Business, Transportation, & Housing Agency
Preparing today
from Secretary Cantreras-Sweet

Over the next decade California is expected to lead the nation in job, population and income growth. The Business, Transportation and Housing Agency is preparing today for the growth that will challenge all our infrastructure systems.

For the past two years, Lt. Governor Cruz Bustamante and I have co-chaired a commission charged by the Governor with developing an infrastructure investment strategy for California's future. The work of the 48-member Commission on Building for the 21st Century recently wrapped up and we'll be presenting a final report to the Governor later this summer. Our Agency will then conduct an aggressive educational effort to inform Californians on the state's infrastructure needs.

As the State Secretary for transportation, I can tell you that we are approaching California's transportation needs on many fronts: through highways, passenger rail, mass transit, improved land use planning and a concern for the environment we all share.

More than $6.8 billion has been appropriated to relieve traffic congestion, improve goods movement and maintain local transportation systems. Of that total amount, $5.3 billion is for the Governor's Traffic Congestion Relief Program to cut congestion and facilitate growth. The CHP, DMV, Caltrans and the Office of Traffic Safety are working in a cross-cutting manner within our Agency to assist me in meeting the Administration's transportation objectives.

As the State Secretary for housing, my goal is to ensure that our economic prosperity is not derailed by a lack of housing for California's workforce. More than $400 million has been added to the state's budget for housing. This augmentation - the first for housing in more than a decade - is being put to use by me with assistance from the Department of Housing and Community Development, Department of Real Estate, and the California Housing Finance Agency.

Most of California's anticipated growth in housing is expected to take place in metropolitan areas where businesses share space with city neighborhoods. The Governor's new Downtown Rebound program encourages creative and innovative use of land in these areas, such as adapting non-residential buildings into safe housing mixed with

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DRE offices to remain open during temporary power interruptions

Due to the current statewide energy situation, it is possible that temporary power interruptions may occur in areas where Department of Real Estate (DRE) offices are located. In the event a temporary blackout should occur, the DRE has established procedures for all of its offices to remain open.

The DRE expects that its telephone systems should continue to function during a power outage, which will allow normal consumer and licensee inquiries to be handled. License, examination and subdivision applications, and other paper transactions will be accepted, receipted and subsequently processed once power is restored. However, the computer system may not be operational and as such, staff will not be able to access DRE license record information during a blackout period.

The Department will continue to assess its ability to function during power interruptions in order to minimize any inconvenience to the public. Your understanding is appreciated.

In this issue

- DRE annual reports
- Late renewals
- Employment opportunities
- Fiduciary responsibilities

Real Estate Commissioner Paula Reddish Zinnemann pledged to save energy. You can too!

California is facing an energy challenge, but we can save money and avoid outages by conserving energy whenever possible. Please join us in making a commitment to reduce the use of electricity by 20 percent or more and urge others to do the same.

Take the Save Energy Pledge at www.flexyourpower.ca.gov or any DRE office.
We regret that the article titled "Asbestos in commercial structures" (summer 2001 issue) contained several errors. Both paragraphs following "What is friable and non friable asbestos?" stated "... material containing less than 1% asbestos..." where they should have stated "...more than 1% asbestos.

Friable is a term the EPA uses to describe material containing more than 1% asbestos that can be crumbled, pulverized, or reduced to powder, when dry, by hand pressure. Even in very small amounts, friable material may be regulated when it is removed due to the high probability that asbestos fibers will be released upon disturbance and breathed into the lungs. Some common examples of friable construction materials are: acoustic "popcorn" ceilings, HVAC duct wrap, paper backing of linoleum, wall-texturing compounds, non-bituminous roofing felt, Sheetrock joint "mud" compound, and thermal insulation on pipes or boilers.

Non friable materials contain more than 1% asbestos but cannot be crumbled using hand pressure since they are typically mixed with vinyl, asphalt or cement. They are generally not regulated* because they have less potential to release asbestos fibers into the air; however, during renovation or demolition the materials may become friable. A few examples of non friable asbestos building products include, but are not limited to: cement "transite" siding or pipe, stucco, plaster, vinyl floor tiles, asphalt roofing felts and mastics. *It is important to note that non friable asbestos materials, for example, asbestos containing plaster and stucco, may "become" friable (and regulated) depending on the method of removal and your local AQMD regulations.

Information Systems Section

The Information Systems Section (ISS) spent the past year focusing on two major objectives - completing the Enterprise Information Systems (EIS) computer conversion project with the production release of the Licensing system and enhancing the DRE Web site.

It has taken more than a year's time, but with the assistance of a systems' integrator, the efforts of the ISS staff and a significant contingent of DRE Licensing technical experts, DRE now has a new Licensing system in place. It was no small undertaking. The Licensing system is composed of several hundred programs with well over a million lines of code. It is the department's largest and most complicated computer system. With the successful completion of the Licensing system, the EIS project formally comes to a close.

The second part of ISS's focus is DRE's continuing commitment to the expanded use of the Internet as a means to serve the public and the real estate industry. Key improvements to the DRE Web site included:

- On-line lists of DRE approved statutory pre-licensing courses and continuing education courses.
- Updated, fill-in versions of all DRE forms including complex, multi-page Subdivision applications.
- Announcements of DRE sponsored seminars for the industry and public.
- Solicitations of DRE procure-

Correction

Asbestos in commercial structures

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Continued on page 9
Mortgage Lending Activities Report

The Mortgage Lending Activities Section oversees a variety of functions associated with real estate brokers who are primarily engaged in mortgage loan activities. These functions include:

Threshold and Multi-lender Broker Reports — The Section tracks and monitors the activity of brokers who meet a prescribed level of activity in specified types of mortgage transactions. These brokers are required to submit quarterly and annual reports to the Department. There are currently 290 threshold brokers and 145 multi-lender brokers reporting to the Department.

