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FILED
AUG - 8 2005
DEPARTMENT OF REAL ESTATE

C-3

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-827 SA
STEVEN ANDREW SCOTT,)
Respondent.)

ORDER GRANTING REINSTATEMENT OF LICENSE

On July 26, 1990, a Decision was rendered herein
revoking Respondent's real estate broker license, but granting
Respondent the right to the issuance of a restricted real estate
broker license. A restricted real estate broker license was
issued to Respondent or about September 4, 1990, and Respondent
has operated as a restricted licensee without cause for
disciplinary action against Respondent since that time.

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1 On or about March 15, 2004, Respondent petitioned
2 for reinstatement of said real estate broker license and the
3 Attorney General of the State of California has been given
4 notice of the filing of said petition.
5

6 I have considered the petition of Respondent and the
7 evidence and arguments in support thereof including Respondent's
8 record as a restricted licensee. Respondent has demonstrated
9 to my satisfaction that Respondent meets the requirements of
10 law for the issuance to Respondent of an unrestricted real
11 estate broker license and that it would not be against the
12 public interest to issue said license to Respondent.

13 NOW, THEREFORE, IT IS ORDERED that Respondent's
14 petition for reinstatement is granted and that a real estate
15 broker license be issued to Respondent if Respondent satisfies
16 the following conditions within nine (9) months from the date
17 of this Order:

18 1. Submittal of a completed application and payment
19 of the fee for a real estate broker license.

20 2. Submittal of evidence of having, since the most
21 recent issuance of an original or renewal real estate license,
22 taken and successfully completed the continuing education
23 requirements of Article 2.5 of Chapter 3 of the Real Estate
24 Law for renewal of a real estate license.

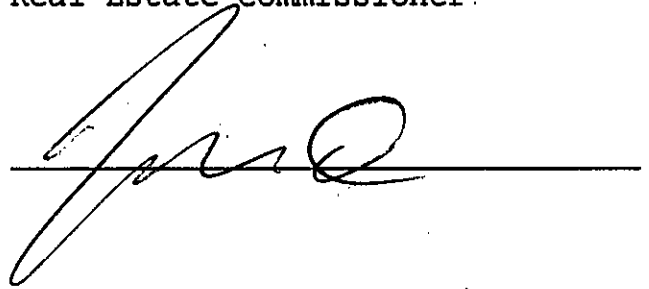
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This Order shall become effective immediately.

DATED: 8-1-85

JEFF DAVI
Real Estate Commissioner.



cc: Steven A. Scott
21 Parrell Avenue
Foothill Ranch, CA 92610

Sacto Flag

FILED

DEPARTMENT OF REAL ESTATE JUL 31 1990

STATE OF CALIFORNIA DEPARTMENT OF REAL ESTATE

BY *Sybil Williams*

* * * *

In the Matter of the Accusation of)
)
 GOLDEN WEST FUNDING CORPORATION,)
 a California corporation; and)
 STEVEN ANDREW SCOTT, individually)
 and as designated officer of)
 Golden West Funding Corporation,)
)
 Respondent.)

No. H-827 SA

DECISION

The Proposed Decision dated July 18, 1990 .
 of Randolph Brendia, Regional Manager, Department of Real Estate,
 is hereby adopted as the Decision of the Real Estate Commissioner
 in the above-entitled matter.

This Decision shall become effective at 12 o'clock
noon on August 27, 1990 .

IT IS SO ORDERED July 26, 1990 .

JAMES A. EDMONDS, JR.
Real Estate Commissioner

John R. Liberator
 BY: John R. Liberator
 Chief Deputy Commissioner

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of) No. H-827 SA
)
GOLDEN WEST FUNDING CORPORATION,)
a California corporation; and)
STEVEN ANDREW SCOTT, individually)
and as designated officer of)
Golden West Funding Corporation,)
)
Respondents.)
_____)

PROPOSED DECISION

This matter was presided over by Randolph Brendia, Regional Manager, Department of Real Estate, as the Designee of the Real Estate Commissioner, in Los Angeles, California, on July 18, 1990.

