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# REAL ESTATE BULLETIN

Arnold Schwarzenegger, Governor

Dale Bonner, Secretary, Business, Transportation, & Housing Agency

Jeff Davi, Real Estate Commissioner

Department of Real Estate

Winter 2007

## Loan fraud – it’s a crime

It’s been in the news. Very few topics have been covered as extensively as loan fraud. The Department of Real Estate (DRE) is aggressively pursuing and investigating more and more cases involving licensees arranging questionable or fraudulent loan transactions, and these licensees are paying the price.

A recent enforcement case involved a pattern of conduct that is far too common in today’s market. These respondents engaged in a scheme to defraud federally insured financial institutions and other lenders by recruiting individuals to purchase homes, and then falsely lead the purchasers to believe they were purchasing homes as investments in a lease to own business venture.

The straw purchasers were recruited with the proposal to purchase a single family home on behalf of others with bad credit who wished to buy the homes and had been “pre-qualified.” The respondents promised the straw buyers a percentage of the profits for participating in the scheme when the homes were transferred to the eventual buyers. The straw buyer’s only qualification was to hold a good credit rating.

When the respondents found individuals willing to participate, they arranged a purchase transaction and submitted false loan applications on behalf of the straw purchasers by representing to the lenders the following untruths: 1) the straw buyers were going to occupy the homes as their primary residence and, 2) falsified financial information regarding the straw buyers’ employment and income.

In one case, the respondents sold two homes to a retired nanny claiming

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## Message from Commissioner Davi

The new millennium rang in with a 5 year span of unparalleled growth in the real estate market. However, as in most business cycles, years of growth are followed by periods of correction. It is now clear the market is transitioning, and with it, California is experiencing a heightened level of defaults and foreclosures. Financially distressed borrowers are likely to turn to you as real estate professionals for guidance. In this regard, when financially stressed borrowers contact you, I want to encourage you to assist those individuals to the extent it is appropriate. I believe the prudent initial step should be assisting a borrower in making contact with their lenders so that they may obtain, through their lender, a workout arrangement that provides, as necessary and appropriate, modified loan terms

or converted products with predictable and manageable payments. Many lenders are poised to help, however I have been told that half the borrowers who are foreclosed, never called their lender.



In addition, in response to demands for information from consumers, the State created a Web site that is a portal to a wealth of consumer mortgage information, ranging from tips on how to avoid foreclosure and what to do if you cannot make your payments, to where to find HUD approved home loan counseling agencies and information on home loan programs. The Web site can be found at [www.yourhome.ca.gov](http://www.yourhome.ca.gov) or in Spanish at [www.sucasa.ca.gov](http://www.sucasa.ca.gov). I

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## Review of 2007 regulatory changes for continuing education

There have been noteworthy changes made to the requirements for the continuing education of licensees. Effective July 1, 2007, real estate licensees are required to complete a three-hour course in Risk Management prior to renewing their license. This change was implemented to increase a licensee’s level of knowledge. In that same vein, changes will be made to the way continuing education courses will be presented.

New requirement changes to Regulations of the Real Estate Commissioner that will become operative February 29, 2008 will affect a sponsor’s administration requirements for offering either a correspondence or a live presentation course. The following summarizes the changes that will impact a licensee seeking credit for a continuing education course:

- All correspondence and live presentation courses will require a final examination. For successful completion of a course, the participant must achieve a passing score of 70% or higher on the final examination.
- To successfully complete a correspondence course, a participant will be limited to completion of final examinations for a maximum of fifteen credit hours during any one 24-hour period.

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STATE OF CALIFORNIA  
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Dale Bonner, *Secretary*

DEPARTMENT OF REAL ESTATE  
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# DRE employees are not permitted to act as “expert witnesses” for private parties

The Department of Real Estate (“DRE” or “the department”) has some very experienced attorneys, auditors, investigators and subdivision specialists on its staff. Some DRE employees have spent many years in their respective areas and have become recognized specialists or experts in their fields. On occasion, DRE employees are asked to appear as expert witnesses on behalf of a party other than a governmental entity in civil, criminal or administrative proceedings. However, in spite of their subject matter expertise, department employees are not permitted to act as “expert witnesses” in those matters.

Section 19990 of the California Government Code (Section 19990) lists a number of activities that are considered to be “incompatible”, conflicting and/or inconsistent with employment as a State employee. Included in the list of proscribed acts are (i) using State time, facilities, equipment or supplies for private gain, and (ii) using the prestige or influence of the State or the appointing authority for the employee’s private gain or advantage, or the private gain of another. Section 19990 also requires all State departments to determine which specific activities are incompatible for its employees.

DRE has adopted an Incompatible Activities Statement for its employees. The Statement prevents employees from performing a number of acts, including (i) conducting any activity for which a real estate license is required or (ii) claiming, charging, receiving and/or accepting any consideration, other than from the department, for performing official acts or duties. The Statement also specifically prohibits “Voluntarily agreeing to act or accepting employment as an expert witness on behalf of someone other than the Department or other state or local public agency to testify on matters or issues related to the employee’s duties with the Department, including testifying at a deposition or any action (i.e., civil, criminal, administrative, etc.) to determine whether a real estate licensee has fulfilled the obligations and duties associated with activities requiring a real estate license”. An employee who violates this prohibition could be subject to disciplinary action.



Thus, private litigants should not plan on calling DRE employees as expert witnesses in any proceedings. The department recognizes that the Incompatible Activities Statement precludes private litigants of the ability to use the expertise and specialized knowledge of department employees in litigating and/or resolving disputes. Yet DRE believes that the goal of fair and impartial enforcement of the Real Estate and Subdivided Lands Law is best served by ensuring that its employees remain neutral.

Section 19990 and the Incompatible Activities Statement both apply only to current employees. Therefore, persons interested in an “expert” with DRE experience are free to contact former DRE employees regarding their availability and possible participation as witnesses. It should be noted that such former employees might still not be able to act as an “expert witness” because of legal restrictions or prohibitions pertaining to ethics, the use and/or disclosure of confidential information, and/or post-employment activities.

[Edited, Modified and Re-written in part by Wayne Bell, Chief Legal Counsel, on 12/4/07]

## Summary of 2007 legislation

October 14, 2007 marked the end of year one of the current two-year legislative session. A total of 964 bills wound their way through the process and landed on the Governor's desk. Of these bills, 750 were signed into law and 214 were vetoed. The following brief legislative summaries are of legislation from the 2007 session that affect real estate licensees and subdividers. These summaries are intended to alert you to pertinent changes to the law. We encourage you to consult the statutes for complete information. Copies of the bills can be obtained on-line at [www.leginfo.ca.gov](http://www.leginfo.ca.gov). Please note that "SB" refers to a Senate bill and "AB" to an Assembly bill and the Chapter number refers to the sequence that the bill was filed with the Secretary of State. The name appearing after the bill number is the name of the author. All statutes are effective January 1, 2008 unless otherwise noted.

### **AB 432 (Garcia) Time-share Public Reports (Chapter 53)**

The Vacation Ownership and Time-Share Act of 2004 (VOTA), which became effective 7-1-05, effectively changed how time-share offerings are regulated in California. The act requires a timeshare plan developer, prior to selling timeshare interests, to obtain a public report from the DRE. The public report application requires the developer to fully and accurately disclose certain facts concerning the time-share developer and time-share plan.

AB 432 will allow a developer to submit a public report application that combines, in a manner prescribed by the Commissioner, the information required to be disclosed by the California law and the information required to be disclosed in a public report issued by a regulatory agency in one or more states. This will allow a developer to create a single disclosure document that is potentially valid in the states where the time-shares are marketed.

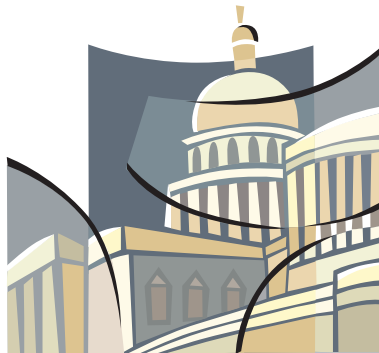
The Department of Real Estate sponsored AB 432.

