Commissioner’s message

It is with great pleasure that I write my first message as your new Commissioner.

The two months since my swearing-in have been very busy. With thanks to the patient and capable Chief Deputy Commissioner John Liberator and the Department staff, I’ve been learning how the Department operates. I have also learned that Governor Davis’ Administration puts a high priority on housing related issues in California. I have listened to the varied concerns of consumers, subdivider and licensees. What I have heard and learn will form the framework for the pro-active position I envision for the Department. In that regard, I welcome your comments and suggestions.

In addition, I have visited each of the five Department offices and staff throughout the state, and met with the various trade associations and organizations that generally interact with the Department. I have also met with a pool of potential candidates for the Real Estate Advisory Commission.

We are all aware of how rapidly the real estate industry and technology are changing. Therefore, during the next several months, we will analyze the programs that are currently in place to determine whether or not they work well, need to be fixed, replaced or eliminated. Together with your input and some hard work, we will be able to move the Department smartly into the new millennium!

Payment of Commissions

We are receiving many inquiries from salespersons and their attorneys on the subject of incorporation for salespersons and the payment of commissions. These inquiries appear to stem from the desire of salespersons to obtain tax benefits from incorporation and to have their commissions paid to another person or a corporation wholly owned by the salesperson.

The first question is whether DRE will license a corporation as a real estate salesperson. Usually, the corporation is wholly owned by an individual who is licensed as a salesperson or is qualified for that license.

The answer is no. Business and Professions Code Section 10132 defines a real estate salesperson as “…a natural person who, for compensation or in expectation of compensation, regularly solicits or effects the purchase, sale, or exchange of real property.” A corporation could possibly operate a real estate business, but this would require the corporation to be separately licensed and not to be owned by a salesperson.

Common interest developments in California, such as condominiums and planned developments, may consist of as few as two residential units or as many as several thousand homes. No matter how many or few the number of members in a homeowner association, all owners within the development are obligated to manage and maintain all common areas and amenities in the overall project. However, the management needs will vary depending on the project type and size.

Usually the larger projects containing in excess of five hundred homes with a diversity of residential unit types are known as “master planned developments” and are governed by the owners through a “master association” structure. These large developments are commonly being used in order to assure there is a sufficient owner base to provide for the maintenance of expensive infrastructure, central recreational areas, landscaping, private roads and possibly golf courses, all of which benefit the entire community. Due to a variety of product type within the overall project, including attached condominiums along with detached single family homes, maintenance and management needs may necessitate additional associations known as “sub-associations” to be created to effectively meet the needs of specific neighborhoods.
Principals are employed by a licensed real estate broker..." Thus, DRE cannot and does not issue a salesperson license to a corporation.

The second question is whether it is permissible under the Real Estate Law for the broker to pay the salesperson’s commission to a corporation wholly owned by the salesperson or to some other person. Section 10137 makes it unlawful for a broker to compensate, directly or indirectly any person for performing any licensed acts unless that person is a licensed broker or a salesperson licensed under the broker employing or compensating him.

A careful analysis of Section 10137 has led the DRE to conclude that it would not be a violation of this Section if after a commission has been earned, the employing broker submits written instructions to the escrow directing it to pay the salesperson’s share of the commission to the salesperson’s corporation. Such instructions must be sent each time the salesperson earns a commission. Thus, a real estate broker can pay a commission, once earned by his or her salesperson, to the salesperson’s corporation in accordance with the broker’s instructions.

The purpose of Section 10137 is twofold. First, it stops a broker from employing or paying compensation to an unlicensed person for the person’s performance of acts for which a license is required. Second, it stops a broker from directly compensating a salesperson for his or her acts for which a license is required while not licensed to the broker-payor.

Neither of these purposes will be subverted by the broker’s instructions for payment of a commission, earned by his or her salesperson, to the salesperson’s corporation, if so requested by the salesperson. As the equitable owner of the earnings in the custody of the broker, the salesperson is entitled to control the ultimate disbursement of the funds. The broker would not be in violation of the law when following the salesperson’s directions for disbursement.

A danger to the employing broker occurs if the corporation receiving the compensation actually did perform licensed acts. This would place the broker in violation of the law and subject him or her license to discipline. The broker should exercise caution in this regard. Moreover, the broker must submit individual instructions for each and every commission earned. This is not a responsibility the broker can delegate.

The Department cannot offer tax advice. For guidance in this area, licensees may wish to seek the advice of an attorney or accountant who is well versed in this field.

### Clarification of SB 820

**Electronic signatures**

In last quarter’s edition of the *Real Estate Bulletin*, we presented a brief description of significant legislation passed in 1999. We want to clarify that SB 820, which deals with electronic signatures, does not prohibit all electronic real estate transactions. Specifically, a real estate sales agreement, including the liquidated damages and arbitration acknowledgments, can be completed electronically.
Deputy Secretary for Housing appointed by Governor Davis
from Business, Transportation, & Housing Agency

On December 2, 1999, Governor Gray Davis named Patricia W. Neal as Deputy Secretary for Housing for the Business, Transportation and Housing Agency. She is the first woman ever to hold that position in the state of California.

Ms. Neal will play an active role in the state’s housing planning and code-setting processes. She will give direction to housing finance and rehabilitation, and economic and community development programs.