Marilyn L. Mosher, Counsel, represented the Complainant. Respondent STEVEN ANDREW SCOTT was not present, having signed a Waiver of Appearance, through his attorney, E. Robert Berends, Jr.. The Matter involving the Accusation of GOLDEN WEST FUNDING CORPORATION was previously severed FROM THE Matter of the Accusation of STEVEN ANDREW SCOTT for hearing and decision purposes.

The Matter of the Accusation of STEVEN ANDREW SCOTT (hereinafter SCOTT) was submitted upon the written Stipulation of the parties and, pursuant thereto, the following Decision is proposed, certified and recommended for adoption:

FINDINGS OF FACT

1.

The complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, made the Accusation in his official capacity.

2.

All Sections of Title 10, Chapter 6, California Code of Regulations, are hereinafter referred to as "Regulations".

3.

SCOTT is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code, hereinafter Code).

4.

GOLDEN WEST FUNDING CORPORATION (hereinafter GWF) was first licensed by the Department of Real Estate of the State of California (hereinafter Department) as a corporate real estate broker on February 1, 1988, by and through SCOTT as designated officer. GWF's license as a corporate real estate broker was cancelled on November 30, 1988, when SCOTT resigned as GWF's designated officer.

5.

At all times from February 1, 1988, until November 30, 1988, SCOTT was licensed by the Department as a real estate broker, both individually and as the designated officer of GWF, to qualify said corporation and to act for said corporation as a real estate broker and, under Section 10159.2 of the Code, was responsible for the supervision and control of the activities conducted on behalf of GWF by its officers and employees as necessary to secure full compliance with the provisions of the Code and of the Regulations.

6.

At all times herein mentioned, GWF and SCOTT were acting as the agent or employee of the other and within the course and scope of each agency or employment.

7.

At no time mentioned were either Jacqueline Y. McQuarn (hereinafter J. McQuarn) or Tracy McQuarn (hereinafter T. McQuarn) licensed as a real estate broker or a real estate salesperson. J. McQuarn is the president of GWF and T. McQuarn is the secretary of GWF.

8.

At all times herein mentioned, J. McQuarn, T. McQuarn and GWF engaged in the business of, acted in the capacity of and assumed to act as real estate brokers as defined by Section 10131(d) of the Code wherein they solicited for and negotiated loans secured by liens on real property on behalf of others for or in expectation of compensation.

9.

During 1988, in connection with the aforesaid real estate business activities, GWF accepted or received funds in trust (hereinafter trust funds) from or on behalf of borrowers for appraisal fees and credit reports and thereafter made disbursements of such funds. These trust funds were maintained by GWF in bank accounts at Harbor Bank in Long Beach (hereinafter TA #1) and Wells Fargo Bank in Newport Beach (hereinafter TA #2). Each

account was used by GWF as a general business account and neither was designated as a trust account in GWF's name as trustee.

10.

On or about October 3, 1988, representatives of the Department completed an examination of GWF's real estate activities and books and records pertaining thereto, for an eight-month period ending August 31, 1988, which revealed violations of the Code and of the Regulations as set forth, below, in Findings 11 through 13.

11.

In connection with those trust funds described in Finding 9, GWF acted in violation of the Regulations in that:

- (a) GWF failed to maintain proper columnar records of all trust funds placed into or disbursed from TA #1 and TA #2 in the manner required by Section 2831 of the Regulations.
- (b) GWF failed to keep adequate separate records for each beneficiary or transaction in the manner required by Section 2831.1 of the Regulations.
- (c) GWF failed to limit withdrawals from TA #1 and TA #2 to salespeople licensed to GWF, or to corporate officers or unlicensed employees with a fiduciary bond equal to the maximum amount of trust funds to which said officers or employees had access at any time.

12.

GWF, after negotiating certain loans for which a disclosure statement was required by Section 10240 of the Code, completed said loans without delivering to the borrowers statements in writing containing all the information required by Section 10241 of the Code.

13.

During a period of time during the first eight months of 1988, GWF employed and compensated J. McQuarn and T. McQuarn to solicit for and negotiate loans secured by liens on real property as the agent of others when they were not licensed as

either a real estate broker or a real estate salesperson. The aforesaid activities of J. McQuarn and T. McQuarn are those of a real estate broker as defined in Section 10131(d) of the Code and require a license under Section 10130 of the Code.