Mortgage Loan Bulletin — The section prepares and publishes the Mortgage Loan Bulletin twice a year as an educational service to real estate licensees engaged in mortgage brokering and lending.

Residential Mortgage Loan Reports — The Section collects data from specified lenders engaged in certain types of lending activity who report to the Department. The purpose is to monitor lending activity for any discriminatory practices.

Mortgage Loan Advertising — The section reviews mortgage loan advertisements submitted by brokers wishing to have their ads approved by the Department. Brokers may submit their advertisements on a specified form along with a fee for the review. Last year, approximately 110 advertising submissions and referrals were reviewed.

Advance Fee Contract Reviews — The use of advance fee agreements is not limited to brokers in the mortgage loan business. The section reviews the contracts of brokers who collect fees from principals in advance of performing a specified function or service(s). Approximately 50 proposed advance fee contracts were reviewed last year.

Prepaid Rental Listing Contract Reviews — The section reviews contracts submitted on a mandatory basis by prepaid rental listing service (PRLS) providers. A prepaid rental listing service basically is in the business of supplying prospective tenants with listings of residential real property for rent for a fee prior to use. Approximately 31 PRLS contracts were reviewed last year.

Because of the complex nature of the laws and regulations pertaining to mortgage lending, whether you are a seasoned veteran or just getting started, we encourage you to call us at (916) 227-0770 with your questions.

Late period allows licensees to renew expired licenses but renewing on time is the way to go!

A real estate licensee has the ability to renew his or her license during the two year period after the license has expired. It is critical to note that after the license has expired, and during the aforementioned two year period, no license activity is permitted until a renewed license has been issued.

Therefore, it is advisable to apply for renewal prior to the license expiration. As per Section 10156.2 of the Business and Professions Code, a licensee who files his/her renewal on time and satisfies the requirements for renewal, including good faith evidence of compliance with the continuing education requirements, can continue to operate under the existing license while they await their license renewal certificate. Normal processing of renewals takes approximately two to three weeks, but problems with renewal applications or continuing education courses can significantly delay processing.

However, if you use the late renewal provision to apply for renewal after your license expires, you must wait until you receive your license renewal certificate to perform activities which require a license. Otherwise, you risk disciplinary action by the Department.

To renew an expired license during the late renewal period, submit:

• a proper renewal application;
• proof of legal presence (only if not previously submitted);
• late renewal fee; and
• evidence that required continuing education courses have been completed within four years of the renewal application.

The late renewal period is not available to a new salesperson whose initial conditional license has been suspended for failure to meet statutory educational course requirements. Unless the suspension is lifted prior to the end of the initial four-year license term, the salesperson must re-qualify for licensure through the examination process.

Unfortunately, some individuals forget to renew their licenses within the two-year late renewal period immediately following their license expiration date. These licensees have to re-qualify for licensure through the examination process and meet the educational and experience requirements in effect at the time of examination application.

The bottom line is: Be careful not to let your license expire! 🙄

ADD VALUE to the Real Estate Bulletin

We want to know what you want to read.

Tell us what topics interest you, what information you need and offer other ideas for improvement.

Please submit your comments to:
Department of Real Estate
ATTN: Publications
P.O. Box 187000
Sacramento, CA 95818-7000

Thank you for your input!
The Licensing Section is responsible for the administration of the real estate license examinations as well as the issuance and renewal of salesperson and broker licenses.

**Licensing & Exam Activity**

Compared with last year, the number of salesperson examinations increased by 4% and the number of broker examinations increased by less than 1%. The issuance of new salesperson licenses declined by 2%, while the issuance of new broker licenses declined by 1%. License renewals rose overall as the total salesperson renewals increased by 5% and broker renewals increased by 11%. At the end of FY 2000-01 the licensee population totaled 314,082, which included 107,745 brokers and 206,337 salespersons. This is an increase of 2% over the number of licensees at the end of last FY.

**Population**

The number of licensees peaked in FY 1991-92 with a total of 376,064 on May 31, 1992. Thereafter, the number of licensees declined until September of 1998, when the number of licensees totaled 295,527. Since then the number of licensees has steadily increased to our current population of 314,082.

**Improvements**

The Licensing Section converted its computer subsystem to the new Enterprise Information System. The new system will streamline processing original and renewal applications, as well as requests for changes to license records. It will also allow for future enhancements.

Additionally, the Department initiated a procedure which allows for original and renewal license application fees to be paid by credit card.

Also, the Department contracted with Psychological Services, Inc. to conduct a study of its salesperson and broker examination program. The study should be concluded in FY 2001-02. The results will assist the Department in maintaining valid examinations for real estate licensees.

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### Putting the “Public” in Publications

**What’s new...**

- *Reverse Mortgages - Is One Right For You?* is a new consumer guide all about reverse mortgages including pros, cons, availability, options and more. Numerous copies have been distributed to senior citizens, public libraries, agencies serving the aging, AARP and other consumer groups.
- *Instructions to License Applicants* was revised in July 2001.