Her mission is to assist Secretary Maria Contreras-Sweet in carrying out the Governor’s commitment to improving housing. The Governor has proposed funding for a number of housing programs, including:

- $11 million for the new multifamily housing program. The program provides low-interest loans for a variety of housing activities.
- $3.5 million for the Farmworker Housing Grant program to build or rehabilitate owner-occupied and rental housing for low-income households whose primary source of income is from agricultural labor.
- An increase in the Self-Help Housing Program by $1.2 million, bringing the total budget to $2.2 million. This augmentation supports the development of 460 new homes for low- and moderate-income families.
- $773,000 to continue the cold weather shelter program.
- $6.1 million to continue the multi-year project of reconstructing state-owned housing for migrant farmworkers.
- A $50 million one-time appropriation from the general fund for down payment assistance to teachers working in hard-to-staff schools.
- $26 million to augment the Child Care and Development Facilities Direct Loan Fund, which provides low-interest loan opportunities for non-state contract licensed centers and family day care homes to stimulate development of new capacity in under-served areas of the state.

Prior to her appointment by the Governor, Ms. Neal was the president of Pat Neal Associates – a Huntington Beach real estate agency – for 27 years. The company specialized in first-time homebuyers, relocation, senior citizens and lender-owned properties.

She had been a long-standing member of the California Association of Realtors, which is the largest state trade/professional association in the country. Ms. Neal served as that organization’s president in 1994.

Ms. Neal had also been a long-time member of the National Association of Realtors and the Pacific West Association of Realtors.

To “Survey” or not to “Survey,” that is the CE question

Janice A. Waddell, Education and Research Section

Now that we are into the new millennium and the “Y2K” bug, for the most part, turned out to be nothing more than a severe case of influenza, you are still faced with the dilemma of what continuing education (CE) courses you need to renew your real estate license. Particularly with respect to the mandated “core” subjects dealing with ethics, agency, trust fund handling, and fair housing. It appears there is still a lot of confusion among licensees over what a license is required to take these four three-hour courses for renewal and when the six-hour combined survey course covering the four core courses would be applicable.

In this regard, situations can at times be deceiving. For example: you were first licensed in 1993 and your license expires up for renewal in 2001. You call a CE sponsor to enroll in their 45-hour renewal package. You tell the sponsor that your license expires in March 2001, and when they ask how long you’ve been licensed, you respond, “since 1993.” The sponsor sends you their 45-hour package that includes the six-hour core combined survey course. Guess what, you’ve just signed up for the wrong package. The sponsor as-sumed this would be your second renewal after January 1, 1996 since your response to length of licensure spanned eight years. However, you neglected to tell the sponsor that you obtained your salesperson license at the end of 1993 and prior to its expiration, you obtained your broker license. Since you have never renewed a license, you would be required to complete, as part of the 45-hours, the four separate core courses.

In 1998, Assembly Bill No. 447 – Kuykendall revised the continuing education requirements to allow licensees who, on their previous renewal had satisfied the mandatory four three-hour core courses, to take a six-hour combined survey course of the core subjects on subsequent renewals. Business & Professions Code Section 10170.5(b) was amended to state in part: “no real estate license shall be renewed for a licensee who

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Master Planned Development

Continued from page 1

neighborhoods. For example, by their nature condominium units require specialized maintenance and management oversight more adequately performed by an association of only the condominium owners. Thus, those owners will gain total control of the administrative decisions regarding their units without interference by the other members in the master association. In addition, it may be preferable to create a second sub-association to maintain amenities benefiting only a portion of the single-family homeowners in the development. For example, certain neighborhoods may include a swimming pool or guard gate with private streets for the exclusive use of those owners.

Multiple associations within one development result in some owners belonging to more than one association, while other owners in the same overall community belong only to the master association. Buyers should be aware that by belonging to two associations, they are obligated for two different homeowner assessment amounts.

Some master planned developments do not contain the diversity of residential types to necessitate the creation of sub-associations. Instead, the master association may be responsible for maintenance of private streets and guard gates benefiting only one neighborhood within the overall development and assess only those neighborhood owners for the affiliated costs. This is known as cost centering. Generally the owners within a designated cost center will be given the opportunity to vote on matters affecting their neighborhood separate from the general voting issues brought before all of the master association members. Although the governmental structure in this instance is not complicated due to multiple governing bodies, the master association is burdened with additional administrative duties due to the formation of the costcenters.

Trust Accounts & Bank Charges

During the course of a recent examination of a trust account, the assigned DRE auditor noted that the broker had failed to keep records of personal funds deposited into the account to cover bank fees and charges and related bank debits for those fees and charges. The result was a small shortage in the account. When the auditor pointed out the source of the problem, the broker admitted to some confusion and uncertainty about just what records should be maintained for the deposit of personal funds and subsequent bank deposit debits. Admittedly, the Regulations do not clearly explain what a broker should do in this situation. This will be rectified in the future, but until then, common sense and the general standard of practice by most brokers provide an easy and acceptable answer: that the broker maintain complete and accurate trust account records. However, before providing the answer, a more detailed look into the problem is beneficial.

Bank charges against a trust account are an obligation of the account holder, the broker. They are a cost of operation similar to rent, telephone or utility service.

The right of banks to debit a trust account to collect its fees and charges is normally covered in the agreement opening the account. The debiting of the account is usually done on a monthly basis and is set forth in the monthly bank statement. It is a charge that the broker knows will be made against funds in the account, and as such, when made, it is a disbursement just the same as a check or wire transfer.