14.

The acts, omissions, course of conduct and violations described in Findings 8 through 13, were carried out, occurred, and/or committed while SCOTT was the designated officer of the corporation pursuant to Section 10211 of the Code. SCOTT's authorization and/or failure to terminate or remedy said acts, omissions, courses of conduct and violations constitutes failure on his part as the officer designated by a corporate respondent to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required.

DETERMINATION OF ISSUES

Respondent SCOTT's conduct, as set forth in Finding 14, constitutes failure on his part, as designated officer, to exercise reasonable control over the activities of the corporate respondent for which a real estate license is required and is cause to suspend or revoke his real estate licenses and license rights under the provisions of Section 10177(h) of the Code.

ORDER

WHEREFORE, THE FOLLOWING ORDER IS MADE PURSUANT TO THE WRITTEN STIPULATION OF THE PARTIES:

The real estate broker license and license rights there-
to of respondent, STEVEN ANDREW SCOTT, are hereby revoked. A
restricted real estate broker license shall be issued to respond-
ent pursuant to Section 10156.6 of the Business and Professions
Code upon his application and payment of the appropriate fee made
not more than six months from the effective date of the Decision
herein. The restricted license issued to respondent shall be
subject to all of the provisions of Section 10156.7 of the Business
and Professions Code and to the following limitations, conditions
and restrictions imposed under authority of Section 10156.6 of the
Business and Professions Code:

1. Said restricted license may be suspended prior to
hearing by Order of the Real Estate Commissioner in the event of
Respondent's conviction (including conviction on a plea of nolo
contendere) of a crime which bears a significant relation to
respondent's qualifications, functions, or duties as a real
estate licensee.

2. Said restricted license may be suspended prior to
hearing by Order of the Real Estate Commissioner on evidence
satisfactory to the Commissioner that Respondent has violated
provisions of the California Real Estate Law, the Subdivided Lands

Law, Regulations of the Real Estate Commissioner or conditions attaching to this restricted license.

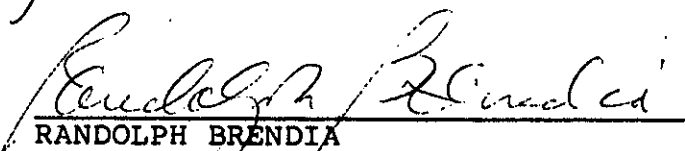
3. The restricted license to be issued upon application of the Respondent shall not confer any property right in the privileges to be exercised thereunder.

4. Respondent shall not petition the Commissioner for the removal of any of said conditions, limitations or restrictions of said restricted license or for reinstatement as a broker, prior to the expiration of one (1) year from the effective date of this Decision.

5. Respondent shall, within six months from the effective date of the Decision, present evidence satisfactory to the Real Estate Commissioner that he/she has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the respondent presents such evidence. The Commissioner shall afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

DATED: _____

18 July 1990



RANDOLPH BRENDIA
Regional Manager
Department of Real Estate

SACTO
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BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

APR - 3 1990

DEPARTMENT OF REAL ESTATE
BY *Sylvia Weems*

In the Matter of the Accusation of
STEVEN ANDREW SCOTT, etc.,

}

Case No. H-827 8A
OAH No. L-46532

Respondent(s)

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at _____

OFFICE OF ADMINISTRATIVE HEARINGS, 314 W. First St., Los Angeles

on the 13th day of June, 19 90, at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the charges made in the Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel, but you are neither required to be present at the hearing nor to be represented by counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you upon any express admissions, or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter. The interpreter must be approved by the hearing officer conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the hearing officer directs otherwise.

DEPARTMENT OF REAL ESTATE

Dated: April 3, 1990

By *Marilyn L. Mosher*
MARILYN L. MOSHER, Counsel

cc: Steven Andrew Scott
David H. Tedder, Esq.
OAH
Sacto
BSV

FILED

AUG 17 1989

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

BY

[Handwritten signature]

* * * *

In the Matter of the Accusation of)
)
 GOLDEN WEST FUNDING CORPORATION,)
 a California corporation; and)
 STEVEN ANDREW SCOTT,)
 individually and as designated)
 officer of Golden West Funding)
 Corporation,)
)
 Respondents.)

