

1 1. \$45,567 Judgment in Albi v. Ehrensberger, et al.,
2 Orange County Superior Court No. 786102.

3 2. \$500,432 Judgment in Harris v. Ehrensberger, et
4 al., Riverside County Superior Court No. CIV087072.

5 Further, in response to a question in the petition
6 application, "Have you ever been a defendant in any civil court
7 litigation, including small claims court? If yes, give details
8 below...", Respondent answered "Yes" but failed to disclose in his
9 petition the judgments described above. Respondent's concealment
10 of facts and lack of candor, demonstrate that Respondent has not
11 changed his attitude from that which existed at the time the
12 disciplinary action was taken in this matter.

13 As further evidence that Respondent has failed to
14 demonstrate a change in attitude from that which existed at the
15 time of the conduct in question, Respondent continues to deny any
16 responsibility for and to minimize the nature of the conduct that
17 led to the disciplinary action in this matter. Respondent has
18 not presented any evidence of compliance with Section 2911(m) of
19 the Regulations.

20 NOW, THEREFORE, IT IS ORDERED that Respondent's
21 petition for reinstatement of his real estate broker license is
22 denied.

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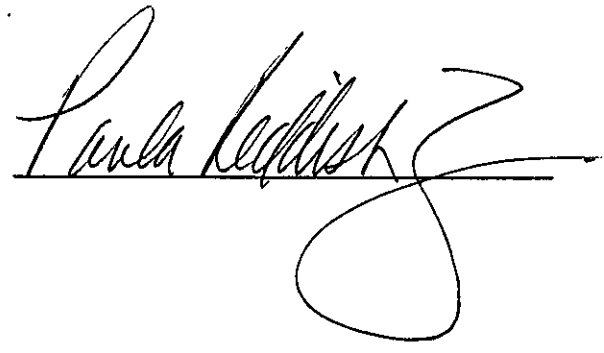
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This Order shall become effective at 12 o'clock
noon on March 29, 2001.

DATED: February 15, 2001

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



SACD. Flay

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FILED
APR 13 1998
DEPARTMENT OF REAL ESTATE

By Jean Arinob

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-1786 SA
WERNER GEORG EHRENSBERGER,)	L-9408232
Respondent.)	

ORDER DENYING RECONSIDERATION

On February 3, 1998, a Decision was rendered in the above-entitled matter. The Decision is to become effective on April 13, 1998.

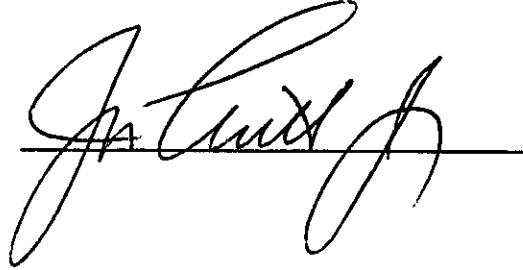
On February 28, 1998, respondent petitioned for reconsideration of the Decision of February 3, 1998.

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1 Respondent was given until March 30, 1998, to present
2 additional materials which he wanted to be considered. Respondent
3 presented no additional materials prior to March 30, 1998.
4 Therefore, I find no good cause to reconsider the Decision of
5 February 3, 1998, and reconsideration is hereby denied.

6 IT IS SO ORDERED 4/13, 1998.

7 JIM ANTT, JR.
8 Real Estate Commissioner

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SACTO
FLAG

FILED
MAR - 3 1998
DEPARTMENT OF REAL ESTATE

By Laura B. Orona

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DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	NO. H-1786 SA
)	L-9408232
WERNER GEORG EHRENSBERGER,)	
et al.,)	
)	
)	
Respondents.)	

ORDER STAYING EFFECTIVE DATE

On February 3, 1998, a Decision was rendered in the above-entitled matter to become effective March 3, 1998.

IT IS HEREBY ORDERED that the effective date of the Decision of February 3, 1998, is stayed for a period of 30 days.

The Decision of February 3, 1998 shall become effective at 12 o'clock noon on April 2, 1998.

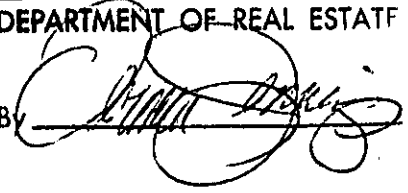
DATED: 30 March 1998

JIM ANTT, JR.
Real Estate Commissioner

By: Randolph Brendia
RANDOLPH BRENDIA
Regional Manager

FILED
FEB 11 1998
DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

By 

* * * * *

In the Matter of the Accusation of) No. H-1786 SA
)
) L-9408232
 WERNER GEORG EHRENSBERGER,)
 et al.,)
)
 Respondents.)

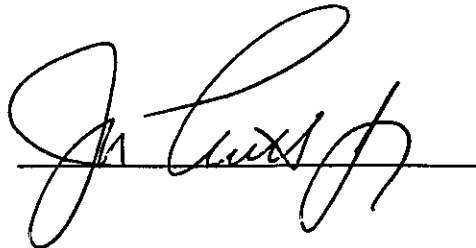
DECISION

The Proposed Decision dated January 9, 1998,
of the Administrative Law Judge of the Office of
Administrative Hearings, 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 March 3, 1998.