### **AB 691 (Silva) Homeowner Association Managers; certification (Chapter 236)**

While existing law does not require managers of home owners associations (HOA) to be licensed, the law does prescribe requirements for the certification of HOA managers. Specifically, existing law requires the completion of specified educational requirements in order for a HOA manager to be considered certified, although there is no requirement that an individual be certified in order to manage a HOA. The provisions in existing law that set forth the requirements for HOA manager certification will sunset on 1/1/08.

AB 691 extends the sunset date to 1/1/12 and modifies the requirements for HOA manager certification.

AB 691 was sponsored by the California Association of Community Managers.



### **AB 763 (Saldana) Subdivision; conversions; notice (Chapter 612)**

The Subdivision Map Act (Map Act) generally requires an apartment owner to give tenants notice that the property in which they live will be converted from rental units to condominium units that will be offered for sale. AB 763 deletes the current notification procedure and creates new tenant notification requirements that must be fulfilled prior to the approval of a final subdivision map for the conversion of residential rental property into condominiums.

This bill also requires that if a rental agreement was negotiated in Spanish, Chinese, Tagalog, Vietnamese, or Korean, all required written notices regarding the conversion of residential real property into a condominium project, a community apartment project, or a stock cooperative project shall be issued in the tenant's primary language.

### **AB 839 (Emmerson) Real estate license renewals; military extension (Chapter 194)**

Existing law allows a licensee who is called to active military service to extend the amount of time he or she has to renew a real estate license. Military service includes active duty in the United States Army, the United States Navy, the United States Air Force, the Marine Corps, and the Merchant Marine in time of war, the Coast Guard, and all officers of the Public Health Service detailed by proper authority for duty either with the Army or the Navy.

AB 839 extends the definition of military service to include those in the National Guard.

The Department of Real Estate sponsored AB 839.

### **AB 840 (Emmerson) Real estate licenses: discipline (Chapter 140)**

Existing law allows the Department of Real Estate to deny a real estate license applicant or to discipline a real estate licensee for a felony conviction or a misdemeanor conviction where the crime involved "moral turpitude" and the crime bore a substantial relationship to the duties of a real estate licensee.

AB 840 amends existing law to strike the moral turpitude standard.

The Department of Real Estate sponsored AB 840.

### **AB 980 (Calderon) Real estate transfer fees: residential property. (Chapter 689)**

Some home builders have instituted the use of private transfer fees to fund the maintenance of amenities, improvements or open space. The funds generated by the transfer fee are typically paid to a third party entity, not associated with the developer or homeowner association. These fees are generally imposed upon initial sale of a newly constructed home and upon the 'transfer' or subsequent sales of the home. Existing law does not impose any limits on the amount, duration or use of the transfer fees.

AB 980 requires the disclosure

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# Disciplinary Action: June 07 - Aug 07



- ✓ 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](http://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
- 2752 Broker's failure to notify DRE of salesperson employmen
- 2753 Broker's failure to retain salesperson's license at main office or return the license at termination of employment
- 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 a neutral escrow depository or trust fund account within three business days of receipt
- 2832(d) Failure of broker holding trust funds contingent on offer of acceptance to properly place funds within 3 business days of acceptance
- 2832.1 Failure to obtain permission to reduce trust fund balance in a multiple beneficiary account
- 2834 Trust account withdrawals by unauthorized or unbonded person
- 2835(b) Retention of broker funds in trust account
- 2840 Failure to give approved borrower disclosure
- 2950(d) Failure of broker handling escrows to maintain records and accounts
- 2950(e) Failure by broker to make escrow records available for inspection
- 2950(g) Broker-handled escrow disbursement without written instructions
- 2950(h) Failure to disclose interest in the agency holding the escrow
- 2950(i) Failure to render written statement upon closing broker-handled escrow
- 2951 Improper record keeping for broker handled escrows
- 2970 Failure to submit advance fee material for review
- 2972 Advance fee accounting

## Business and Professions Code

- 490 Substantially related criminal conviction
- 498 License obtained by fraud or misrepresentation
- 10085 Failure to submit advance fee materials
- 10130 Acting without license
- 10137 Unlawful employment or payment of compensation
- 10145 Trust fund handling
- 10145(a) Trust fund handling
- 10145(c) Failure by salesperson to deliver trust funds to broker
- 10146 Advance fee handling
- 10148 Failure to retain records and make available for inspection
- 10159.2 Failure by designated officer to supervise licensed acts of corporation
- 10159.2(a) Failure by designated officer to supervise licensed acts of corporation
- 10159.5 Failure to obtain license with fictitious business name

- 10160 Failure to maintain salesperson licenses in possession of broker
- 10161.8 Failure of broker to notify Commissioner of salesperson employment
- 10163 Failure to obtain a branch office license
- 10176(a) Making any substantial misrepresentation
- 10176(i) Fraud or dishonest dealing in licensed capacity
- 10177(a) Procuring a real estate license by misrepresentation or material false statement
- 10177(b) Conviction of crime
- 10177(d) Violation of real estate law or regulations
- 10177(f) Conduct that would have warranted denial of a license
- 10177(g) Negligence or incompetence in performing licensed acts
- 10177(h) Failure to supervise salespersons or licensed acts of corporation
- 10177(j) Fraud or dishonest dealing as principal
- 10177(k) Violation of restricted license condition
- 10177(n) Violation of real estate syndicate provisions of corporate securities law
- 10178 Failure of broker to notify Commissioner of salesperson termination
- 10231 Accepting loan funds for other than a specific loan
- 10231.1 Retaining lender's funds for more than 25 days without a written agreement with the lender
- 10232 Failure to notify DRE of threshold status
- 10232.2 Failure to file or maintain trust fund status
- 10238(a) Failure of broker to notify Commissioner within 30 days of first mortgage transaction or of any material change in required notice
- 10238(f) Violation of restriction to sell notes in excess of 10 qualified persons
- 10238(j) Violation of trust fund handling and records maintenance
- 10238(k)(3) Failure to submit independent certified public accountant report
- 10240 Failure to provide mortgage loan disclosure statement
- 10241 Improper mortgage loan disclosure statement