No. H-827 SA

DECISION

The Proposed Decision dated July 27, 1989, of Randolph Brendia, Regional Manager, Department of Real Estate, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter, as to Respondent GOLDEN WEST FUNDING CORPORATION only.

This Decision shall become effective at
12 o'clock noon on _____ September 6 _____, 1989.

IT IS SO ORDERED August 15, 1989.

JAMES A. EDMONDS, JR.
 Real Estate Commissioner

By: *[Handwritten signature]*
 JOHN R. LIBERATOR
 Chief Deputy Commissioner

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) No. H-827 SA
)
GOLDEN WEST FUNDING CORPORATION,)
a California corporation; and)
STEVEN ANDREW SCOTT, individually)
and as designated officer of)
Golden West Funding Corporation,)
)
Respondents.)
_____)

PROPOSED DECISION

This matter was presided over by Randolph Brendia, Regional Manager, Department of Real Estate, as the designee of the Real Estate Commissioner, in Los Angeles, California, on July 27, 1989.

Robert E. Baker, Counsel, represented the Complainant. Respondent GOLDEN WEST FUNDING CORPORATION, acting through its Chief Executive Officer, Jacqueline Y. McQuarn, was not present having signed a Waiver of Appearance.

The matter involving the Accusation of Respondent Steven Andrew Scott was severed for hearing at a different date.

The matter of the Accusation of GOLDEN WEST FUNDING CORPORATION (hereinafter GWF) was submitted upon the written Stipulation of the parties and, pursuant thereto, the following Decision is proposed, certified and recommended for adoption:

FINDINGS OF FACT

1.

The complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, made the Accusation in his official capacity.

2.

All sections of Title 10, Chapter 6, California Code of Regulations, are hereinafter referred to as "Regulations".

3.

GWF is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code, hereinafter Code).

4.

GWF was first licensed by the Department of Real Estate of the State of California (hereinafter Department) as a corporate real estate broker on February 1, 1988, by and through Steven Andrew Scott (hereinafter Scott) as designated officer. GWF's license as a corporate real estate broker was cancelled on November 30, 1988, when Scott resigned as GWF's designated officer.

5.

At no time mentioned were either Jacqueline Y. McQuarn (hereinafter J. McQuarn) or Tracy McQuarn (hereinafter T. McQuarn) licensed as a real estate broker or a real estate salesperson. J. McQuarn is the president of GWF and T. McQuarn is the secretary of GWF.

6.

At all times herein mentioned, J. McQuarn, T. McQuarn and GWF engaged in the business of, acted in the capacity of and assumed to act as real estate brokers as defined by Section 10131(d) of the Code wherein they solicited for and negotiated loans secured by liens on real property on behalf of others for or in expectation of compensation.

7.

During 1988, in connection with the aforesaid real estate business activities, GWF accepted or received funds in trust (hereinafter trust funds) from or on behalf of borrowers for appraisal fees and credit reports and thereafter made disbursements of such funds. These trust funds were maintained by GWF in bank accounts at Harbor Bank in Long Beach (hereinafter TA #1) and Wells Fargo Bank in Newport Beach (hereinafter TA #2). Each account was used by GWF as a general business account and neither was designated as a trust account in GWF's name as trustee.

8.

On or about October 3, 1988, representatives of the Department completed an examination of GWF's real estate activities and books and records pertaining thereto, for an eight-month period ending August 31, 1988, which revealed violations of the Code and of the Regulations as set forth, below, in Findings 9 through 12.

9.

In connection with those trust funds described in Finding 7, GWF acted in violation of the Regulations in that:

- (a) GWF failed to maintain proper columnar records of all trust funds placed into or disbursed from TA #1 and TA #2 in the manner required by Section 2831 of the Regulations.
- (b) GWF failed to keep adequate separate records for each beneficiary or transaction in the manner required by Section 2831.1 of the Regulations.
- (c) GWF failed to limit withdrawals from TA #1 and TA #2 to salespeople licensed to GWF, or to corporate officers or unlicensed employees with a fiduciary bond equal to the maximum amount of trust funds to which said officers or employees had access at any time.