**And exciting!**

Many publications are now available on the DRE Web site. Go to www.dre.ca.gov for:

- *Instructions to License Applicants*
- *Regulations of the Real Estate Commissioner*
- *California Law including the Real Estate Law and applicable codes*
- *Real Estate Bulletin*
- *Mortgage Loan Bulletin*
- *Broker Compliance Evaluation Manual*
- *Frequently Asked Questions - Mortgage Loan Brokering in California*
- *Trust Deed Investments - What You Should Know!!*
- *Using the Services of a Mortgage Broker*
- *Living in a California Cammam Interest Development*
- *A Guide to Mobilehome Park Purchases by Residents*
- *Reverse Mortgages - Is One Right for You?*
- *A Consumer Guide to Filing Real Estate Complaints*
- *Publications Request form*
- *Disclosures in Real Property Transactions*

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### Legal & Recovery

Activity in the Department's Legal Section increased in most categories during fiscal year 2000-01 over fiscal year 1999-00. In 2000-01 the Legal Section received 1,298 investigative files recommending some kind of legal action. These referrals resulted in the Legal Section filing 404 Accusations initiating license disciplinary action and 321 Statements of Issues to deny applications or license. Disciplinary actions filed by the Legal Section resulted in the revocation of 424 licenses, the suspension of 131 licenses and the denial of 265 applications.

Recovery Fund claims were down by over 8.5% in fiscal year 2000-01 compared to 1999-00. We anticipate that claim activity will remain at approximately this level in FY 2001-02.

**Recovery Section Statistics**

<table>
<thead>
<tr>
<th>Claims</th>
<th>Filed</th>
<th>Paid</th>
<th>Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>99-00</td>
<td>75</td>
<td>63</td>
<td>$1,714,030</td>
</tr>
<tr>
<td>00-01</td>
<td>69</td>
<td>83</td>
<td>$1,294,745</td>
</tr>
</tbody>
</table>
Disciplinary Action — March 2001 to May 2001

✓ 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 dissol

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; PRPRLS - 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 found in the Business and Professions Code and the Regulations of the Real Estate Commission, both of which are available in the Real Estate Law book. The Real Estate Law book is available for purchase from the Department of Real Estate. Disciplinary actions that are "stayed" means "a delay in carrying out" all or part of the recommended discipline.

Commissioner’s Regulations

<table>
<thead>
<tr>
<th>Violation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2715</td>
<td>Licensee's failure to maintain current business or mailing address with DRE</td>
</tr>
<tr>
<td>2725</td>
<td>Failure of broker to exercise reasonable supervision over the activities of his or her salespersons</td>
</tr>
<tr>
<td>2731</td>
<td>Unauthorized use of fictitious business name</td>
</tr>
<tr>
<td>2746</td>
<td>Failure of corporation to file corporate background statement</td>
</tr>
<tr>
<td>2831</td>
<td>Failure to keep proper trust fund records</td>
</tr>
<tr>
<td>2831.1</td>
<td>Inadequate separate trust fund beneficiary records</td>
</tr>
<tr>
<td>2831.2</td>
<td>Failure to reconcile trust account</td>
</tr>
<tr>
<td>2832</td>
<td>Failure to comply with trust fund handling provisions</td>
</tr>
<tr>
<td>2832.1</td>
<td>Failure to obtain permission to reduce trust fund balance in a multiple beneficiary account</td>
</tr>
<tr>
<td>2834</td>
<td>Trust account withdrawals by unauthorized or unbonded person</td>
</tr>
<tr>
<td>2834(b)</td>
<td>Unauthorized or unbonded person making withdrawals form corporate trust fund account</td>
</tr>
<tr>
<td>2840</td>
<td>Failure to give approved borrower disclosure</td>
</tr>
<tr>
<td>2950(g)</td>
<td>Broker-handled escrow disbursement without written instructions</td>
</tr>
<tr>
<td>2951</td>
<td>Improper record keeping for broker handled escrows</td>
</tr>
</tbody>
</table>

Business and Professions Code

<table>
<thead>
<tr>
<th>Violation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>480(a)</td>
<td>Denial of real estate license on grounds of conviction of crime, dishonest or fraudulent act, or act which would warrant suspension or revocation of license</td>
</tr>
<tr>
<td>490</td>
<td>Substantially related criminal conviction</td>
</tr>
<tr>
<td>498</td>
<td>License obtained by fraud or misrepresentation</td>
</tr>
<tr>
<td>10130</td>
<td>Acting without license</td>
</tr>
<tr>
<td>10137</td>
<td>Unauthorized employment or payment of compensation</td>
</tr>
<tr>
<td>10138</td>
<td>Payment of compensation to unlicensed person</td>
</tr>
<tr>
<td>10139</td>
<td>Acting as real estate broker without having a broker license</td>
</tr>
<tr>
<td>10145</td>
<td>Trust fund handling</td>
</tr>
<tr>
<td>10145(a)</td>
<td>Trust fund handling</td>
</tr>
<tr>
<td>10145(c)</td>
<td>Failure by salesperson to deliver trust funds to broker</td>
</tr>
<tr>
<td>10148</td>
<td>Failure to retain records and make available for inspection</td>
</tr>
<tr>
<td>10159.2</td>
<td>Failure by designated officer to supervise licensed acts of corporation</td>
</tr>
<tr>
<td>10159.5</td>
<td>Failure to obtain license with fictitious business name</td>
</tr>
<tr>
<td>10162</td>
<td>Failure to maintain a place of business</td>
</tr>
<tr>
<td>10176(a)</td>
<td>Making any substantial misrepresentation</td>
</tr>
<tr>
<td>10176(e)</td>
<td>Commingling trust funds with brokers funds</td>
</tr>
<tr>
<td>10176(g)</td>
<td>Secret profit or undisclosed compensation</td>
</tr>
<tr>
<td>10176(i)</td>
<td>Fraud or dishonest dealing in licensed capacity</td>
</tr>
<tr>
<td>10177(a)</td>
<td>Procuring a real estate license by misrepresentation or material false statement</td>
</tr>
<tr>
<td>10177(b)</td>
<td>Conviction of crime</td>
</tr>
<tr>
<td>10177(c)</td>
<td>False advertisement</td>
</tr>
<tr>
<td>10177(d)</td>
<td>Violation of real estate law or regulations</td>
</tr>
<tr>
<td>10177(f)</td>
<td>Conduct that would have warranted denial of a license</td>
</tr>
<tr>
<td>10177(g)</td>
<td>Negligence or incompetence in performing licensed acts</td>
</tr>
<tr>
<td>10177(h)</td>
<td>Failure to supervise salespersons or licensed acts of corporation</td>
</tr>
<tr>
<td>10177(j)</td>
<td>Fraud or dishonest dealing as principal</td>
</tr>
<tr>
<td>10177(k)</td>
<td>Violation of restricted license condition</td>
</tr>
<tr>
<td>10177.2(b)</td>
<td>Failure to deliver properly endorsed mobilehome ownership certificate</td>
</tr>
<tr>
<td>10177.5</td>
<td>Civil fraud judgment based on licensed acts</td>
</tr>
</tbody>
</table>