The Department is also aware that banks universally debit fees and charges from trust accounts. For this reason, it allows brokers to deposit up to $200 of their own money into the account to cover these bank fees and charges, without having such a deposit characterized as commingling (see Regulation Section 2835). However, when a broker deposits his or her own funds into a trust account as permitted by Regulation 2835, they are not trust funds, but must nevertheless be accounted for to avoid having the bank debit trust funds to pay the banks fees and charges for the account. This is particularly true when, from inadequate records the broker is unsure of how much of his or her own funds are in the account to pay these charges. If the broker deposits per-

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Disciplinary Action — Sept. to Nov. 1999

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

Financial Code

17006(a)(4) Violation of broker exemption to escrow license laws

REVOKE LICENSES

Fresno Region

Betachin, Vladimir Arbel (REB)
2011 N. Quincy Rd., Turlock
Effective: 11/9/99
Violation: 10165, 10177(d)

Bronson, Kenneth Jay (REB)
3195 M St., Ste. A, Merced
Effective: 11/8/99
Violation: 10165, 1016

Franks, Eddie Wayne (RES)
5500 Patton Way, Bakersfield
Effective: 9/23/99
Violation: 490, 10177(b)

Okland, Brian Delayne (REB)
P.O. Box 458, Lindsay
Effective: 10/21/99
Violation: 2832.1, 10148, 10177(d), 10177(a)

Los Angeles Region

Amirault, Dolores Evonne (RES)
8041 Page St., #10, Buena Park
Effective: 9/21/99
Violation: 498, 10177(a)

Bahamondes, George (RES)
P.O. Box 1604, South Gate
Effective: 10/5/99
Violation: 490, 10177(b)

Bailey, Linnea Rae (RREB)
12522 Moorpark St., Studio City
Effective: 10/27/99
Violation: 2715, 10162, 10165, 10177(d)

Del Cid, Sergio Rene (RES)
9402 E. Sloan Ave., Pico Rivera
Effective: 9/29/99
Violation: 490, 10177(b)

Diaz, Theodore Joseph (RES)
450 Armitos Pl., Diamond Bar
Effective: 10/19/99
Violation: 490, 10177(b)