## Financial Code

- 4975 et seq. Violation of covered loan requirements

## REVOKED LICENSES

### FRESNO REGION

#### Gonzalez-Castro, Erika (RES)

2300 Oak Crest Dr., Turlock  
*Effective:* 8/27/07  
*Violation:* 490, 10177(b)

#### Koehler, Ryan B. (RES)

7960 B Soquel Dr. #143, Aptos  
*Effective:* 8/6/07  
*Violation:* 490, 10177(b)

#### Pearlberg, Neil C. (RES)

404 Ewell Ct., Aptos  
*Effective:* 7/19/07  
*Violation:* 10176(i)

#### Wessel, June Lorraine (RRES)

6824 Mollison Ct., California City  
*Effective:* 7/9/07  
*Violation:* 490, 10177(b)

### LOS ANGELES REGION

#### Aguiar, Oscar (RES)

2172 Avalon Ave., Pomona  
*Effective:* 6/18/07  
*Violation:* 490, 10177(b)

#### Alonzo, Olivia D. (RES)

16377 Main St., Ste. C, Hesperia  
*Effective:* 6/18/07  
*Violation:* 490, 10177(b)

#### Anderson, David Leonard (RES)

5186 Kaiser Ave., Santa Barbara  
*Effective:* 8/2/07  
*Violation:* 490, 10177(b)

<b>Brennan, Lawrence Michael (RREB, RREO)</b> 24 Fremont St., Newport Beach Effective: 6/21/07 Violation: 10148, 10159.2, 10177(d)(g)(h), 10232.2, 10238(k)(3)	<b>Harris, Furman Lloyd (RES)</b> 2560 Northshore Ln., Westlake Village Effective: 8/7/07 Violation: 490, 10177(b)	<b>Pitchford, Mary Ann (RES)</b> 1313 W. Park Western Dr., #15, San Pedro Effective: 6/14/07 Violation: 490, 10177(b)	<b>Augustine, Demeka T. (RES)</b> 65 Rio Robles East #2309, San Jose Effective: 8/9/07 Violation: 490(a), 10177(b)
<b>Chang, Jobe Yehwa (REB)</b> 2633 S Baldwin Ave., Arcadia Effective: 7/17/07 Violation: 490, 10177(b)	<b>Herrel, Lynette L. (RES)</b> 2226 Malcolm Ave., Los Angeles Effective: 7/17/07 Violation: 490, 10177(b)	<b>Potter, D. Sidney (RES)</b> P.O. Box 287, Pasadena Effective: 6/22/07 Violation: 498, 10177(b)	<b>Brill, Eric (RES)</b> 181 Laidley St., San Francisco Effective: 7/10/07 Violation: 490, 10177(b)
<b>Chatman, Fearl Sharayne (RES)</b> 4517 Pickford St., #5, Los Angeles Effective: 7/10/07 Violation: 490, 10177(b)	<b>Johnson, Paul Allen (RES)</b> 31 Skyline Ln., Pomona Effective: 6/7/07 Violation: 490, 10177(b)	<b>Prosser, Diana Darlene (REB)</b> 180 Newport Center Dr., Ste. 180, Newport Beach Effective: 6/7/07 Violation: 490, 10177(b)	<b>Calnet Finance &amp; Investment San Francisco, Inc. (REC)</b> 1786 36 <sup>th</sup> Ave., San Francisco Effective: 6/4/07 Violation: 2752, 2831, 2831.1, 2831.2, 2832.1, 2834, 10137, 10145, 10161.8, 10177(d), 10240, 10241
<b>Chung, Min Young (REB, REO)</b> 4130 W. Commonwealth Ave., Fullerton Effective: 6/12/07 Violation: 490, 10177(b)	<b>Lemire, Kimberly Katherine (RES)</b> 550 Rye Ave., La Habra Effective: 6/7/07 Violation: 490, 10177(b)	<b>Quinteros, Tatihana (REB, REO)</b> 1224 E. Katella Ave., Ste. 207, Orange Effective: 8/6/07 Officer of: County Realty & Finance, Inc. Violation: 2731, 2831, 2831.1, 2831.2, 2832, 2834, 2840, 2950(d)(e)(h), 2951, 10145, 10148, 10159.5, 10176(a), 10177(d)(g)(h), 10240, 10241	<b>Hall, Leif Vladimir (RES)</b> 27 Trident Dr., Pittsburgh Effective: 7/10/07 Violation: 490, 10177(b)
<b>County Realty &amp; Finance, Inc. (REC)</b> 205 West 1 <sup>st</sup> St., Ste. 202, Tustin Effective: 8/6/07 Violation: 2731, 2831, 2831.1, 2831.2, 2832, 2834, 2840, 2950(d)(e)(h), 2951, 10145, 10148, 10159.5, 10176(a), 10177(d)(g)(h), 10240, 10241	<b>Levey, David Mark (REB)</b> 24411 Biltmore Lane, Laguna Niguel Effective: 7/30/07 Violation: 490, 10177(b)	<b>Rowell, Deborah Sue (RES)</b> 28 Optima, San Clemente Effective: 6/18/07 Violation: 490, 10177(b)	<b>Hampton, Loran Stephan (RES)</b> 2532 Santa Clara Ave. #250, Alameda Effective: 8/7/07 Violation: 490, 10177(b)
<b>Elterman, Richard Harold (RES)</b> 512 W. Struck, Orange Effective: 6/18/07 Violation: 490, 10177(b)	<b>Lo, Hankok Hon (RES)</b> 16221 Castana Ave., Bellflower Effective: 6/18/07 Violation: 490, 10177(b)	<b>Sandoval, Maria Lourdes (RES)</b> 1210 W. Cornell St., Rialto Effective: 7/2/07 Violation: 490, 10177(b)	<b>Kwock, Darin C. (RES)</b> P.O. Box 27586, San Francisco Effective: 8/9/07 Violation: 10177(b)(f)
<b>Emami, Dianoush (REB)</b> 17772 Irvine Blvd., Ste. 102, Tustin Effective: 6/28/07 Violation: 490, 10177(b)	<b>Marin, Miguel (RES)</b> 8645 San Carlos Ave., South Gate Effective: 6/20/07 Violation: 10145(c), 10176(i), 10177(d)	<b>Secured Equities Corporation (RREC)</b> 25401 Cabot Rd., #117, Laguna Hills Effective: 6/21/07 Violation: 10148, 10177(d)(g), 10232.2, 10238(k)(3)	<b>Vo, Timmy Trung (RES)</b> 1075 E. Brokaw Rd., San Jose Effective: 7/10/07 Violation: 490, 10177(b)
<b>Franco, Alfredo (REB)</b> 4122 Philadelphia St., Ste. B, Chino Effective: 8/8/07 Violation: 490, 498, 10177(a)(b)	<b>Mehlinger, Richard H. (REB)</b> 9454 Wilshire Blvd., #830, Beverly Hills Effective: 7/5/07 Violation: 490, 10177(b)	<b>Shaffron, Dayna (RES)</b> 12414 Deerbrook Ln., Los Angeles Effective: 6/18/07 Violation: 490, 10177(b)	<b>SACRAMENTO REGION</b>
<b>Gonzalez, Frank J. (RES)</b> 10026 Mattock St., Downey Effective: 6/18/07 Violation: 490, 10177(b)	<b>Muschetto, Matt Anthony (RES)</b> 2320 Villareal Dr., Orange Effective: 6/18/07 Violation: 490, 10177(b)	<b>Vachhani, Pat Deepa (REB)</b> 3901 Park View Ln., Apt. C-7, Irvine Effective: 8/16/07 Violation: 490, 10177(b)	<b>1<sup>st</sup> Option Mortgage, Inc. (REC)</b> 950 Reserve Dr. #160, Roseville Effective: 8/10/07 Violation: 10137, 10176(a), 10177(d)(g)(h)(j)
<b>Gonzalez, Oscar Fabien (REB)</b> 9515 Orizaba St., Downey Effective: 8/20/07 Violation: 490, 10177(b)	<b>Myers, Kevin Grant (RES)</b> 9421 Tanager Ave., Fountain Valley Effective: 6/18/07 Violation: 490, 10177(b)	<b>Valladares, Louis (RES)</b> 1133 Gatlin Ave., Hacienda Heights Effective: 7/31/07 Violation: 490, 10177(b)	<b>Crooks, Patricia Sue (RES)</b> 2782 21 <sup>st</sup> St., Sacramento Effective: 7/9/07 Violation: 490, 10177(b)
<b>Gonzalez, Rogelio Jr. (RES)</b> 1039 Grossmont Dr., Whittier Effective: 6/18/07 Violation: 490, 10177(b)	<b>Nava, Tony M. Jr. (RES)</b> 3501 Hart Ave., Rosemead Effective: 7/23/07 Violation: 10177(n)	<b>Vertrees, William Thomas Jr. (RES)</b> 2439 Orange Ave., #D, Costa Mesa Effective: 7/3/07 Violation: 490, 10177(b)	<b>Faust, John Edward (RES)</b> 1638 Glenmore Dr., Fairfield Effective: 8/7/07 Violation: 490, 10177(b)
<b>Gran, Ronna Lynn (RES)</b> 317 Culper Ct., Hermosa Beach Effective: 6/18/07 Violation: 490, 10177(b)	<b>Nix, Richard Allen (RES)</b> 20718 Christine Ave., Torrance Effective: 7/16/07 Violation: 490, 10177(b)	<b>Welch, Larry Joe (RES)</b> 838 S. Mansfield Ave., Los Angeles Effective: 07/30/07 Violation: 498, 10177(a)	<b>Gallo, Joseph Salvatore (REB)</b> 4740 Northgate Blvd. #135, Sacramento Effective: 8/23/07 Violation: 490, 10177(b)
<b>Hadizadeh, Nasrin (RES)</b> 4610 Densmore Ave. #101, Encino Effective: 8/28/07 Violation: 490, 10177(b)	<b>Olblich, Douglas Brian (RES)</b> 1037 S. Dancove Dr., West Covina Effective: 7/2/07 Violation: 498, 10177(a)	<b>Yield, William Thomas Jr. (RES)</b> 2439 Orange Ave., #D, Costa Mesa Effective: 7/3/07 Violation: 490, 10177(b)	<b>Hernandez, Ralph Darrell (RES)</b> 2530 Vandiver Ln., Redding Effective: 6/14/07 Violation: 10177(a)
<b>Harris, Artesia Jamar (RES)</b> 19671 Beach Blvd., #101, Huntington Beach Effective: 6/12/07 Violation: 490, 10177(b)	<b>Perez, Alberto (RES)</b> 19538 Four Oaks, Canyon Country Effective: 8/7/07 Violation: 490, 10177(b)	<b>Yield, William Thomas Jr. (RES)</b> 2439 Orange Ave., #D, Costa Mesa Effective: 7/3/07 Violation: 490, 10177(b)	<b>McAninch, Michael Scott (RES)</b> 9272 Madison Ave., Carmichael Effective: 7/12/07 Violation: 490, 10176(a)
	<b>Peterson, Jeff Scott (RES)</b> 5680 Crestline Place, Rancho Cucamonga Effective: 7/16/07 Violation: 490, 10177(b)	<b>OAKLAND REGION</b>	<b>McHone, Brandon J. (RES)</b> 943 Appleridge Pl., Suisun City Effective: 8/7/07 Violation: 490, 10177(b)
	<b>Pierrottet, Jon C. (RES)</b> 1074 Parkview Dr., Ste. 205, Covina Effective: 6/18/07 Violation: 10177(b)	<b>Aldea, Jesus Luis Tan (RES)</b> 5771 Havencrest Cir., Stockton Effective: 8/7/07 Violation: 490, 10177(b)	<b>Rosetti, Dino Robert (REB)</b> 950 Reserve Dr. #160, Roseville Effective: 8/10/07 Violation: 10137, 10148, 10159.2, 10176(a), 10177(d)(g)(h)(j)