10.

GWF, after negotiating certain loans for which a disclosure statement was required by Section 10240 of the Code, completed said loans without delivering to the borrowers statements in writing containing all the information required by Section 10241 of the Code.

11.

During a period of time during the first eight months of 1988, GWF employed and compensated J. McQuarn and T. McQuarn to solicit for and negotiate loans secured by liens on real property as the agent of others when they were not licensed as either a real estate broker or a real estate salesperson. The aforesaid activities of J. McQuarn and T. McQuarn are those of a real estate broker as defined in Section 10131(d) of the Code and require a license under Section 10130 of the Code.

12.

GWF was first licensed as a corporate real estate broker on February 1, 1988. During a period of time prior to the time that it was first qualified to act as a real estate broker, GWF solicited for and negotiated several loans secured by liens on real property, including, but not limited to, loans eventually obtained by borrowers, Edyth Hirschhoff, Lawrence Pierce and Alan Gralnick. Said activities are those of a real estate broker under Section 10131(d) of the Code and require a license under Section 10130 of the Code.

DETERMINATION OF ISSUES

1.

The conduct of GWF, as set forth in Finding 11, is grounds for the suspension or revocation of all of the real estate licenses and license rights of GWF under the provisions of Section 10137 of the Code.

2.

The conduct or omissions of GWF, as set forth in Findings 7, 9 and 10, are in violation of Sections 2830, 2831, 2831.1 and 2834 of the Regulations and Section 10240 of the Code, and are grounds for the suspension or revocation of all of the real estate licenses and license rights of GWF under the provisions of Section 10177(d) of the Code.

3.

The conduct of GWF, as set forth in Finding 12, is in violation of Section 10130 of the Code and is grounds for the suspension or revocation of all the real estate licenses and license rights of GWF under the provisions of Section 10177(f) of the Code.

ORDER

A. The corporate real estate broker licenses and all other license rights of Respondent GOLDEN WEST FUNDING CORPORATION under the Real Estate Law are hereby revoked.

B. However, Respondent GWF shall be entitled to apply for and be issued a restricted corporate real estate broker license pursuant to Section 10156.5 of the Code if Respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for said license within one year from the effective date of the Decision herein.

C. The restricted license issued to Respondent GWF shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of said Code:

1. The restricted license shall not confer any property right in the privileges to be exercised thereunder and the Real Estate Commissioner may by appropriate order suspend prior to hearing the rights of Respondent GWF to exercise any privileges granted under the restricted license in the event of:

- (a) The conviction of Respondent GWF (including a plea of nolo contendere) of a crime which bears a significant relation to Respondent's fitness or capacity as a real estate licensee.
- (b) The receipt of evidence satisfactory to the Real Estate Commissioner that Respondent GWF has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner, or conditions attaching to said restricted license(s).

2. Respondent GWF shall submit to the Department of Real Estate a Trust Funds Position Statement as of the last day of each March, June, September and December for so long as said restricted license(s) shall remain in effect. The Position Statement shall consist of the following:

- (a) A schedule of trust fund accountability with the following information concerning funds held by Respondent as agent or trustee to the owner(s) of said funds:
 - (1) Account numbers and depositories.
 - (2) Names of principals or beneficiaries.
 - (3) Trust fund liability to (2).
- (b) A report of trust funds in the custody and control of Respondent GWF as of the accounting date consisting of:
 - (1) A copy of Respondent's trust accounts' bank statements (listed above as (a)(1) showing the balance of funds in the accounts as of the accounting date.
 - (2) A schedule of uncleared checks drawn on the accounts adjusting the accounts to their true balance as of the accounting date.
- (c) A copy of Respondent GWF's (i) trust fund records maintained pursuant to Section 2831, Regulations, and (ii) separate records maintained pursuant to Section 2831.1, Regulations.

- (d) A statement explaining any discrepancy between the total liability shown under (a) above and the adjusted trust accounts' balances shown under (b) above.