Evans, James Lee (RRES)
21820 Belshire, #6, Hawaiian Gardens
Effective: 10/12/99
Violation: 490, 10177(b)
Excel National Funding Corp. (REC)
4100 Campus Dr., Ste. 130-A, Newport Beach
Effective: 10/19/99
Violation: 2715, 10162, 10165, 10177(d)
Fierro, Joseph A. (RES)
6459 Dos Rios Rd., Downey
Effective: 10/21/99
Violation: 490, 10177(b)
Flair, James A. (REB)
554 W. Lancaster Blvd., Lancaster
Effective: 11/10/99
Violation: 490, 10177(b)
Hu, Stephanie Ming
11/4
Violation: 490, 498, 10177(a)(b)
Flagg, Ella B. (REB)
6301 Lochnivor Way, Sacramento
Effective: 10/19/99
Violation: 2731, 2831, 2831.2, 2832.1, 10145, 10177(d)
Inzunza, Cassandra Marie (RES)
5743 Cobblestone Dr., Rocklin
Effective: 9/13/99
Violation: 490, 10177(b)
Jahi, Omari (RES)
45 C St., Vallejo
Effective: 11/8/99
Violation: 490, 10177(b)
Montalvo, Joseph (REB)
3400 Watt Ave., Ste. 100, Sacramento
Effective: 9/8/99
Violation: 10148, 10177(d)(g)
Nied, Pamela Mae (RES)
23448 Amber Ct., Auburn
Effective: 9/15/99
Violation: 490, 10177(b)
San Diego Region
Andrews, Jackie Demetrious (REB)
7033 Blvd Dr. #12, La Mesa
Effective: 11/3/99
Violation: 490, 499, 10177(a)(b)
Credito, Isaac C. Jr. (REB)
3753 Mission Ave., Ste. 112, Oceanside
Effective: 10/25/99
Violation: 2831, 2831.2, 2832.1, 10145, 10148, 10177(d)
Deutsch, Michael Joseph (RES)
637 East 2nd, Escondido
Effective: 9/15/99
Violation: 490, 498, 10177(a)(b)
Oakland Region
Bergman, Adele (RES)
1847 18th Ave., San Francisco
Effective: 11/2/99
Violation: 490, 10177(b)
Doan, Chris N. (RES)
19420 Calle De Barcelona, Cupertino
Effective: 11/19/99
Violation: 490, 10177(b)
Hardin, Elizabeth Rene (RES)
47 Jennings Ln., Atherton
Effective: 9/23/99
Violation: 10145, 10176(a)(i), 10177(d)
Jabs, Frances Helen (RES)
P.O. Box 620172, Woodside
Effective: 11/8/99
Violation: 490, 10177(b)
Peterson, Cherrone Elizabeth (RES)
696 San Ramon Valley Blvd., #419, Danville
Effective: 11/17/99
Violation: 490, 10177(b)
Sacramento Region
Boudinot, Paul Thomas (RES)
1704 Maggie Ave., Calistoga
Effective: 9/21/99
Violation: 490, 10177(b)
Sharpe, Timothy Jennings (REB)
3413 Deer Valley Rd., Antioch
Effective: 9/17/99
Violation: 10177.5
SUSPENDED WITH STAY
Los Angeles Region
Ayres, George Robert (REB)
215 N. Riverside Ave., Rialto
Effective: 11/30/99
Violation: 2831, 2831.1, 2831.2, 2832.1, 2834, 10145, 10145(d), 10177(d)
Suspended for 90 days-stayed for 2 years on terms and conditions
Civit-Lemoli, Karin Cristina (REB)
8201 East 4th St., #E, Downey
Effective: 10/19/99
Violation: 2732, 2753, 2840, 10137, 10160, 10177(d), 10240
Suspended for 2 years-stayed for 6 months-all but 60 days stayed on terms and conditions
Custodio, Apolinaro R. (REB, REO)
3306 Glendale Blvd., #5, Los Angeles
Effective: 9/16/99
Officer of: Pacific Grand Realty, Inc.
Violation: 10177(g)(h)
Suspended for 2 years-all but 60 days stayed for 2 years on terms and conditions
DLJ, Inc. (REC)
5572 South St., Lakewood
Effective: 10/26/99
Violation: 2831.1, 2831.2, 2832.1, 2834, 2950(d)(g), 2951, 10130, 10145, 10177(d)(g)
Suspended for 6 months-all but 15 days stayed for 2 years on terms and conditions
Hanu, Ilan (REB)
3399 Bennett Dr., #21, Los Angeles
Effective: 9/9/99
Violation: 10137, 10177(d)
Suspended for 90 days-all but 30 days stayed for 2 years on conditions
Janicr Enterprise, Inc. (REC)
5800 Hanuman Ave., #260, Culver City
Effective: 11/1/99
Violation: 10177(d)(g)(i)
Suspended for 2 years-all but 5 days stayed on terms and conditions
Loan Savings (REC)
Formerly known as: 1-800-Anyloan
3400 Inland Empire Blvd., Ste. 100, Ontario
Effective: 10/20/99
Violation: 2726, 2840, 2840.1, 10177(d), 10240
Suspended for 60 days-stayed for 1 year on terms and conditions
Merle E. Garrett Real Estate, Inc. (REC)
21923 Vera St., Carson
Effective: 10/7/99
Violation: 2831, 2831.2, 2832.1, 2834, 10145, 10177(d)
Suspended for 2 years-all but 60 days stayed on terms and conditions
Onwulu, Emeka Godfrey Okafor (REB, REO)
14979 S. Prairie Ave., #4, Lawndale
Effective: 11/1/99
Violation: 10159.2, 10177(d)
Suspended for 30 days-stayed for 1 year on terms and conditions
Pacific Grand Realty, Inc. (REC)
3306 Glendale Blvd., #5, Los Angeles
Effective: 9/16/99
Violation: 2831, 2832, 2835, 10148, 10160, 10176(e), 10177(d)
Suspended for 2 years-stayed for 2 years on terms and conditions
R K T Real Estate Services, Inc. (REC)
23236 Lyone Ave., Ste. 216, Santa Clarita
Effective: 10/20/99
Violation: 2831, 2832, 2834, 10145, 10176(e), 10177(d)
Suspended for 90 days-stayed for 2 years on terms and conditions
Salamone, Robert Salvatore (REB, REO)  
16131 E. Whittier Blvd., Whittier  
EffectiVe: 9/15/99  
Violation: 2752, 10137  
Suspended for 5 days-stayed for 1 year on terms and conditions

Smith, Randall A. (REB)  
6615 E. Pacific Coast Hwy, #140, Long Beach  
EffectiVe: 9/9/99  
Violation: 10137  
Suspended for 90 days-stayed for 1 year on terms and conditions

Sparow Realty (REC)  
6615 E. Pacific Coast Hwy, #140, Long Beach  
EffectiVe: 9/9/99  
Violation: 10137  
Suspended for 90 days-stayed for 1 year on terms and conditions

San Diego Region

Universal Lending Corporation (REC)  
1851 Heritage Ln., #151, San Diego  
EffectiVe: 9/22/99  
Violation: 2831, 2831.1, 2831.2, 10145, 10163, 10177(d)(h)  
Suspended for 90 days-stayed for 2 years on terms and conditions

Sacramento Region

Universal Lending Corporation (REC)  
1851 Heritage Ln., #151, Sacramento  
EffectiVe: 9/22/99  
Violation: 2831, 2831.1, 2831.2, 10145, 10163, 10177(d)(h)  
Suspended for 90 days-stayed for 1 year on terms and conditions

San Diego Region

Alan, Richard (REB)  
1580 S. Melrose Dr., Ste. 113, Vista  
EffectiVe: 9/29/99  
Violation: 10177(g)  
Suspended for 60 days-stayed for 1 year on terms and conditions

Davis, Patricia Senninger (REB)  
4190 Bonita Rd., Ste. 103, Bonita  
EffectiVe: 9/7/99  
Violation: 2831, 2831.1, 2831.2, 10145, 10177(d)  
Suspended for 1 year-stayed for 2 years on conditions

Moran, William Gabriel (RES)  
4747 Morena Blvd., Ste. 200, San Diego  
EffectiVe: 11/30/99  
Violation: 10130, 10137, 10177(d)  
Suspended for 30 days-stayed for 1 year on conditions

Mountain, Geoffrey Freeman (REB, REO)  
4747 Morena Blvd., Ste. 200, San Diego  
EffectiVe: 11/30/99  
Violation: 10177(b)  
Suspended for 30 days-stayed for 1 year on terms and conditions