**Salas, Martin A. (RES)**  
4550 N. Pershing, Stockton  
Effective: 7/23/07  
Violation: 10176(i), 10177(j)

**Swan, Timothy Roger (RES)**  
4110 Greenview Dr.,  
El Dorado Hills  
Effective: 8/7/07  
Violation: 490, 10177(b)

**Thomas, Tim E. (RES)**  
1110 Shasta St., Redding  
Effective: 8/6/07  
Violation: 490, 10177(b)

### SAN DIEGO REGION

**Abrams, Charleen T. (RES)**  
143 Sage Dr., Palm Springs  
Effective: 6/14/07  
Violation: 490, 10177(b)

**Conaway, Steven L. (RES)**  
17752 Robusta Dr., Riverside  
Effective: 7/16/07  
Violation: 490, 10177(b)

**Gavilanes, Humberto (RES)**  
39835 Tanager Trail, Murrieta  
Effective: 6/11/07  
Violation: 490, 10177(b)

**Majano, Walter (REB)**  
732 Lions Lair Rd., Beaumont  
Effective: 8/22/07  
Violation: 490, 10177(b)

**Montecastro, Hendrix Moreno (REB, REO)**  
32573 Angelo Dr., Temecula  
Effective: 7/9/07  
Officer of: Stonewood  
Consulting, Inc.  
Violation: 10159.2,  
10177(d)(g)(h)

**Scott, Jeffrey Lloyd (REB)**  
5739 Central Ave, Riverside  
Effective: 7/12/07  
Violation: 490, 10177(b)

**Stonewood Consulting, Inc. (REC)**  
26273 Horsetail St., Murrieta  
Effective: 7/9/07  
Violation: 2831, 2831.1, 2831.2,  
2832, 2832.1, 2834,  
10145, 10177(d)(g),  
10241

**Telenzak, Stephen Michael (RES)**  
2368 Palo Danzante, Alpine  
Effective: 7/9/07  
Violation: 490, 10177(b)

**Ulmos, Luis A. (RES)**  
6814 Magnolia Ave., Riverside  
Effective: 8/8/07  
Violation: 490, 10177(b)

## REVOKED WITH A RIGHT TO A RESTRICTED LICENSE

### FRESNO REGION

**Gonzalez, Rosario (RES)**  
5105 Eastridge Ct., Bakersfield  
Effective: 7/17/07  
Violation: 10145(c), 10176(a),  
10177(g)  
Right to RRES license on terms  
and conditions

**Paladino, Renee Kay (REB)**  
821 Lewis Rd., Royal Oaks  
Effective: 7/23/07  
Violation: 490, 10177(b)  
Right to RREB license on terms  
and conditions

### LOS ANGELES REGION

**Ayala, Martha (REB, REO)**  
13940 Pioneer Blvd., Norwalk  
Effective: 7/5/07  
Officer of: Southland Home  
Realty, Inc.  
Violation: 10159.2,  
10177(d)(g)(h)  
Right to RREB license on terms  
and conditions

**Bowers, Brian (RES)**  
49 Edgar Ct., Newbury Park  
Effective: 6/19/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Cathchings, Marvin Earl Sr. (REB)**  
4011 Elizabeth St., Compton  
Effective: 7/18/07  
Violation: 10137, 10177(d)  
Right to RREB license on terms  
and conditions

**Delamora, Martin (REB, REO)**  
2551 E. Gage Ave.,  
Huntington Park  
Effective: 8/7/07  
Officer of: Teamwork Realty,  
Inc.  
Violation: 2831, 2831.1, 2831.2,  
2832(d), 2832.1,  
2950(d)(g)(i), 2951,  
10145, 10159.5,  
10176(a),  
10177(d)(g)(h)(k)  
Right to RREB license on terms  
and conditions

**Dillard, Derrick Lamont (RES)**  
949 S. Stanley Ave., Los Angeles  
Effective: 8/28/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Fernandez, Lucero M. (RES)**  
13821 Philadelphia St., Whittier  
Effective: 7/16/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Fishman, Avidan I. (RES)**  
5139 White Oak Ave. #12, Encino  
Effective: 8/7/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Flockhart, Debra Mayes (RES)**  
2336 Cartlen Dr., Placentia  
Effective: 7/30/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Guzman, Carlos Frederico (REB)**  
40922 Maple Dr., Forest Falls  
Effective: 8/27/07  
Violation: 2715, 2725, 2726,  
2731, 2832, 10137,  
10145, 10160, 10163,  
10176(a), 10177(d)(g),  
10240

Right to RRES license on terms  
and conditions

**Mollaie, Joseph (RES)**  
9500 Monte Mar Dr., Los Angeles  
Effective: 6/11/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Moya, Phala J. (REB, REO)**  
10226 Lakewood Blvd., Ste. 101,  
Downey  
Effective: 7/5/07  
Officer of: Southland Home  
Realty, Inc.  
Violation: 10137  
Right to RREB license on terms  
and conditions

**Pavelic, Ante Kreshimir (RES)**  
156 S. Oak Knoll #308, Pasadena  
Effective: 8/8/07  
Violation: 10130, 10137,  
10177(d)(g)  
Right to RRES license on terms  
and conditions

**Romero, Alisandro (REB)**  
10552 Geraldine Rd.,  
Garden Grove  
Effective: 6/7/07  
Violation: 490, 10177(b)  
Right to RREB license on terms  
and conditions

**Southland Home Realty, Inc. (REC)**  
10226 Lakewood Blvd., Downey  
Effective: 7/5/07  
Violation: 10137  
Right to RREC license on terms  
and conditions

**Sudman Enterprises, Inc. (REC)**  
620 Newport Center Dr.,  
11<sup>th</sup> Floor, Newport Beach  
Effective: 6/11/07  
Violation: 2831.2, 2835(b),  
10145, 10177(d)(g)  
Right to RREC license on terms  
and conditions