Violations: 10229(a) Violation of multi-lender requirement 10231.1 Retaining lender’s funds for more than 25 days without a written agreement with the lender 10232.2(b) Failure to file statement regarding loan servicing 10232.2(a) Failure to provide independent audit reports 10232.5 Failure to provide required information in lender disclosure statement 10233.1 Failure of broker to notify mortgage lender that payments were made from funds other than those of the borrowers 10234 Failure to broker negotiating mortgage loan to record or cause trust deed to be recorded 10234.4 Failing to timely record trust deed in name of the beneficiary 10240 Failure to give mortgage loan disclosure statement 11012 Material change in subdivision offering without notifying DRE 11018.1 Failure to give public report 11018.2 Sale of subdivision lots without a public report

Financial Code

17403.4 Failure to disclose license under which a broker exempt escrow is operated

REVOKED LICENSES

Fresno Region

Bohigian, Nora Donelle (RES) Violation: 4/13/01 Effective: 4/13/01 Violation: 490, 10177(a)

Byland, Michael O. (RES) Violation: 3/14/01 Effective: 3/14/01 Violation: 498, 10177(a)

Cruz, Margarita (RES) Violation: 9/29/98 Effective: 9/29/98 Violation: 810.145, 10176(a)(e)(i), 10177(d)

Figueroa, Ruben (REB) Violation: 10145 Violation: 498, 10177(a)

Monji, Marcel Jerome (RES) P.O. Box 1558, Bakersfield Violation: 3/29/01 Effective: 3/29/01 Violation: 490, 10177(b)

Los Angeles Region

Anderson, Mark R. (REB) 1505 Crenshaw Blvd., Ste. 103, Torrance Effective: 3/29/01 Violation: 490, 10177(b)

Barrios, Sindy Ruby (RES) 8443 Evergreen Ave., South Gate Effective: 5/10/01 Violation: 490, 10177(b)

Batiste, Kenneth Dwayne (RES) 356 Via Valmont, Palos Verdes Estates Effective: 5/9/01 Violation: 490, 10177(b)

Booth, David Bryan (RES) 18627 Brookhurst St., #421, Fountain Valley Effective: 3/1/01 Violation: 498, 10177(a)

Brodsky, Yan (RES) 920 N. Stanley Ave., #203, Los Angeles Effective: 5/10/01 Violation: 490, 10177(b(k)

Cabrera, Dale Lyn (RES) 6712 Palma Cir., Yorba Linda Effective: 4/5/01 Violation: 490, 10177(b)

Chau, Paulina T. (REB) 12912 Brookhurst St., #400B, Garden Grove Effective: 4/11/01 Violation: 490, 498, 10177(a)