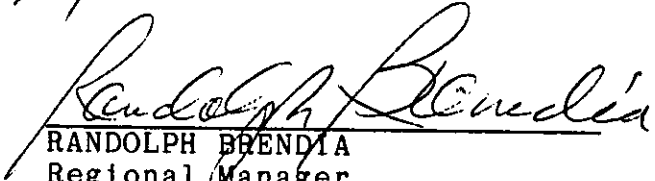
The Trust Funds Position Statement shall be submitted by Respondent GWF to the Los Angeles Office of the Department of Real Estate not later than 60 days after each accounting date. If Respondent has no trust fund liability as of accounting date, the report to the Department shall so state.

The designated officer of Respondent GWF shall certify under penalty of perjury the completeness and accuracy of each Position Statement.

3. Respondent GWF shall not be eligible to apply for the issuance of any unrestricted real estate license(s) nor the removal of any of the conditions, limitations or restrictions attaching to the restricted license(s) until one (1) year has elapsed from the date of issuance of the restricted license(s) to Respondent.

DATED:

27 July 1989.


RANDOLPH BRENDIA
Regional Manager
Department of Real Estate

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ROBERT E. BAKER, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 620-4790

MAR 13 1989

DEPARTMENT OF REAL ESTATE
Anna J. King

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-827 SA
GOLDEN WEST FUNDING)	<u>A C C U S A T I O N</u>
CORPORATION, a California)	
corporation; and STEVEN)	
ANDREW SCOTT, individually)	
and as designated officer)	
of Golden West Funding)	
Corporation,)	
Respondents.)	

The complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against GOLDEN WEST FUNDING CORPORATION, a California corporation (hereinafter GWF); and STEVEN ANDREW SCOTT (hereinafter SCOTT), individually and as designated officer of GWF, alleges as follows:

1.

The complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

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2.

All sections of Title 10, Chapter 6, California Code of Regulations, are hereinafter referred to as "Regulations".

3.

GWF and SCOTT, hereinafter sometimes collectively referred to as Respondents, are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code, hereinafter Code).

4.

At all times herein mentioned after February 1, 1988, GWF was licensed by the Department of Real Estate of the State of California (hereinafter Department) as a corporate real estate broker by and through SCOTT as designated officer.

5.

At all times herein mentioned after February 1, 1988, SCOTT was licensed by the Department as a real estate broker, both individually and as the designated officer of GWF, to qualify said corporation and to act for said corporation as a real estate broker and, under Section 10159.2 of the Code, was responsible for the supervision and control of the activities conducted on behalf of GWF by its officers and employees as necessary to secure full compliance with the provisions of the Code and of the Regulations.

6.

At no time mentioned were either Jacqueline Y. McQuarn (hereinafter J. McQuarn) or Tracy McQuarn (hereinafter T. McQuarn) licensed as a real estate broker or a real estate salesperson.

1 J. McQuarn is the president of GWF and T. McQuarn is the secretary
2 of GWF.

3 7.

4 Whenever reference is made in an allegation in this
5 Accusation to an act or omission of GWF and/or Respondents, such
6 allegation shall be deemed to mean that the officers, directors,
7 employees, agents and real estate licensees employed by or
8 associated with Respondents, including but not limited to SCOTT,
9 committed such act or omission while engaged in the furtherance of
10 the business or operation of Respondents and while acting within
11 the course and scope of their corporate authority and employment.

12 8.

13 At all times herein mentioned, GWF and SCOTT were acting
14 as the agent or employee of the other and within the course and
15 scope of such agency or employment.

16 9.

17 At all times herein mentioned, J. McQuarn, T. McQuarn
18 and Respondents engaged in the business of, acted in the capacity
19 of and assumed to act as real estate brokers as defined by Section
20 10131(d) of the Code wherein Respondents solicited for and
21 negotiated loans secured by liens on real property on behalf of
22 others for or in expectation of compensation.

23 10.

24 During 1988, in connection with the aforesaid real
25 estate business activities, Respondents accepted or received funds
26 in trust (hereinafter trust funds) from or on behalf of borrowers
27 for appraisal fees and credit reports and thereafter made

1 disbursements of such funds. These trust funds were maintained by
2 Respondents in bank accounts at Harbor Bank in Long Beach
3 (hereinafter TA #1) and Wells Fargo Bank in Newport Beach
4 (hereinafter TA #2). Each account was used by Respondents as a
5 general business account and neither was designated as a trust
6 account in Respondents' names as trustee.