**Sudman, Ronnie Wayne (REB)**  
620 Newport Center Dr.,  
11<sup>th</sup> Floor, Newport Beach  
Effective: 6/11/07  
Violation: 10159.2,  
10177(d)(g)(h)  
Right to RREB license on terms  
and conditions

**Tabatabai, Alaedin (REB)**  
1990 E Grand Ave., Ste. 250,  
El Segundo  
Effective: 7/16/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Teamwork Realty, Inc. (REC)**  
2551 E. Gage Ave.,  
Huntington Park  
Effective: 8/7/07  
Violation: 2831, 2831.1, 2831.2,  
2832(d), 2832.1,  
2950(d)(g)(i), 2951,  
10145, 10176(a),  
10177(d)(g)(k)  
Right to RREC license on terms  
and conditions

**Turner, Donna Maria (RES)**  
15735 S. Visalia Ave.,  
Rancho Dominguez  
Effective: 6/18/07

Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Wade, James Lawrence (REB)**  
125 Columbia, Ste. C, Aliso Viejo  
Effective: 7/12/07  
Violation: 490, 10177(b)  
Right to RREB license on terms  
and conditions

### OAKLAND REGION

**Ballesteros, Michael Nagal (RES)**  
1071 Esparanza Way, San Jose  
Effective: 6/15/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Berkeley, Charles Ryan (REB)**  
2991 Shattuck Ave., Ste. 301,  
Berkeley  
Effective: 7/9/07  
Violation: 490, 10177(b)  
Right to RREB license on terms  
and conditions

**Brady, Joseph John (RRES)**  
14287 Chester Ave., Saratoga  
Effective: 6/28/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Bueno, Rafael Hernando (RES)**  
1789 4<sup>th</sup> St., Livermore  
Effective: 7/9/07  
Violation: 10145, 10177(d)  
Right to RRES license on terms  
and conditions

**Calnet Finance & Investment, Inc. (REC)**  
1006 Webster St., Oakland  
Effective: 6/4/07  
Violation: 2752, 2753, 2831.1,  
2831.2, 2834, 10137,  
10160, 10161.8,  
10177(d), 10240,  
10241  
Right to RREC license on terms  
and conditions

**Caveney, Daniel William (RES)**  
187 Molino Ave., Mill Valley  
Effective: 8/20/07  
Violation: 490(a), 10177(b)  
Right to RRES license on terms  
and conditions

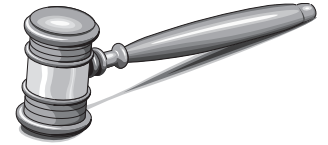
**Daoang, James (RES)**  
3237 Brownhill Ct., San Jose  
Effective: 7/25/07  
Violation: 490, 10177(b)

**Domadia, Ashok C. (RES)**  
183 Leal Way, Fremont  
Effective: 7/13/07  
Violation: 490, 10177(b)  
Right to RRES license on terms  
and conditions

**Gonzalez, Raul (REB)**  
20955 Foothill Blvd., Hayward  
Effective: 7/2/07  
Violation: 10176(a)(i), 10177(g)  
Right to RREB license on terms  
and conditions

**Kumar, Jasmine (RES)**  
517 Bryce Ct., Milpitas  
Effective: 6/27/07  
Violation: 10177(b)  
Right to RRES license on terms  
and conditions





**Lam, Marks Hung Sing (REB, REO)**  
 1786 35<sup>th</sup> Ave., San Francisco  
*Effective:* 6/4/07  
*Officer of:* Calnet Finance & Investment San Francisco, Inc.  
 Calnet Finance & Investment, Inc.  
*Violation:* 10159.2(a), 10177(d)(h)  
 Right to RREB license on terms and conditions

**Mineo, G. I. (RES)**  
 P.O. Box 2641, San Ramon  
*Effective:* 7/30/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Reyes, Melody B. (RES)**  
 233 Hazelwood Dr., South San Francisco  
*Effective:* 6/20/07  
*Violation:* 10177(b)(f)  
 Right to RRES license on terms and conditions

**Smith, Michael Curtis (RES)**  
 1320 Gordon Ln., Santa Rosa  
*Effective:* 6/14/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Stewart, Kasey David (REB)**  
 1865 Winchester Blvd. #200, Campbell  
*Effective:* 8/21/07  
*Violation:* 490(a), 10177(b)  
 Right to RREB license on terms and conditions

**Tulcanaza, Edgar Antonio (RES)**  
 190 West 41<sup>st</sup> Ave., San Mateo  
*Effective:* 8/21/07  
*Violation:* 490(a), 10177(b)  
 Right to RRES license on terms and conditions

**Wang, Jason Ming Yu (RES)**  
 10181 Western Dr., Cupertino  
*Effective:* 7/5/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**SACRAMENTO REGION**

**Conte, Alicia Marie (RES)**  
 2510 Longvalley Dr., Newcastle  
*Effective:* 8/10/07  
*Violation:* 10130, 10177(d)  
 Right to RRES license on terms and conditions

**Duffy, George (REB, REO)**  
 1143 Junction Dr., Manteca  
*Effective:* 6/18/07  
*Violation:* 2831, 2831.1, 2831.2, 2832(a), 10130, 10137, 10145, 10177(d), 10240  
 Right to RREB license on terms and conditions

**Ford, Anthony K. (RES)**  
 3170 Van Housen Dr., Ukiah  
*Effective:* 8/6/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Herbert, John Howell (RES)**  
 1489 Ridge Dr., Redding  
*Effective:* 7/13/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Naidoo, Ofelia Olivia (RES)**  
 10223 Canadeo Way, Elk Grove  
*Effective:* 6/26/07  
*Violation:* 10176(a)(i), 10177(g)  
 Right to RRES license on terms and conditions

**Tyler, Robert Thomas (REB)**  
 365 Duncan Hill Rd., Auburn  
*Effective:* 6/5/07  
*Violation:* 490, 10177(b)  
 Right to RREB license on terms and conditions

**Walker, Thana Marie (RES)**  
 P.O. Box 5772, Corning  
*Effective:* 6/5/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**SAN DIEGO REGION**

**Estrada, Jose (RES)**  
 1231 Tori Dr., Hemet  
*Effective:* 8/7/07  
*Violation:* 10177(b)  
 Right to RRES license on terms and conditions

**Jennings-Sapp, Nancy (RES)**  
 3031 Golf Crest Ridge Rd., El Cajon  
*Effective:* 6/5/07  
*Violation:* 10130, 10145(c), 10177(d)(g)  
 Right to RRES license on terms and conditions

**McManus, Robert A. (RES)**  
 P.O. Box 891423, Temecula  
*Effective:* 7/5/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**O'Brian, Bonita Jacquelyn (RES)**  
 26038 Madison Ave., Murrieta  
*Effective:* 8/9/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Rigsby, Russell Lee (RES)**  
 1294 Edgar Ave., Beaumont  
*Effective:* 8/16/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**SUSPENDED WITH STAY**

**FRESNO REGION**

**21<sup>st</sup> Century Financial Resources, Inc. (REC)**  
 1305 Vine St., Paso Robles  
*Effective:* 8/2/07  
*Violation:* 2831, 2831.1, 2832.1, 10145, 10177(d)  
 Suspended for 30 days—stayed for 2 years on terms and conditions

**Hayes, Kevin L. (REB, REO)**  
 1423 K St., Modesto  
*Effective:* 7/5/07  
*Officer of:* Red Oak Realty and Lending  
*Violation:* 2831.1, 2831.2, 2832, 2832.1, 10145, 10159.2, 10177(d)(h)  
 Suspended for 60 days—30 days stayed for 2 years on terms and conditions

**LOS ANGELES REGION**

**Ahmed, Nasim (REB, REO)**  
 3595-1 Inland Empire Blvd., Ontario  
*Effective:* 6/20/07  
*Officer of:* N A D Realty, Inc.  
*Violation:* 2831.2, 2832.1, 10145, 10159.2, 10177(d)(h)  
 Suspended for 90 days—stayed for 2 years on terms and conditions

