed through the NMLS&R

- ❖ **MU1 form for companies**-This form is completed on behalf of a licensed real estate corporation or on behalf of a sole-proprietor license real estate broker.
- ❖ **MU2 form for officers**-This form will be completed for the broker or officers (licensed and non-licensed) of the company identified in the MU1 form.
- ❖ **MU3 form for branches**-This form is completed for each licensed mortgage loan branch office location.
- ❖ **MU4 form for individuals**-This form will be completed by each mortgage loan originator who will take a mortgage loan application, or who will negotiate or offer to negotiate a residential property mortgage loan. This includes brokers, salespersons, and independent or contract loan processors or loan underwriters. If a MLO License Endorsement application is filed for a corporation, the corporation licensed broker officer must also file this form.

2. Qualifying Tests

Two tests are given by the NMLS&R. One is a national component and one is a state component. If a passing score is not obtained, the test can be retaken after 30 days. If a passing score is not obtained after the first 3 attempts, then the test can be retaken again after 180 days.

3. Prelicensing Education

Existing DRE licensees can either take 20 hours of education through NMLS course providers OR have the prelicensing education waived by meeting the following requirements:

1. Register on NMLS and file a MU4 form by August 31, 2010.
2. Pay a \$15 fee when requested by email.
3. Maintain an active DRE license through July 1, 2010 (or through August 1st, 2010 if applying after July 1st).

4. Criminal Background

New fingerprints are required. Review of criminal background information will result in denial of the mortgage loan originator license endorsement when there has been a felony conviction in the last 7 years or if there has been any conviction for a felony involving an act of fraud, dishonesty, breach of trust, or money laundering.

5. Credit Report Authorization

Credit scores will not be the key to the state evaluation of financial responsibility. However, an applicant may be precluded from obtaining a mortgage loan originator license endorsement where his or her personal history includes any liens or judgments for fraud, misrepresentation, dishonest dealing, and/or mishandling of trust funds, or other liens, judgments, or financial or professional conditions that indicate a pattern of dishonesty on the part of the applicant. The credit report will be used to validate MU Application disclosures.

6. Disclosures

The application forms will include disclosure questions about the applicant's background and will require him or her to forward copies of these disclosures to the Department's licensing section with attached copies of any evidence, explanation, or clarification that may be appropriate.

7. Fees

Pay the required fees through the NMLS registry system. All fees are non-refundable.

Loan Processors and Underwriters


The SAFE Act requires that independent or contract loan processors and underwriters must also register with the NMLS&R as Mortgage Loan Originators. The MLO License Endorsement will be added to the DRE Broker License as an MLO Endorsement. Processors or underwriters who do not already have a DRE Broker License will have to obtain one by December 31, 2010, or before doing any activities as an independent or contract loan processor or underwriter after December 31, 2010.

Arranging Seller Carry-Back Transactions

Licensees who enter into a listing agreement to sell property and help the seller arrange carry-back terms for the sale but are not compensated by a lender for originating the loan will not be required to obtain an MLO License Endorsement.

Department of Corporations Applicants

Applicants for an MLO License Endorsement who will be working for a Department of Corporations (DOC) licensee may be able to request certification of the 20 hours of pre-licensing education if they currently hold a DRE license. Contact the DOC for instructions.

For frequently asked questions and the most current information, please visit the DRE's Web site at www.dre.ca.gov. 


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salesperson. The agreements must address the broker's supervision of licensed activities. Brokers must have and maintain a definite place of business in California where licenses are displayed and where consultations with clients take place. Fictitious business names and the location of branch offices must also be on record with the Department to be lawful. In addition, alternative business names (doing business with a fictitious business name, or "dba") and the location of branch offices must be on record with the Department to

be lawful. In the case of a corporate broker, it is the duty of the designated broker to ensure compliance with these rules. These latter examples of administrative duties are part of the more general duties of supervision of an individual broker's employees or the designated supervising broker's duty to supervise the acts of a licensed corporation and its employees and agents.

The supervising broker is also responsible for properly handling trust funds, and for maintaining trust account records, transaction records, and records of

payments, on behalf of the corporation

Ensuring that all employees act with the utmost honesty and integrity and adhere to their duties as fiduciaries is an inherent part of the supervising broker's responsibility. The decision to serve as a supervising broker, either of a sole proprietorship or of a corporate brokerage, should not be taken lightly. If any violations occur in the name of the corporation, the designated broker may suffer the consequences. The buck stops with that individual. 



Official Publication
CALIFORNIA DEPARTMENT OF REAL ESTATE
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Sacramento, California 95818-7000

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