Mountain-Pacific Financial, Inc. (REC)  
5005 Texas St., Ste. 400, San Diego  
EffectiVe: 11/30/99  
Violation: 10137  
Suspended for 30 days-stayed for 1 year on conditions

Ober, Roxanna Kay (RES)  
1679 Olympus Loop Dr., Vista  
EffectiVe: 9/22/99  
Violation: 10177(g)  
Suspended for 60 days-stayed for 1 year on terms and conditions

Sacramento Region

Amaya, Maria Elizabeth (RES)  
14620 Lakewood Blvd., Bellflower  
EffectiVe: 11/8/99  
Violation: 490, 10177(b)  
Right to RRES license on terms and conditions

Bengue, James Edmond (REB)  
23974 Aliso Creek Rd., #165, Laguna Niguel  
EffectiVe: 10/27/99  
Violation: 10177(c)(j)  
Right to RREB license on terms and conditions; RREB license suspended for 30 days

Cervantes, Jose Louis (REB, REO)  
2655 N. Vineyard Ave., Oxnard  
EffectiVe: 9/29/99  
Officer of: El Rancho Home Loans, Inc.  
Violation: 10177(d)(g)  
Right to RREB license on terms and conditions

Donel, Benjamin (RES)  
17509 Ventura Blvd., Encino  
EffectiVe: 11/30/99  
Violation: 498, 10177(a)  
Right to RRES license on terms and conditions

Dorreller, Fred Eugene (REB)  
15800 Main St., Ste. 210, Hesperia  
EffectiVe: 11/12/99  
Violation: 2831.1, 10145, 10177(d)  
Suspended for 90 days  
Right to RREC license on terms and conditions

El Rancho Home Loans, Inc. (REC)  
2655 N. Vineyard Ave., Oxnard  
EffectiVe: 9/29/99  
Violation: 2831.2, 2832.1, 2950(d)(g)(h), 2951, 10145, 10177(d), 10242  
Right to RREC license on terms and conditions

Fene, Stephen Peter (RES)  
25805 Via Jacara Ct., Moreno Valley  
EffectiVe: 11/5/99  
Violation: 480(a)(2), 10177(f)(j)  
Right to RRES license on terms and conditions

Fishman, Terry (REB, REO)  
5050 Coldwater Canyon Blvd., #103, Sherman Oaks  
EffectiVe: 9/29/99  
Violation: 2726, 2731, 2752, 2831, 2832, 2834, 2840, 2840.1, 10145, 10159.2, 10161.8(a), 10165, 10176(e), 10177(d)(h), 10232.4, 10240  
Right to RREB license on terms and conditions

Fleck, Jeffrey (REB)  
12760 Washington Blvd., Ste. 201, Los Angeles  
EffectiVe: 11/10/99  
Violation: 2831.2, 2832.1, 2834, 10145, 10177(d)  
Right to RREC license on terms and conditions

Galvan, Jose (RES)  
916 West 79th St., Los Angeles  
EffectiVe: 10/28/99  
Violation: 490, 10177(b)  
Right to RRES license on terms and conditions

Garrett, Merle Edwin (REB, REO)  
21923 Vera St., Carson  
EffectiVe: 10/7/99  
Officer of: Merle E. Garrett Real Estate, Inc.  
Violation: 10177(g)  
Right to RREB license on terms and conditions

Lance, Michele Marcella (REB)  
42306 North 10th Street West, Lancaster  
EffectiVe: 9/29/99  
Violation: 2831, 2831.3, 2832.1, 10145, 10145(g), 10145(h)  
10240  
Right to RREB license on terms and conditions

Lee, Franklin D. (REB, REO)  
18177 Pioneer Blvd., Artesia  
EffectiVe: 10/12/99  
Officer of: NKL, Inc.  
Violation: 10177(d)  
Right to RREB license on terms and conditions

Markham, Joseph Edward (REB)  
3902 Keeshen Dr., Los Angeles  
EffectiVe: 9/9/99  
Violation: 2715, 10145, 10177(d)  
Right to RREC license on terms and conditions

McGill, Patsy Ann (REB)  
13060 Riverview Dr., Victorville  
EffectiVe: 11/25/99  
Violation: 10130, 10137, 10177(d)  
Right to RREC license on terms and conditions

Nazabal, Richard (REB)  
1407 Isabelita Ct., Upland  
EffectiVe: 11/27/99  
Violation: 10137, 10177(g)  
Right to RRES license on terms and conditions

Nelson, Tanya (REB, REO)  
5050 Coldwater Canyon Blvd., #103, Sherman Oaks  
EffectiVe: 9/20/99  
Officer of: Perfect Mortgage Company, Inc.  
Violation: 10177(a)(i), 10130, 10131, 10137, 10177(d)(h), 10240, 10241  
Right to RREC license on terms and conditions; RREC license suspended for 30 days

NKL, Inc. (REC)  
18177 Pioneer Blvd., Artesia  
EffectiVe: 10/12/99  
Violation: 10177(d)  
Right to RREC license on terms and conditions

Northeast Loans (REC)  
13211 South St., Cerritos  
EffectiVe: 11/7/99  
Violation: 10137, 10177(j)  
Right to RREC license on terms and conditions

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Rojas, Claudio Andres (RES) 2377 N. Del Rosa Ave., San Bernardino Effective: 1/12/99 Violation: 10145(c), 10177(d)(g) Right to RRES license on terms and conditions