**Balyan, Jacqueline Beoglyan (REB, REO)**  
 2727 W. Alameda Ave., Burbank  
*Effective:* 8/13/07  
*Officer of:* First Capital Financial Resources, Inc.  
*Violation:* 10159.2, 10177(h)  
 Suspended for 90 days—stayed for 2 years on terms and conditions

**First Capital Financial Resources, Inc. (REC)**  
 2727 W. Alameda Ave., Burbank  
*Effective:* 8/13/07  
*Violation:* 10137, 10145, 10177(d), 10236.4  
 Suspended for 90 days—stayed for 2 years on terms and conditions

**N A D Realty, Inc. (REC)**  
 3595-1 Inland Empire Blvd. Ontario  
*Effective:* 6/20/07  
*Violation:* 2831.2, 2832.1, 10145, 10177(d)  
 Suspended for 90 days—stayed for 2 years on terms and conditions

**Shepherd, Markus Steven (REB, REO)**  
 19028 Ventura Blvd., Ste. 232, Tarzana  
*Effective:* 6/4/07  
*Officer of:* Emerald Mortgage Corp.  
*Violation:* 10137, 10177(d)  
 Suspended for 60 days—30 days stayed for 2 years on terms and conditions

**Thacher, Robert Morton (REB)**  
 7144 Airway Way, Yucca Valley  
*Effective:* 6/8/07  
*Violation:* 2731, 2831.2, 2840, 2950(h), 2951, 10145, 10177(d), 10231, 10232.2  
 Suspended for 60 days—stayed for 2 years on terms and conditions

**OAKLAND REGION**

**Gross Mortgage Corporation (REC)**  
 1999 Harrison St., Ste. 1650, Oakland  
*Effective:* 7/5/07  
*Violation:* 2831, 2831.1, 2832, 10145, 10148, 10177(d), 10238(j)(1)  
 Suspended for 60 days—stayed for 2 years on terms and conditions

**Gross, Leonard Aburn (REB, REO)**  
 1999 Harrison St., Ste. 1650, Oakland  
*Effective:* 7/5/07  
*Violation:* 2831, 2831.1, 2832, 10145, 10148, 10159.2, 10177(d)(h), 10238(j)(1)  
 Suspended for 60 days—stayed for 2 years on terms and conditions

**Heyden, Randall Gilbert (REB)**  
 88 Rowland Way, Ste. 200, Novato  
*Effective:* 7/26/07  
*Violation:* 10159.2, 10177(d)(h)  
 Suspended for 30 days—stayed for 2 years on terms and conditions

**Kay-Co Investments, Inc. (REC)**  
 88 Rowland Way, Ste. 200, Novato  
*Effective:* 7/26/07  
*Violation:* 2831, 2831.2, 2832, 2832.1, 2834, 10145, 10177(d)(f), 10240, 10241  
 Suspended for 30 days—stayed for 2 years on terms and conditions

**Lewis, Andrew A. (REB)**  
 475 S. San Antonio Rd., Los Altos  
*Effective:* 8/23/07  
*Violation:* 4975(a)(1), (a)2, (c), 10176(i), 10177(g)(j)  
 Suspended for 60 days—stayed for 2 years on terms and conditions

**Mowat, Lois Camille (REB)**  
 19 Bates Blvd., Orinda  
*Effective:* 8/31/07  
*Violation:* 2726, 2831, 2831.1, 2831.2, 10145, 10177(d), 10231.1, 10238(f)(k), 10240, 10241  
 Suspended for 120 days—stayed for 2 years on terms and conditions

**Vanderpool, Mark Steven (REB)**  
 2333 San Ramon Vly Blvd., #295, San Ramon  
*Effective:* 8/23/07  
*Violation:* 2752, 2831, 2832, 10145, 10161.8, 10177(d), 10178  
 Suspended for 60 days—stayed for 2 years on terms and conditions

**Wang, Jason Ming Yu (RES)**  
 10181 Western Dr., Cupertino  
*Effective:* 7/5/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Wang, Jason Ming Yu (RES)**  
 10181 Western Dr., Cupertino  
*Effective:* 7/5/07  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**SACRAMENTO REGION**

**Acadian Properties, Inc. (REC)**  
 140 B St., Ste. 3, Davis  
*Effective:* 7/2/07  
*Violation:* 2832.1, 2834, 10145, 10177(d)

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

**Montijo, Trinie Ann (REB, REO)**

408 G St., Davis

Effective: 7/2/07

Officer of: Acadian Properties, Inc.

Violation: 2832.1, 2834, 10145, 10159.2, 10177(d)(h)

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

**Red Oak Realty and Lending (REC)**

100 Gold Dredger Dr., Oroville

Effective: 7/5/07

Violation: 2831.1, 2831.2, 2832, 2832.1, 10145, 10159.2, 10177(d)(h)

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

**SAN DIEGO REGION****Dickey, William Glenn (REB)**

5920 Friars Rd., Ste. 206, San Diego

Effective: 7/31/07

Violation: 2831, 2831.1, 2831.2, 10159.2, 10177(d)(h), 10232, 10238(a)

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

**Lingo, Kristopher Lee (REB)**

5920 Friars Rd. S 206, San Diego

Effective: 8/30/07

Violation: 10159.2, 10177(h)  
Suspended for 45 days—stayed for 2 years on terms and conditions

**Peninsula Equity Funding, Inc. (REC)**

5920 Friars Rd. S-206,

San Diego

Effective: 8/30/07

Violation: 2831, 2831.1, 2831.2, 2832.1, 10145, 10177(d), 10232, 10233(b), 10238(a)(f)

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

**Rehmann, David George (REB)**

1911 Hidden Crest Way, El Cajon

Effective: 7/16/07

Violation: 2731, 2834, 10161.8, 10177(d)

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

**Vanderhorst, Fred John (REB, REO)**

1240 Lancer Glen, Escondido

Effective: 7/11/07

Officer of: Mortgage Marketing, Inc.

Violation: 2831.2, 2832.1, 10145(a), 10177(d), 10240

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

**W G D Real Estate Services, Inc. (REC)**

5920 Friars Rd., Ste. 206, San Diego

Effective: 7/31/07

Violation: 2831, 2831.1, 2831.2, 10177(d), 10232, 10238(a)

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

**LICENSE SURRENDERED**

(Licenses voluntarily surrendered per B&P Code §10100.2 during an administrative action/investigation)