Connolly, Jean (RES) 455 E. Francis Dr., Palm Springs Effective: 4/11/01 Violation: 10130, 10177(d)
Cuevas, Maggie (RES) 5815 Whittier Blvd., Los Angeles Effective: 5/8/01 Violation: 490, 10177(b) 
Derboghcissian, Hovsep (REB) 641 W. California Av., Glendale Effective: 5/8/01 Violation: 10148, 10162, 10165, 10177(d) 
Drewry, Michelle (RES) 324 Myrtlewood Dr., Calimesa Effective: 3/13/01 Violation: 490, 10177(b) 
Dubon, Edna T. (RES) 2041 Woods Ave., Monterey Park Effective: 3/15/01 Violation: 490, 10177(b) 
Fellows, Jeffrey Dee (RES) 7815 Foxtail Pl., Highland Effective: 4/23/01 Violation: 490, 498, 10177(a)(b) 
Galeano, Anthony S. (RES) 292 S. La Cienga Blvd., #205, Beverly Hills Effective: 3/26/01 Violation: 498, 10177(a) 
Garcia, Elizabeth (RES) 1702 East 64th St., Los Angeles Effective: 4/19/01 Violation: 498, 10177(a) 
Grim, Janet Lynn (RES) 1403 N. Tustin Ave., Santa Ana Effective: 3/12/01 Violation: 490, 10177(b) 
Hernandez, Javier (RES) 625 S. Wabash Ave., #1, Glendora Effective: 5/7/01 Violation: 498, 10177(a) 
Horn, Jay Michael (RES) 227 Chiquita St., Laguna Beach Effective: 3/13/01 Violation: 490, 10177(b) 
Hosseini, Mehrdad (RES) 3 Belcanto, Irvine Effective: 5/8/01 Violation: 490, 10177(b) 
Ivy, William Mell Jr. (RES) P.O. Box 3395, Newport Beach Effective: 4/30/01 Violation: 490, 10177(b) 
Kassler, Donna Spring (REB) 1729 E. Palm Canyon Dr., Ste. 109, Palm Springs Effective: 3/21/01 Violation: 2831, 2831.1, 2831.2, 2832.1, 10145, 10176(e)(i), 10177(d), 10177.5 
Ledesma, Michael C. (RES) 239 N. Morada Ave., West Covina Effective: 5/8/01 Violation: 490, 10177(b) 
Martirosian, Erich (RES) 1714 W. Mountain St., Glendale Effective: 4/19/01 Violation: 10177(f) 
Miller, Eve Allison (RES) 23515 Lyons, #107, Valencia Effective: 4/16/01 Violation: 490, 10177(b) 
Moldt, Gordon Edward (RES) 10073 Hidden Village Rd., Garden Grove Effective: 5/9/01 Violation: 10177.5 
Murphy, Keyawn Littleton (RES) 16815 Kingsbury St., #201, Granada Hills Effective: 3/13/01 Violation: 490, 10177(b) 
Pasori, Ned (RES) PO Box 14081, Goleta Effective: 3/13/01 Violation: 498, 10177(a) 
Pavecek, Vlado (RES) 16435 Everrets Way, Riverside Effective: 5/10/01 Violation: 490, 10177(b) 
Perez-Raymondo-Bruner, Vincent Joel (RES) 31566 Railroad Canyon Rd., Canyon Lake Effective: 3/13/01 Violation: 498, 10177(a) 
Ramirez, Esau Garcia (RES) 762 Pamela Kay Ln., Whittier Effective: 5/3/01 Violation: 10145(c), 10176(i), 10177(d)(g)(j) 
Riebe, Charles Duffy (RRES) 5299 Alton Pky, Irvine Effective: 3/26/01 Violation: 10176(a), 10177(d)(g)(k) 
Romando, George Perez (RES) 41689 Enterprise Circle, Ste. 120, Temecula Effective: 5/3/01 Violation: 10177(j) 
Sanchez, Isabel (REB) 4040 Temple City Blvd., Ste. A, Rosemead Effective: 4/25/01 Violation: 2731, 2831, 2831.2, 2832, 2832.1, 2834, 10145, 10159.5, 10177.5 
Sandin, Matt Roger (RES) 18555 Collins St., #C30, Tarzana Effective: 3/15/01 Violation: 498, 10177(a) 
Sealy, Vincent Jr. (RES) 300 E. Victoria St., Rialto Effective: 5/29/01 Violation: 10137, 10145(c), 10176(g)(j), 10177(c)(d), 10177.2(b) 
Theriault, Janice Lee (RES) 25909 Pala Dr., Ste. 100, Mission Viejo Effective: 5/8/01 Violation: 490, 10177(b) 
Thomas, Leslie Bradshaw (REB) P.O. Box 259, Long Beach Effective: 5/9/01 Violation: 10177.5 
Yaghmourian, Caroline (RES) 12423 Kittridge St., North Hollywood Effective: 3/26/01 Violation: 498, 10177(a) 

Oakland Region

Choy, Jackson Keung (RES) 2934 Archwood Circle, San Jose Effective: 3/6/01 Violation: 490, 10177(b) 
Feliciano, Mila Bautista (RES) 400 S. El Camino Real, San Mateo Effective: 3/1/01 Violation: 10177.5 
Hoffman, Rick John (REB) 496 Dorothy Ave., San Jose Effective: 3/2/01 Violation: 2725, 2830, 2831, 2831.1, 2832.1, 2834, 10177(d)(g)(h), 10232.5, 10233.1, 10234.4, 10231.1 
Johnson, Debora Louise (RES) 2609 Willowbrook Ln., #65, Aptos Effective: 5/7/01 Violation: 480(a), 10177(b) 
Parkinson, Michael William (REB) 2939 Old Almaden Rd., #14, San Jose Effective: 3/12/01 Violation: 2715, 2731, 2831, 2832, 10145, 10148, 10159.5, 10177(d), 10231.2(a)(b), 10234 
Portuondo, Ralph (REB) 64 W. Alisal St., Salinas Effective: 5/21/01 Violation: 2831, 2832, 2834, 10145, 10176(e), 10177(d) 

Sacramento Region

Brown, Bobbie (REB) 21270 Placer Hills Rd., Colfax Effective: 4/24/01 Violation: 10148, 10177(d) 
Bueso, Dennis Lee (RES) 816 Corvey Circle, Galt Effective: 4/23/01 Violation: 490, 10177(b) 
Coffey, Michael C. (REB) P.O. Box 2027, Grass Valley Effective: 5/10/01 Violation: 490, 10177(b) 

San Diego Region

Amira Bancorp Co. (REC) 6020 Miramar Rd., Ste. 301, San Diego Effective: 3/8/01 Violation: 10177(f) Right to RREB license on terms and conditions 

Gribble, Luther Edward (RES) PO Box 984, San Clemente Effective: 3/13/01 Violation: 490, 10177(a)(b) Right to RREB license on terms and conditions 