7 11.

8 On or about October 3, 1988, representatives of the
9 Department completed an examination of Respondents' real estate
10 activities and books and records pertaining thereto, for an
11 eight-month period ending August 31, 1988, which revealed
12 violations of the Code and of the Regulations as set forth, below,
13 in Paragraphs 12 through 15.

14 12.

15 In connection with those trust funds described in
16 Paragraph 10, Respondents acted in violation of the Regulations in
17 that:

18 (a) SCOTT was not a signatory on either TA #1 or TA #2.

19 (b) Respondents failed to maintain proper columnar
20 records of all trust funds placed into or disbursed from TA #1 and
21 TA #2 in the manner required by Section 2831 of the Regulations.

22 (c) Respondents failed to keep adequate separate
23 records for each beneficiary or transaction in the manner
24 required by Section 2831.1 of the Regulations.

25 (d) Respondents failed to limit withdrawals from TA #1
26 and TA #2 to salespeople licensed to Respondents, or to corporate
27 officers or unlicensed employees with a fiduciary bond equal to

1 the maximum amount of trust funds to which said officers or
2 employees had access at any time.

3 13.

4 Respondents, after negotiating certain loans for which a
5 disclosure statement was required by Section 10240 of the Code,
6 completed said loans without delivering to the borrowers
7 statements in writing containing all the information required by
8 Section 10241 of the Code.

9 14.

10 During a period of time during the first eight months of
11 1988, Respondents employed and compensated J. McQuarn and
12 T. McQuarn to solicit for and negotiate loans secured by liens on
13 real property as the agent of others when they were not licensed
14 as either a real estate broker or a real estate salesperson. The
15 aforesaid activities of J. McQuarn and T. McQuarn required a
16 license under Section 10131(d) of the Code.

17 15.

18 GWF was first licensed as a corporate real estate broker
19 on February 1, 1988. During a period of time prior to the time
20 that it was first qualified to act as a real estate broker, GWF
21 solicited for and negotiated several loans secured by liens on
22 real property, including, but not limited to, loans eventually
23 obtained by borrowers, Edyth Hirschkoff, Lawrence Pierce and Alan
24 Gralnick. Said activities required a real estate license under
25 Section 10131(d) of the Code.

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16.

The conduct of Respondents, as alleged in Paragraph 14, is grounds for the suspension or revocation of all of the real estate licenses and license rights of Respondents under the provisions of Section 10137 of the Code.

17.

The conduct or omissions of Respondents, as alleged in Paragraphs 10 through 13, are in violation of Sections 2830, 2831, 2831.1 and 2834 of the Regulations and Section 10240 of the Code, and are grounds for the suspension or revocation of all of the real estate licenses and license rights of GWF and SCOTT under the provisions of Section 10177(d) of the Code.

18.

The conduct or omissions of SCOTT, as alleged in Paragraphs 9 through 14, constitute a failure to exercise reasonable supervision and control over the activities of GWF requiring a real estate license and are grounds for the suspension or revocation of all the real estate licenses and license rights of SCOTT under the provisions of Section 10177(h) of the Code.

19.

The conduct of GWF, as alleged in Paragraph 15, is in violation of Section 10130 of the Code and is grounds for the suspension or revocation of all the real estate licenses and license rights of GWF under the provisions of Sections 10177(d) and 10177(f) of the Code.

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1 WHEREFORE, complainant prays that a hearing be conducted
2 on the allegations of this Accusation and, that upon proof
3 thereof, a decision be rendered imposing disciplinary action
4 against the licenses and license rights of Respondents GOLDEN
5 WEST FUNDING CORPORATION, a California corporation; and STEVEN
6 ANDREW SCOTT, individually and as designated officer of Golden
7 West Funding Corporation, under the Real Estate Law (Part 1 of
8 Division 4 of the Business and Professions Code) and for such
9 other and further relief as may be proper under other applicable
10 provisions of law.

11 Dated at Los Angeles, California
12 this 13th day of March, 1989.

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THOMAS McCRADY

Deputy Real Estate Commissioner

cc: Golden West Funding Corporation
Steven Andrew Scott
Sacto.
BSV