**FRESNO REGION****Burton, Robert Vaughn (REB)**

1305 Vine St., Paso Robles

Effective: 8/2/07

**Sanderson, Diane Rochelle (RES)**

P.O. Box 504, Riverbank

Effective: 7/30/07

**LOS ANGELES REGION****Barnes, Bradley Edward (RES)**

P.O. Box 50025, Pasadena

Effective: 6/18/07

**Dorn Platz & Company (REC)**

210 S. Orange Grove Blvd.,

Pasadena

Effective: 6/18/07

**Edgefield Real Estate, Inc. (REC)**

1500 Adams Ave., Ste. 201,

Costa Mesa

Effective: 8/7/07

**Ellington Ct. Realty, Inc. (REC)**

435 N. Oakhurst Dr. #904,

Beverly Hills

Effective: 7/18/07

**Emerald Mortgage Corp. (REC)**

18425 Burbank Blvd., #615,

Tarzana

Effective: 6/4/07

**Jangozian, Ara (RES)**

343 W. Vine St., Glendale

Effective: 7/3/07

**Kesler, Frances (REB)**

8950 W. Olympic Blvd., #397,

Beverly Hills

Effective: 6/28/07

**Mason, Timothy Paul (REB)**

2097 E. Washington St., 1E 324,

Colton

Effective: 6/7/07

**National Homebuyers Alliance (REC)**

3734 W. Slauson Ave.,

Los Angeles

Effective: 7/23/07

**Peterson, Kelli Anne (RES)**

4 St. Paul Ln., Laguna Niguel

Effective: 7/3/07

**Platz, Donald Louis (REB)**

210 S. Orange Grove Blvd.,

Pasadena

Effective: 6/18/07

**SACRAMENTO REGION****Fellini, Mario III (REB)**

655 University Ave., 230,

Sacramento

Effective: 7/23/07

**McKenny, Robin Lynn (REB)**

3963 Glenwood St., Eureka

Effective: 8/30/07

**Murphy, Deborah Jean (RES)**

551 N. Loma Dr., Lodi

Effective: 7/2/07

**Parry, Michele A. (RES)**

1602 Bunk House Way, Roseville

Effective: 8/28/07

**Piazza, Tina Marie (RES)**

715 Mokelumne St., Woodbridge

Effective: 7/3/07

**SAN DIEGO****Allcare Nursing, Inc. (REC)**

26273 Horsetail St., Murrieta

Effective: 7/30/07

**Arbor Terrace Real Estate, Inc. (REC)**

41120 Elm St., Ste. H218,

Murrieta

Effective: 7/30/07

**Montecastro, Bayani Delos (RES)**

26273 Horsetail St., Murrieta

Effective: 7/30/07

**Mortgage Marketing, Inc. (REC)**

285 S. Palm Canyon Dr.,

Palm Springs

Effective: 7/11/07

**PUBLIC REPROVAL****SACRAMENTO REGION****Wolf, Ernest Spencer (REB)**

76101 Covelo Rd., Covelo

Effective: 6/21/07

Violation: 2726, 2731, 2832,

2970, 2972, 10085,

10145, 10146,

10159.5, 10177(d)

**INDEFINITE SUSPENSIONS**

(under Recovery Acct. provisions)

**FRESNO REGION****Stanton, Ellen E. (REB)**

145 Heinlen, Lemoore

Effective: 6/21/07

**Commissioner's Message**

Continued from page 1

would encourage you or any distressed borrower to visit these sites to learn about available resources.

Finally, I want to remind you that we need to rid our industry of individuals who violate the law. Time and time again, in legislative hearings, and meetings with consumer groups I am told unscrupulous licensees are often at the root of a consumer's problem. If you become aware of an incident of mortgage related fraud or misconduct by a [www.yourhome.ca.gov](http://www.yourhome.ca.gov) licensee, please re-  
the DRE. [www.sucasa.ca.gov](http://www.sucasa.ca.gov) or  
continue [www.sucasa.ca.gov](http://www.sucasa.ca.gov)  
disciplin-  
a gain st  
those real estate licensees who take advantage of consumers and fail to comply with regulatory requirements. It is worth noting that the DRE is uncovering more and more fraudulent transactions with criminal complaints or federal indictments coming on the heels of a DRE disciplinary action.

And, I have personally witnessed many agents selflessly assist clients in addressing loan related situations. It is my hope that when I meet with various legislators and consumer advocates in the future, that I am told a real estate licensee helped rectify a problem situation rather than create it. And from what I have seen and heard, I expect this will happen. 🏠





## Legislation Update

Continued from page 3

of the existence of a transfer fee for properties that are subject to such a fee. Disclosure will generally be in the form of a recorded notice and a requirement that a seller provide a buyer with a statement indicating, among other things, the amount of the transfer fee based on the asking price and how the fee is calculated.

The California Association of Realtors® sponsored AB 980.

### **SB 223 (Machado) Real estate appraisals (Chapter 291)**

Existing law precludes a licensed appraiser from doing an appraisal if the appraiser's compensation is affected by the sales commission generated by the transaction for which the appraisal was made.

SB 223 prohibits a person with an interest in a real estate transaction involving an appraisal to improperly influence or attempt to improperly influence, through coercion, extortion, or bribery, the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. A person, who violates the provision of this bill and is licensed under any state licensing law, will be in violation of the licensing law under which the person is licensed.

SB 223 was an urgency bill and was effective the day it was chaptered on October 5, 2007.

### **SB 385 (Machado) State agencies: accounts: reports. (Chapter 301)**

Existing law allows a real estate broker to, among other things, arrange loans secured by real property, including nontraditional mortgage products, as defined.

Recently, federal financial institution regulatory agencies and the Conference of State Bank Supervisors (CSBS), together with the American Association of Residential Mortgage Regulators (AARMR), published guidance on nontraditional mortgage product risks and a statement on subprime mortgage lending. The guidance and statement set forth suggested best practices

for underwriting and marketing nontraditional and subprime loans.

SB 385 requires the Departments of Real Estate, Financial Institutions (DFI) and Corporations (DOC) to apply the guidance on nontraditional mortgage products and the statement on subprime mortgage lending published by CSBS and AARMR to their respective licensees. This bill also allows the departments to adopt clarifying emergency and final regulations with respect to the guidance and subprime statement. In this regard, the Department of Real Estate (DRE) has issued regulations providing for added disclosures for nontraditional loans. Licensees should familiarize themselves with these as well as future regulation proposals, as they become available on the DRE Web site at [www.dre.ca.gov](http://www.dre.ca.gov).

As to the Guidance and Statement published by CSBS and AARMR, they can be found at the following Web sites:

- <http://www.aarmr.org/pdf/CSBS-AARMR%20FINAL%20GUIDANCE.pdf>
- [http://www.csbs.org/Content/NavigationMenu/RegulatoryAffairs/MortgagePolicy/Final\\_CSBS-AARMR-NACCA\\_StatementonSubprimeLending.pdf](http://www.csbs.org/Content/NavigationMenu/RegulatoryAffairs/MortgagePolicy/Final_CSBS-AARMR-NACCA_StatementonSubprimeLending.pdf)

SB 385 also extends the authority of the DRE to the principal lending activities of real estate brokers who make more than eight loans a year.

### **SB 528 (Aanestad) Common Interest Developments: open meetings (Chapter 250)**

Existing law does not require HOA boards to solely adhere to the matters set-forth on the agenda. SB 528 requires all issues to be discussed at a board meeting to be on the agenda so that homeowners have advance notice of what issues the HOA board will be acting on. This bill also requires that meeting notices include the agenda for the meeting.

### **VETOED BILL OF INTEREST SB 226 (Negrete McLeod) Real estate broker license: qualifications VETOED**

Existing law requires a real estate broker license applicant to complete specified course work and have two years experience as a real estate salesperson licensee, as specified, before the DRE can issue a real estate broker license to the applicant. The two years of experience as a salesperson can be waived if the broker license applicant can demonstrate the equivalent of two years general real estate experience or has graduated and obtained a degree from a four-year college or university, "which course included specialization in real estate".

SB 226 would have required the Real Estate Commissioner to adopt regulations to establish the educational criteria that constitutes a "specialization in real estate".


Existing law requires real estate brokers who arrange loans secured by real property to disclose, among other things, their license identification number in all mortgage lending advertising and on specified mortgage loan disclosures.

This bill would have required real estate licensees to disclose their license identification number on first point of contact marketing materials.

The Governor's veto message stated, in part:

"This bill is substantially similar to a bill that I vetoed last year. Instead of directly repealing one method in which a person can become a real estate broker as last year's bill did, this bill attempts to revise the method via a regulatory route. There is no more evidence this year than last that this licensing method has harmed consumers in the over thirty years it has been in statute.

While I cannot sign the bill, I do support one aspect of the bill. I urge the Legislature to consider legislation next year that authorizes the Department of Real Estate Commissioner to require real estate brokers and salespersons to display his or her license number on consumer first contact materials."

The California Association of Realtors® sponsored SB 226. 

## Loan Fraud

*Continued from page 1*

she was a financial executive earning \$9,000 per month from a shell company which they had established, for seemingly no other purpose than to create fictitious employment information for borrowers. In a separate series of transactions, the respondents sold 8 properties to a landscape contractor earning about \$40,000 per year by claiming the contractor was an investment analyst with their company earning \$14,000 per month. This pattern continued with multiple borrowers. The defrauded lenders required no verification of the supplied information since these were “stated income” loans.