Rove, Samuel James (REB, REO) 28570 Marguerite Pky., Ste. 203, Mission Viejo Effective: 11/5/99 Violation: 2830.1, 2831.2, 2840, 2950(d)(g)(h), 10145, 10152.9, 10176(i), 10177(d)(g) Right to RRES license on terms and conditions

Sain, Victor Maung (REB) 2251 Saldina Circle, Corona Effective: 10/11/99 Violation: 10176(d), 10240 Right to RREB license on terms and conditions

Saldarelli, Jennifer Marie (RES) 6696 Knott Ave., #4, Buena Park Effective: 9/14/99 Violation: 480, 490, 10177(a)(b) Right to RREB license on terms and conditions

Shakibaei, Maria Eugenia (RES) 8472 San Clemente Way, Buena Park Effective: 9/15/99 Violation: 10176(e)(a), 10177(g) Right to RRES license on terms and conditions

Slaven, Robert R. Jr. (REB) 1926 Scenic Ridge Dr., Chino Hills Effective: 9/30/99 Violation: 2830.1, 2831.2, 2832, 2832.1, 2834, 10137, 10176(d), 10240 Right to RREB license on terms and conditions

Soliman, Sameh Amin (REB) 129 W. Wilson, #204, Costa Mesa Effective: 9/12/99 Violation: 2831, 2831.1, 10145, 10177(d) Right to RREB license on terms and conditions; RREB license suspended for 30 days

Stalker, Anne L. (RES) 22 Hawaii Dr., Aliso Viejo Effective: 11/23/99 Violation: 490, 10177(b) Right to RRES license on terms and conditions

Stanislaw, Herbert Stephen (REB) 3001 E. Via Siena, Anaheim Effective: 10/5/99 Violation: 2831.1, 2831.2, 10145, 10177(d) Right to RREB license on terms and conditions

Superstars-Achievers, Inc. (REC) 19768 Yorba Linda Blvd., Yorba Linda Effective: 10/6/99 Violation: 2731, 2831, 2831.1, 2832, 2832.1, 2834, 10145, 10152.9, 10177(d) Right to RRES license on terms and conditions; formerly know as Century 21 Achievers, Inc.

Tehran, Reza (REB) 319 W. Summerfield Cir., Anaheim Effective: 11/15/99 Violation: 490, 10177(b) Right to RREB license on terms and conditions

Tran, Richard Mung (RREB) 3131 Foothill Blvd., #L, La Crescenta Effective: 9/8/99 Violation: 10161.8, 10177(d)(f)(g), 17006(a)(4) Right to RRES license on terms and conditions; RREB license suspended for 45 days

Oakland Region

Acosta, Asuncion Iglesias (REB) 171 School St., #B, Daly City Effective: 11/29/99 Violation: 2831, 2831.1, 2831.2, 2832, 2832.1, 2834, 10145, 10176(e), 10177(d), 10240 Right to RRES license on terms and conditions

Aldana, Robert (RRES) 19 Casa Way, Scott Valley Effective: 11/4/99 Violation: 10137 Right to RRES license on terms and conditions

Arevalo, Tito Rogelio (REB) 1002 Valencia St., San Francisco Effective: 11/3/99 Violation: 10177.5 Right to RRES license on terms and conditions

Barnes, Julie D. (RES) 102 Heritage Village Way, Campbell Effective: 11/29/99 Violation: 490, 498, 10177a(b) Right to RRES license on terms and conditions

Cooper, Vallen Widmer (REB) 2235 Challenger Way, Ste. 109, Santa Rosa Effective: 10/4/99 Violation: 2731, 2831, 10130, 10177(d) Right to RRES license on terms and conditions

De La Fuente, Jose Carlos L. (RES) 204 School St., #2, Daly City Effective: 9/30/99 Violation: 10130, 10177(d) Right to RRES license on terms and conditions

De Proto, Michael James (REB) 14080 Mill St., Guerneville Effective: 9/16/99 Violation: 2726, 2831, 2832, 2832.1, 2834, 10145, 10148, 10177(d) Right to RRES license on terms and conditions

Faye, Ronald Gustav (REB) 396 Industrial St., Campbell Effective: 9/30/99 Violation: 10137, 10177(d) Right to RRES license on terms and conditions

Ferrari, Serafina Lucia (REB) 807 Santa Cruz Ave., Menlo Park Effective: 10/27/99 Violation: 490, 10177(b) Right to RRES license on terms and conditions

Gabriel, Magda M. (RES) P.O. Box 993, Belmont Effective: 10/4/99 Violation: 490, 10177(b) Right to RRES license on terms and conditions

Gabriel, Otto L. (RES) P.O. Box 993, Belmont Effective: 11/2/99 Violation: 10137 Right to RRES license on terms and conditions

Hart, Elizabeth Anne (REB) 3701 Mt. Diablo Blvd., Lafayette Effective: 9/20/99 Violation: 2731(a), 2831, 2832, 10145, 10148, 10159.5, 10177(d) Right to RRES license on terms and conditions

Humphrey, Burk L. (REB) 2235 Leaveysworth St., San Francisco Effective: 9/13/99 Violation: 10167.3, 10167.9, 10167.10, 10167.12 Right to RRES license on terms and conditions

Meyer, Richard A. (RES) 5026 Rue Calais, San Jose Effective: 9/30/99 Violation: 10130, 10177(d) Right to RRES license on terms and conditions