Hartunians, Ara Tatavous (REB) 1484 Third St., Unit A, La Verne Effective: 3/12/01 Violation: 2725, 10177(d) Right to RRES license on terms and conditions
Kang, Hee Young (RES) 611 S. Wilton Pl., Los Angeles Effective: 3/26/01 Violation: 498, 10177(a) Right to RRES license on terms and conditions
Levin, Mark Hassel (RES) 23401 Park Sorrento 9, Calabasas Effective: 4/4/01 Violation: 10130, 10137, 10145(c), 10177(d) Right to RRES license on terms and conditions
Matti, Matuo Younan (REB, REO) 811 N. Central Ave., Glendale Effective: 3/15/01 Officer of: Allied Development Corporation Violation: 2831, 2831.1, 10145, 10177(d) Right to RREB license on terms and conditions
Petrusan, Viorel Alexandru (REB, REO) 14620 Lakewood Blvd., Bellflower Effective: 5/23/01 Violation: 2831.2, 2832, 2832.1, 2950(g), 2951, 10145, 10177(d) Right to RREC license on terms and conditions
Sumner, James Robert (REB) 41899 Corte Valentine, Temecula Effective: 3/2001 Violation: 490, 10177(b) Right to RREC license on terms and conditions
Thomas, Tena S. (REB) 4312 Don Luis Dr., Los Angeles Effective: 3/3/01 Violation: 10177(g) Right to RRES license on terms and conditions
Oakland Region
Alevizos, Timothy C. (RES) 27 West 37th Ave., San Mateo Effective: 4/10/01 Violation: 490, 10177(b) Right to RRES license on terms and conditions
Baynet & Company, Inc. (REC) 200 Taraval St., San Francisco Effective: 3/15/01 Violation: 10137, 10138, 10177(d) Right to RREC license on terms and conditions
Brennan, William Patrick (REB) 3704 Mt. Diablo Blvd., #132, Lafayette Effective: 3/15/01 Violation: 2831, 2831.1, 2831.2, 2832, 2832.1, 2834, 10145, 10177(d) Right to RREB license on terms and conditions
Courtney, William Eugene (RES) P.O. Box 1431, San Ramon Effective: 5/7/01 Violation: 10137, 10139, 10176a(a), 10177(d) Right to RRES license on terms and conditions
Engstrom, Clayton Morris Jr. (REB) 125 Jessie Ln., Petaluma Effective: 3/28/01 Violation: 10177(d), 11018.1, 11018.2 Right to RREB license on terms and conditions
Engstrom, Mary C. (REB) 125 Jessie Ln., Petaluma Effective: 3/28/01 Violation: 10177(d) Right to RREB license on terms and conditions
Liu, David Jiu-Ling (REB, REO) 200 Taraval St., San Francisco Effective: 3/15/01 Officer of: Bayne & Company, Inc. Violation: 10177(h) Right to RREC license on terms and conditions
Payed, Gary Nicholas (REB) 1480 Alvarado Ave., Burlingame Effective: 4/17/01 Violation: 490, 10177(b) Right to RREC license on terms and conditions
San Diego Region
Canto, Steven Michael (REB, REO) 704 Begonia, Corona Del Mar Effective: 4/5/01 Officer of: Financial Services Mortgage Corp. Violation: 2715, 2832, 2832.1, 2840, 2840.1, 10145, 10176a(b)(e)(i), 10177(d) Right to RRES license on terms and conditions
Chace, Charlie Joseph (REB) 3089C Clairemont Dr., Ste. 293, San Diego Effective: 3/26/01 Violation: 490, 10177(b) Right to RRES license on terms and conditions
Desert Empire Mortgage Corporation, Inc. (REC) 1111 E. Tahquitz Canyon Way, #121, Palm Springs Effective: 4/23/01 Violation: 2831.2, 2832, 2832.1, 2834, 10145, 10177(d) Suspected for 90 days-stayed for 2 years on terms and conditions
Dorn, Eugene Richard (REB, REO) 950 E. Katella Ave., #7, Orange Effective: 3/19/01 Officer of: South Coast Holding, Inc. Violation: 10159.2, 10177(d) Suspected for 60 days-stayed for 2 years on terms and conditions
Greer, Daniel M. (RES) 4874 Alberson Ct., San Diego Effective: 5/3/01 Officer of: Financial Services Mortgage Corp. Violation: 2715, 2832, 2832.1, 2840, 2840.1, 10145, 10176(a)(b)(e)(i), 10177(d) Right to RRES license on terms and conditions
Simmons, Scott J. (REB, REO) 1111 E. Tahquitz Canyon Way, #121, Palm Springs Effective: 4/23/01 Officer of: Desert Empire Mortgage Corporation, Inc. Violation: 10177(d) Suspected for 90 days-stayed for 2 years on terms and conditions
South Coast Holdings, Inc. (REC) 950 E. Katella Ave., #7, Orange Effective: 3/19/01 Violation: 2831.1, 10177(d), 10229(a) Suspected for 60 days-stayed for 2 years on terms and conditions
Wong, Paul Ovgong (RES) 16221 Cordovan Ct., Chino Hills Effective: 3/15/01 Violation: 10177(g) Suspended for 60 days-stayed for 1 year on terms and conditions
Nornel Corporation (REC) 950 E. Katella Ave., Ste. 1, Orange Effective: 3/5/01 Violation: 2831.2, 2832.1, 10145, 10177(d) Right to RREC license on terms and conditions
Pizzaro, Anthony Phillip (REB) 1100 Coddington Center, #1, Santa Rosa Effective: 3/9/01 Violation: 10177(d), 10240 Suspended for 60 days-stayed for 1 year on terms and conditions
San Diego Region
Gallegos, Frederick Anthony (REB, REO) 15412 El Capitan Real Ln., El Cajon Effective: 3/26/01 Officer of: VPM Funding, Inc. Violation: 10177(h) Suspended for 60 days-stayed for 2 years on terms and conditions
Games, Stephen Charles (REB, REO) 3790 Via De La Valle, #311, Del Mar Effective: 5/11/01 Violation: 10177(g) Suspended for 90 days-stayed for 1 year on terms and conditions
Krogstad, Steven Alan (REB) 1410 Guerneville Rd., Ste. 1, Santa Rosa Effective: 3/9/01 Violation: 10177(g) Suspended for 60 days-stayed for 1 year on terms and conditions
Career Opportunities for Real Estate Professionals

Protect the public interest, increase consumer awareness and assist the real estate industry as part of the DRE in Fresno, Los Angeles, Oakland, Sacramento or San Diego.