As is the case when dealing with someone who is willing to defraud a lender, other parties involved in the transaction had “better take cover” as the chances for their being defrauded by the participants are high as well. In this particular case, in addition to supplying fraudulent information to the lenders, the respondents also made a series of false statements to the straw buyers to induce them into participating in the scheme. The straw buyers were told they were in the business of helping people with bad credit acquire homes through the use of the purchaser’s good credit. It was just a way of helping people obtain the “American Dream” of home ownership. The respondents also represented that they had pre-qualified people who were waiting to take over the homes and the loan payments from the purchasers and that these individuals would pay a deposit, make all mortgage payments, property taxes, the related insurance and the maintenance. It was further represented that the pre-qualified individuals would then purchase the homes after two years at a price adjusted for appreciation of about 7 to 10 percent per year. In actuality, no pre-qualified purchasers existed and the respondents simply let the homes go into default which created substantial losses for the lenders and ruined credit ratings for the straw buyers.

Over 19 homes were sold by the respondents in this manner, accounting for over 8 million dollars in loans and over \$277,000 in loan broker commissions.

That is not much when you consider the consequences of their actions. Needless to say, the Department filed accusations and revoked the licenses of the individuals involved. In addition, the individuals responsible were indicted by the United States Attorney’s Office on 14 counts of bank fraud, 14 counts of making false statements in loan applications, 7 counts of mail fraud and conspiracy to

### Real estate licensees are in a more unique position of being able to prevent the problems from occurring in the first place by recognizing red flags

launder funds. It is doubtful that they think their scheme was such a good idea at this point.

Unfortunately, this case is not an isolated incident. DRE has Accusations against a large number of licensees who have been involved in similar schemes and criminal investigations are pending with respect to several of them. From the standpoint of the Department’s Enforcement Program, we continue to

investigate complaints regarding transactions that have occurred with damage already done, and we will continue to remove unscrupulous licensees from the business and prevent possible fraudulent acts from occurring. Furthermore, the federal and local levels of government will continue to investigate and prosecute as appropriate.

Real estate licensees are in a more unique position of being able to prevent the problems from occurring in the first place, by recognizing red flags, asking appropriate questions, and giving the principals in your transactions the full picture of what is involved in terms of making a purchase and carrying the payments once the purchase is made.

Remember the old adage “AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE”. While a lot of damage has been done in the real estate market, we can prevent more of the same from occurring in the future. Please take the time to ensure that the principals in your transactions understand all terms and report abuses in the marketplace to the Department of Real Estate and to federal and local prosecutors where appropriate. 🏠

## Continuing Education

*Continued from page 1*

- A participant will be required to present one of the following forms of identification either immediately prior to admittance to a live presentation or immediately before the administration of the final examination for a correspondence course:
  - ◆ A current California driver’s license
  - ◆ A current identification card issued by DMV
  - ◆ Any identification issued by a governmental agency or recognized real estate trade organization within the immediately preceding five years that bears a photo, signature and identification number of the participant

The addition of the examination requirement for all continuing education courses will also have an impact on a licensee’s ability to petition for equivalency credit for attendance at any unapproved course. Before a petition will be granted, one of the items the applicant must submit is a final grade report for the final examination.

If you have any questions or comments concerning the continuing education program, please contact the Education Section staff at (916) 227-0894.

For more detail on the specific regulations, you may visit [http://www.dre.ca.gov/pdf\\_docs/ce\\_regs\\_sec3005.pdf](http://www.dre.ca.gov/pdf_docs/ce_regs_sec3005.pdf). 🏠

# Real estate publications

## Ordering information

DRE publications are available:

**On the Internet** — All DRE publications are available free of charge on the DRE Web site at [www.dre.ca.gov](http://www.dre.ca.gov).

**In person from District Offices** — Complete Parts A, B, and C (if appropriate). Offices are located in Sacramento, Los Angeles, Oakland, Fresno, and San Diego.

**By mail** — Photocopy or remove this page from your *Bulletin*. Complete Parts A, B, and C (if appropriate). Mail it with the proper fee to:

Department of Real Estate  
 Book Orders  
 P.O. Box 187006  
 Sacramento, CA 95818-7006

**By fax** — Complete Parts A, B, and C. Fax form to (916) 227-0361.

**By phone** — Have credit card information ready, then call Book Order desk at (916) 227-0852.

## Acceptable payment methods

- Personal check, cashier's check or money order should be made payable to: Department of Real Estate.
- VISA, MasterCard, and American Express credit cards may be used to purchase DRE publications.
- Cash is acceptable only if purchasing in person and only if it's the exact amount of purchase.

## California sales tax

Use 7.25% tax rate, unless purchase location or delivery address is in the following counties:

Alameda (8.25%), Fresno (7.875%), Los Angeles (8.25%), Marin (7.75%), Sacramento (7.75%), and San Diego (7.75%). Requests and fees will be returned if the appropriate sales tax is not included.

## Miscellaneous information

- **Publications noted as free are limited to one copy**; DRE grants requestor permission to reproduce these publications for complimentary distribution only.
- Prices are subject to change.
- Orders received with incorrect payments will be returned.
- **All sales are final — no refunds.**
- Allow 4–6 weeks for delivery.
- Volume discounts are available. Contact DRE at (916) 227-0852 prior to ordering.

## PART A PUBLICATIONS

DRE	RE#	Title of Publication	Cost	Quantity	Your Cost
	1	Reference Book — A Real Estate Guide (Rev. 2000)	\$20		
	2	2008 Real Estate Law Book & CD set	\$25		
	6	Disclosures in Real Property Transactions	\$10		
	8	Operating Cost Manual for Homeowner Associations	\$10		
	25	Reserve Study Guidelines for Homeowner Association Budgets	\$10		
	4	Instructions to License Applicants	free		
	13	Trust Funds	free		
	34	A Guide for Residents Purchasing Their Mobile Home Park	free		
	35	Trust Deed Investments — What You Should Know!!	free		
	35A	Using the Services of a Mortgage Broker	free		
	39	Living in a California Common Interest Development	free		
	51	A Consumer Guide to Filing Real Estate Complaints	free		
	52	Reverse Mortgages — Is One Right for You?	free		

## PART B SHIPPING INFORMATION

SHIPPING NAME	LICENSE OR EXAM ID#	SUBTOTAL \$ _____ CA SALES TAX* \$ _____ (Tax rate used* _____ %) <b>TOTAL ENCLOSED \$ _____</b> <small>* See tax information above.</small>
SHIPPING ADDRESS		
CITY	STATE	

## PART C CREDIT CARD PURCHASE

**To purchase publication by credit card, complete the following:**

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Real Estate Bulletin — Winter 2007


## 2008 Real Estate Law Book and CD

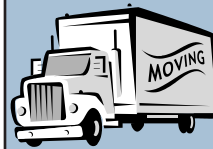
Each year, the Real Estate Law Book and CD is updated to reflect changes in laws and regulations.

The 2008 Real Estate Law Book and CD will be available for purchase in January 2008. This important reference for licensees contains:

- The Real Estate Law (from the Business and Professions Code);
- The Real Estate Commissioner's Regulations (from the California Code of Regulations);
- Portions of the Administrative Procedure Act (from the Government Code); and
- Pertinent excerpts from various California Codes.

The cost will be \$25, plus tax. Orders will be accepted after January 1, 2008. Use the order form on page 11 or submit a Publications Request (RE 350). (The RE 350 is available on the DRE Web site or from any District Office.)

The 2008 Real Estate Law will also be available on the DRE Web site at [www.dre.ca.gov](http://www.dre.ca.gov). 



Moved or moving? New address? Use the *eLicensing* online system at [www.dre.ca.gov](http://www.dre.ca.gov) to make the change or submit the appropriate "change" form: RE 214 for salespersons; RE 204 for brokers; RE 204A for corporations.

*Manage your real estate license on-line!*



### *Brokers:*

- Add/change main office address
- Certify salesperson employment
- Discontinue salesperson employment
- Renew license
- Request duplicate license
- Change mailing address

### *Salespersons:*

- Add/change employing broker
- Change mailing address
- Renew license

*PLEASE NOTE: Unless you are a first-time salesperson examination applicant, you must have an existing examination record or license on file with the DRE to use eLicensing.*