Thomas, Alden Clarke (RES) 1492 Husted Ave., San Jose Effective: 9/30/99 Violation: 10130, 10177(d) Right to RRES license on terms and conditions

Welch, Stephen Alan (RES) P.O. Box 1615, Willits Effective: 10/27/99 Violation: 10176a(i), 10177(g) Right to RRES license on terms and conditions

Sacramento Region

Cameron, Robert (REB) 8012 St. Helena Ct., Sacramento Effective: 9/22/99 Violation: 2831, 2831.1, 2831.2, 10159.2, 10177(d)(g)(h)(i) Right to RREB license on terms and conditions

Dunnigan, Craig S. (REB, REO) 3211 Bonita Dr., Sacramento Effective: 11/10/99 Violation: 2725, 2831, 2831.2, 2832, 2832.1, 10145, 10177(d)(h) Right to RREB license on terms and conditions
INDEFINITE SUSPENSIONS  
(under Recovery Acct. provisions)

Los Angeles Region

Lawler, Alfred D. (REB)  
2015 E. Vine Ave., West Covina  
Effective: 11/1/99  
Violation: 9/1/99  
Right to RRES license on terms and conditions; RRES license to be suspended for 60 days

Mace, Kimberlee Jean (RES)  
2206 6th Ave., Sacramento  
Effective: 9/2/299  
Violation: 10130, 10131(a), 10177(d)  
Right to RRES license on terms and conditions

Petersen, Brent John (RES)  
9146 Brown Rd., Elk Grove  
Effective: 9/2/299  
Violation: 10130, 10131(a), 10177(d)  
Right to RRES license on terms and conditions

Torres, Tisha Rene (RES)  
243 Willis Ave., Rio Linda  
Effective: 11/2/99  
Violation: 490, 498, 10177(a)(b)  
Right to RRES license on terms and conditions

San Diego Region

Montgomery, Scott Dale (RES)  
8852 Greenberg Ln., San Diego  
Effective: 9/7/99  
Violation: 490, 10177(b)  
Right to RRES license on terms and conditions

Piretti, Andrew Louis (REB)  
3790 Via de la Valle, S-212, Del Mar  
Effective: 11/9/99  
Violation: 2725, 10137, 10177(d)(h), 10240(a)  
Right to RREB license on terms and conditions

Rhodes, Beverlie Rae (RES)  
1002 Pacific Beach Dr., San Diego  
Effective: 9/13/99  
Violation: 490, 10177(b)  
Right to RRES license on terms and conditions

List Available

Continuing Education Offerings

The Department offers licensees a list of all approved continuing education courses. The list is updated quarterly and includes the following information:

- Sponsor name,
- Sponsor contact information,
- Course titles,
- Number of hours of approved credit, and
- Category of the offering (e.g., consumer protection, consumer service).

The list is divided into seven sections, the first section identifies all sponsors that offer courses via correspondence/homestudy type format, the second section provides all sponsors that offer courses via the live/seminar format. The remaining sections identify all courses by sponsor that have approved courses under the categories of ethics, agency, fair housing, trust fund handling and the six-hour combined survey.

Be aware that the list does not include the schedule or locations of the CE courses listed. Licensees will need to contact the individual sponsors to obtain class schedules.

The list may be obtained by sending your request along with a check or money order for $5.00 to the following address. Please make check or money order payable to: Department of Real Estate.

Department of Real Estate  
Education Section  
P.O. Box 187000  
Sacramento, CA 95818

Note: At this time, we do not accept credit card orders for the purchase of this list.

PUBLIC REPROVAL

Los Angeles Region

Carter, Thomas Donald (REB)  
2300 West 205th St., Torrance  
Effective: 10/20/99  
Violation: 2725, 10177(d)(h)

Mortgage e-mail Company (REC)  
9640 Vanalden Ave., Northridge  
Effective: 10/26/99  
Violation: 2840, 10177(d), 10240

Security Discount Lenders, Inc. (REC)  
500 North 1st St., #5, Arcadia  
Effective: 10/19/99  
Violation: 2840, 10177(d), 10240
Use of post office boxes and mail boxes

Commissioner’s Regulation 2715 requires that a real estate broker (except a broker employed in the capacity of a salesperson) maintain on file with the Commissioner the broker’s principal office address, the address of any branch office, and the broker’s mailing address if different from the business office address.

The Department does not consider a post office box or a mail box a place of business. Use of a post office box or a mail box as a business address does not satisfy the requirement of Section 10162 of the Business and Professions Code that a broker “have and maintain a definite place of business in the State of California which shall serve as his office for the transaction of business,” and may therefore subject a broker to possible license discipline.

It has come to our attention that many brokers are using post office boxes or mail boxes for delivery of real estate transaction mail and documents. These box numbers are used on letterheads, return addresses on envelopes, business cards, loan applications, etc. While use of a “mail drop address” is permissible for certain business purposes, such addresses are not in compliance with real estate law for establishing a “business address.”

Some mail box service providers use street addresses and numbers instead of post office box numbers. Nevertheless, they cannot be used as the broker’s official business address because they are still nothing more than “drop boxes” and not the actual place of business of the licensee.

Care should be exercised in using these “disguised” post office boxes.

Trust Accounts

Personal funds that exceed the $200 limit, he or she is guilty of commingling. If, he or she does not have sufficient funds to cover automatic debits, there is a possible conversion since trust funds will be used to pay for operational expenses. The need for accurate records is obvious.