Deputy Commissioner

Interact with real estate brokers and salespersons, government agencies, subdividers, escrow companies, banks and consumers as you ensure compliance with the Real Estate Law and Commissioner's Regulations. Monthly salary and benefits.

| Range A: $2642-$3007 | Range C: $3437-$4143 |
| Range B: $3078-$3532 | Range D: $3775-$4546 |

Auditor I

Perform routine/investigative audits of real estate licensees or subdividers. Earn $2903-3361 per month salary plus benefits. Promotional opportunities include General Auditor II and III positions.

How to apply:

Submit Examination/Employment Application (Std. 678) to Department of Real Estate, P.O. Box 187000, Sacramento, CA 95818-7000. The State of California is an Equal Opportunity Employer.

For more information:

Go to www.dre.ca.gov or call (916) 227-0802. Note: Real Estate licensees must put their license on inactive government status if they accept employment with the DRE.

INDEFINITE SUSPENSIONS (under Recovery Acct. provisions)

Alvarez, Jesus (REB)
15310 Barnwall St., La Mirada
Effective: 4/26/01

Elante of California, Inc. (REC)
1911 Commercenter East, #409, San Bernardino
Effective: 4/26/01

Fong, Peter Wayne (REB)
1319 Travis Blvd., Ste. D, Fairfield
Effective: 4/26/01

Gomez, Edgar Anibal (REB)
4221 Mission St., San Francisco
Effective: 5/11/01

Ho, Edwin W. (REB)
2525 Walnut Ave., Ste. 100, Carmichael
Effective: 5/9/01

Isquierdo, Gus Escamitta (RES)
155 North K St., #B, Dinuba
Effective: 5/3/01

Leo, Hugh Francis (REB)
21580 Stevens Creek Blvd., #104, Cupertino
Effective: 4/26/01

Littoun/Fuller Group of Cupertino (REC)
10020 N. De Anza Blvd., #120, Cupertino
Effective: 5/9/01

Mohammed, Raja Firoz (RES)
1765 S. Starshine Rd., Walnut
Effective: 4/26/01

Moltd, Gordon Edward (RES)
10073 Hidden Village Rd., Garden Grove
Effective: 3/5/01

Morote, Zoila E. (RES)
9027 Florence Ave., Ste. C, Downey
Effective: 3/21/01

Nabrit, Henry Clarke Jr. (REB)
3742 W. Martin Luther King Jr. Blvd., #201, Los Angeles
Effective: 3/5/01

Rodriguez, Erasmo Jose (RES)
7850 Baysinger St., Downey
Effective: 4/26/01

Rubin, Ruben (RES)
P.O. Box 2007, Pico Rivera
Effective: 3/15/01

BT&H

Continued from page 1

commercial uses. As the State Secretary for business regulation, I take pride in protecting the people who live in these communities. We are protecting them through the business regulation efforts of our departments - the Department of Real Estate, Department of Alcoholic Beverage Control, Department of Corporations, Department of Financial Institutions, Department of Managed Health Care, the Office of Patient Advocate, and the Office of Real Estate Appraisers. The 47,000-plus employees of the Business, Transportation and Housing Agency are to be commended for helping us take the steps that will improve the daily lives of all Californians. Through our efforts, traffic on freeways will move faster, water and energy will be more plentiful, schools will be better, and more residents will be able to afford a home. That's what I call a Golden State.

Saba, Alan (RES)
22631 Cavalier St., Woodland Hills
Effective: 4/26/01

Thaddeus, Leslie Beadshaw (REB)
1015 E. Ocean Blvd., #6, Long Beach
Effective: 3/5/01

Traboulley, Eric Ashton Jr. (REB)
164 W. Hospitality Ln., #3, San Bernardino
Effective: 4/26/01
Dual role
Enforce laws and educate industry & consumers

The Enforcement Section plays a vital role in the Department’s overall mission to enforce the provisions of the Real Estate Law and the Subdivided Lands Law in a manner which provides protection for purchasers of real property and those persons conducting business with real estate licensees. In this regard, one of the main functions of the Enforcement Section is to investigate consumer complaints filed against real estate licensees, subdividers, and unlicensed persons who have performed acts that require a real estate license. The number of these consumer complaints assigned for investigation, and the results of those investigations, are outlined in the chart below.

A second function of the Enforcement Section is to provide for consumer protection through preventative enforcement measures. Preventative enforcement measures include both industry and consumer education so that problems that may result from negligence on the part of real estate licensees, or a lack of knowledge on the part of consumers, can be minimized. This approach includes outreach efforts to educate licensees and consumers on real estate issues through seminars and publications. Last fiscal year, the Enforcement Section developed and participated in several seminars on the home buying and financing process to educate consumers in these areas. One of the seminars was offered for consumers in Spanish.

In addition to the above, the Enforcement Section has initiated a broker office survey program that is designed to educate licensees and assist them in complying with the Real Estate Law. In the upcoming year, it is anticipated that enforcement staff will visit the offices of over 750 brokers and review their books and records for compliance with the Real Estate Law. If a minor violation is found, it will be treated as a compliance item and looked upon as an opportunity to correct a small problem before it grows into a larger one. Also, in the upcoming year, the Enforcement Section will continue searching for more ways to reach out and educate both consumers and the industry.

Enforcement Statistics: (Fiscal Year 2000–01)
► Complaints received and screened: 6,801
► Complaints assigned for investigation: 3,400
► Complaints referred for disciplinary action: 1,298
► Corrective Action Letters issued: 83

Audit Program
The mission of the audit program is to protect the consumer through financial compliance audits of real estate licensees and subdivision developments. DRE audits primarily focus on the handling of trust funds by licensees and purchase money/assessment obligation payments by subdividers. Through the audit program, Department staff determines if the operations of real estate brokers or subdividers, as reflected in their business records, comply with the requirements of the Real Estate Law and the Subdivided Lands Law.

Audit Statistics Fiscal Year 2000–2001
Audits performed: 769
Audit results
• Major violations: 233 30%
• Corrective Action Letters: 176 23%
• Minor or no violations: 360 47%
Audits found with trust fund shortages: 124 16%
Total amount of trust fund shortages: $11,702,327
Shortages cured during or soon after the audit: 72 $1,181,714
Education and Research Section

The Education and Research Section is responsible for review and approval of all continuing education course offerings as well as the pre-license qualification courses offered by private schools. The section also administers a research program authorized under Section 10451.5 of the Business and Professions Code which makes funds available to be used by the Real Estate Commissioner in the advancement of education and research in the field of real estate.

2000–01 Fiscal Year Accomplishments

- Approved 461 continuing education course offerings and 17 pre-license qualification courses.
- As part of the Department's ongoing efforts to improve its Web site, the lists of providers offering continuing education courses and pre-license qualification courses were made available on-line.
- Completed a research project on reverse mortgages, resulting in a booklet designed to assist seniors who may be considering a reverse mortgage.

Projects in Process

- The Department commissioned a new examination study which is currently underway. The study will include a review of the test specifications used by the Department; the adequacy of the Department's test development procedures including the validation process for new test questions; the method for determining the appropriateness of passing scores and levels of difficulty of the examinations; and the Department's test administration procedures.
- As part of DRE's Education & Research Program, the Department has agreed to provide funding to the California Community Colleges for the development and updating of college level instructor/student guides to be used by real estate course instructors and students.
- Real Estate Commissioner Reddix Zinnemann has formed an Education Study Group whose focus is to assist her in evaluating the effectiveness of the current real estate license continuing education and pre-license course requirements.

Financial Statement

Last year during the preparation of DRE's budget, revenue for 2000-01 was projected to be $19,249,000. However, actual revenue received totaled $20,049,361.

DRE's actual expenditures for the fiscal year 2000-01 were $27,578,971. With revenue totaling $20,049,361, DRE had a net result of ($7,529,610). Also in 2000-01, DRE received the last of the repayments ($2,329,036) of the reserves transferred to the State's General Fund in the early 1990's.

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<th>Expenditure Comparison</th>
<th>Actual</th>
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Did you know... One percent of Californians are licensed real estate brokers or salespersons.

Continued on page 12
Real Estate Publications

Ordering Information

• To order one or more of DRE’s publications, photocopy or remove this page from your Bulletin. Complete and submit all information requested.

• Prices are subject to change.

• Orders originating in California and over-the-counter sales must include the state sales tax (7.75% for mail orders). Requests and fees will be returned if the appropriate sales tax is not included.

• Orders received with incorrect amounts will be returned.

• Volume discounts are available. Contact DRE prior to ordering.

• Please do not send cash. Make check or money order payable to: Department of Real Estate or complete credit card information below.

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

Electronic Law Book - System Requirements

• Minimum requirements for Windows — IBM compatible personal computer; 486x or higher processor; 16MB available RAM; 30MB available hard disk space; mouse or compatible pointing device; color SVGA monitor (640x480, 256 color) or better; Windows 95/98/NT or higher; CD drive.

• Minimum requirements for Macintosh — 16MB physical RAM; Macintosh System 7.5 or higher; 30MB available hard disk space; CD drive.

Miscellaneous

• Refer to DRE’s Web site for downloadable forms and brochures. http://www.dre.ca.gov

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<th>DRE</th>
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<td>Reserve Study Guidelines for Homeowner Association Budgets (rev. 2000)</td>
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<td>Instructions to License Applicants (brochure)</td>
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To purchase publication by credit card, complete the following:

METHOD OF PAYMENT  ACCOUNT NUMBER  EXPIRATION DATE OF CARD

VISA  [ ]  MAVERICK  [ ]

AMOUNT AUTHORIZED  SIGNATURE OF CARDHOLDER  DATE

PRINTED NAME OF CARDHOLDER  TELEPHONE NUMBER

SHIPPING INFORMATION

SHIPPING NAME  SUBTOTAL

SHIPPING ADDRESS  + SALES TAX

CITY  STATE  ZIP CODE  TOTAL ENCLOSED $
Being an agent means never having to say you’re sorry

In most settings, an agent should not have to apologize for not presenting an offer or showing property. That is because, in most settings, the agent should not refuse to do those things. "As a fiduciary, the real estate agent has the same obligation of undivided service and loyalty that the law imposes on a trustee in favor of a beneficiary and as such he is required to give diligent and faithful service to his principal." (Miller & Starr California Real Estate 2d Section 3:16). In the case of a listing agent, the obligation to give diligent and faithful service includes trying to obtain the best possible price and terms for the seller. The obligation to give diligent and faithful service also includes presenting to the seller all offers to purchase the property. Unless specifically authorized by the seller, an agent may not refuse to present an offer to the seller. "If he fails to do so it is equivalent to an affirmative representation by the licensee that no other offers exist. The broker must disclose to his principal-seller all offers that have been made by any person, whether the offer is only oral or in writing, and even though the principal has accepted another offer." (Miller & Starr Section 3:18).

A real estate agent’s fiduciary duty encompasses more than just presenting all offers to the seller. "The general fiduciary duty owed by the agent to his principal includes the duty to make a full and complete disclosure to him of all material facts which the agent knows and which might influence the principal with respect to the transaction and to his willingness to enter into it."

It is important for agents to recognize and fulfill their fiduciary obligations. That is the surest way to avoid having to say "I'm sorry."