The answer to the dilemma is that a broker should account for personal funds deposited into the trust account in the same manner that he or she accounts for trust funds deposited into the account. In other words, the broker should enter all deposits and debits in the columnar records that Department records display only the actual licensee business address. If broker correspondence and other material indicate only the drop box address and not the actual business address, consumers can be misled and confused.

CE Survey Course

Continued from page 3

always has renewed ... unless the commissioner finds that the applicant for license renewal has ... successfully completed the 45 clock hours of education ... including a six-hour update survey course ..."

The key phrase in the statute to determine if a licensee would be qualified to complete the six-hour combined survey course is “no real estate license shall be renewed for a licensee who already has renewed.” If you renewed your license, either broker or salesperson, on or after January 1, 1996, you were required to submit evidence of having completed the four three-hour core courses as a prerequisite to renewing your license, plus the additional CE hours. For your next renewal, on or after January 1, 2000, you would be able to complete the six-hour combined survey course. If you have not renewed your licenses since January 1, 1996, whether it’s an existing license or the initial issuance of an original broker or salesperson license, you would be required to complete at least the four three-hour core courses in ethics, agency, trust fund handling and fair housing.

You, the licensee are ultimately responsible to ensure you complete the correct continuing education courses to meet the renewal requirements that apply to your particular license. If you cannot clearly define the courses you must complete for the renewal of your license, call the Department’s Licensing Section at (916) 227-0931 or the DRE office nearest you. They will be able to access your record and tell you what courses you must complete to satisfy the continuing education requirement.

Available on CD, diskette, paper

2000 Real Estate Law Book

The 2000 Real Estate Law book is here. For 2000, the electronic law book will be available on CD-ROM as well as diskettes. The price of the book (electronic or paper) will remain $20, plus applicable sales tax. We will also continue the discounted price of $35 (plus tax) for a purchase of the paper book and any electronic version.

The law book contains the Real Estate Law (from the Business and Professions Code), the Regulations of the Real Estate Commissioner (from the California Code of Regulations), portions of the Administrative Procedures Act, and pertinent excerpts from various California Codes.

The electronic versions of the law book are in a Folio VIEWSC information processing program for both Windows and Macintosh. This provides users with powerful search, bookmarking and annotation features.
**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.

**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** — 386 DX2/33Mhz IBM compatible personal computer; 4MB physical RAM; 8MB available hard disk space; Windows version 3.11 or later; diskette or CD drive as applicable.
- **Minimum requirements for Macintosh** — 8MB physical RAM; Macintosh System 7; 8MB available hard disk space; diskette or CD drive as applicable.

**Miscellaneous**

- Refer to DRE's Web site for downloadable forms and brochures.  
  [http://www.dre.ca.gov](http://www.dre.ca.gov)

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<td>1</td>
<td>Reference Book (revised 1997)</td>
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<td>Disclosures in Real Property Transactions (booklet)</td>
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<td>Trust Deed Investments — What You Should Know (brochure) and Using the Services of a Mortgage Broker (brochure) (35 &amp; 35A are a set)</td>
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**SHIPPING INFORMATION**

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Licensee Population Up for 1999

Eight Year Slide Ends

The Department is pleased to announce that the overall population of real estate licensees showed an increase at year-end for the first time since 1991. The following is a table that displays the recent history of licensing populations for the past nine years:

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<th>Year End</th>
<th>91</th>
<th>92</th>
<th>93</th>
<th>94</th>
<th>95</th>
<th>96</th>
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<td>Sales</td>
<td>260,312</td>
<td>255,158</td>
<td>246,451</td>
<td>228,761</td>
<td>218,538</td>
<td>204,330</td>
<td>193,219</td>
<td>189,230</td>
<td>196,501</td>
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<td>Brokers</td>
<td>115,674</td>
<td>115,974</td>
<td>115,310</td>
<td>113,161</td>
<td>111,689</td>
<td>109,446</td>
<td>107,532</td>
<td>106,203</td>
<td>106,788</td>
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<tr>
<td>Total</td>
<td>375,986</td>
<td>371,132</td>
<td>361,761</td>
<td>341,922</td>
<td>330,227</td>
<td>313,776</td>
<td>300,751</td>
<td>295,433</td>
<td>303,289</td>
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</table>

As might be expected, the broker population has been more stable than salespersons. At the low point of 1998, the broker population was down only 8.5% from its high in 1992, whereas salespersons were down 27.3% from 1991. Appropriately, the rebound in the licensee population was lead by increases in salespersons — an increase of 7,271 in 1999.

There is no assurance that the rebound on licensee population will continue as the overall number of potential renewals will decrease for the next three years.

Trust Accounts

Continued from page 10

are maintained in accordance with Regulation 2831, and also maintain a separate beneficiary record for the deposit and debits in accordance with Regulation 2831.1.

This is the only way for the broker to maintain “accurate” and “complete” trust account records. If records of personal funds are not recorded in this manner, then there can be no accurate monthly reconciliation of separate beneficiary or transaction records with the record of trust funds received and disbursed (see Regulation 2831.2).

It is a simple and practical solution that does not add to the difficulty or costs of properly accounting for trust fund activity. It protects the sanctity of principals’ funds in the account, and it protects the broker from potential license discipline for the illegal disbursement of trust funds to pay for operational expenses.