IT IS SO ORDERED 2/3, 1998.

JIM ANTT, JR.
Real Estate Commissioner



BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation)
Against:)
CORPORATE TRUST REAL ESTATE)
INVESTMENT BROKERAGE COMPANY)
INC., a California corporation;)
CARPE DIEM FUNDING CORPORATION,)
a corporation; FIRST PACIFIC)
CENTURY, a corporation; WERNER)
GEORG EHRENSBERGER, individually)
and as designated officer of)
Corporate Trust Real Estate)
Investment Brokerage Company, Inc.)
and Carpe Diem Funding Corporation,)
and d.b.a. Worldwide Real Estate;)
GAYNOR PRESTON VAN PETTEN,)
individually; and MELBOURNE C.)
HUTCHINSON, individually,)
Respondents.)

Case No. H-1786 SA

OAH No. L-9408232

PROPOSED DECISION

This matter came on regularly for hearing before Roy W. Hewitt, Administrative Law Judge of the Office of Administrative Hearings, on December 9 and 10, 1997, at Los Angeles, California.

Complainant was represented by V. Ahda Sands, Staff Counsel for the Department of Real Estate.

Default decisions were previously issued against all respondents except for Werner Georg Ehrensberger and Corporate Trust Real Estate Investment Brokerage Company ("CTR").

Respondent, Werner Georg Ehrensberger ("Ehrensberger") appeared personally and represented himself during the instant hearing.

Complainant moved to bifurcate the matters pending against CTR and Ehrensberger. Complainant's motion was granted and the hearing proceeded against Ehrensberger.

Oral and documentary evidence was received, and the matter against Ehrensberger was submitted.

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FINDINGS OF FACT

The Administrative Law Judge makes the following Findings of Fact:

1. The Second Amended Accusation was brought by Thomas McCrady in his official capacity as Deputy Real Estate Commissioner, State of California.

2. At all relevant times, CTR, Carpe Diem Funding Corporation ("CDF") and First Pacific Century ("FPC"), were licensed by the Department of Real Estate ("Department"), as corporate real estate brokers.

3. At all relevant times respondent Ehrensberger was, and currently is, licensed by the Department as a real estate broker.

4. From February 18, 1993 through May 11, 1994, Ehrensberger, doing business as ("d.b.a.") Worldwide Real Estate ("Worldwide"), employed and compensated Preston Van Petten ("Van Petten"), a licensed real estate salesperson, to perform acts requiring a real estate license, including, but not limited to, soliciting borrowers and/or lenders for applications for loans to be secured directly by liens on real property and soliciting and obtaining listings of, and negotiating the purchase, sale and exchange of real property as the agent of others for compensation.

5. On May 14, 1994, Ehrensberger filed Change Applications with the Department. The Change Applications notified the Department that respondent canceled Worldwide as one of his businesses, and, that he had terminated Van Petten as one of his salespeople.

Ehrensberger's License Certification reveal that the Change Applications he sent on May 14, 1994, did not become effective until June 9, 1994. Accordingly, even though respondent intended to fire Van Petten and cease doing business as Worldwide Real Estate on May 11, 1994, he remained accountable for all activities conducted by Van Petten and Worldwide until June 9, 1994, the date the changes became effective.

6. Ehrensberger was Designated Officer for CTR from April 5, 1990 until March 6, 1997.

7. Ehrensberger was Designated Officer for FPC from December 11, 1993 until May 23, 1994.

8. Ehrensberger was Designated Officer for CDF from March 9, 1993 until November 18, 1993.

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9. At all times relevant herein, Ehrensberger, Worldwide, CTR, FPC, CDF, their officers, agents and employees, engaged in the business of, acted in the capacity of, advertised and assumed to act as real estate brokers for others in the State of California within the meaning of California Business and Professions Code ("Code") section 10131, subdivisions (a) and (d), by selling and offering to sell, buying and offering to buy, soliciting and obtaining listings of, and negotiating the purchases, sales and exchanges of real properties ad the agents of others, for compensation; and, by operating mortgage loan activities with the public wherein, on behalf of others and for compensation and in expectation of compensation, they solicited lenders and borrowers for loans secured directly or collaterally by liens on real property, and, arranged, negotiated, processed and consummated said loans.

10. From February 18, 1993 through June 9, 1994, while Ehrensberger was responsible for supervising Van Petten, Van Petten placed misleading advertisements for the sale of real property in local newspapers. The advertisements listed "fixer-upper" homes for sale but failed to disclose that the properties were owned by the Veterans Administration and that a minimum bid was required to qualify to purchase the property. As a result of the misleading advertisements several clients were bilked out of thousands of dollars. Mr. and Mrs. Brink, Mr. and Mrs. Sanchez, Mr. and Mrs. Escanuelas and Mr. Doan each gave Van Petten \$2,000.00 deposits on various advertised properties: the deposits totaled \$8,000.00. Van Petten, however, failed to submit the deposits to his broker, Ehrensberger, no bids were ever made on behalf of the respective clients, and the deposits were never returned to the clients.

Ehrensberger did not actually know about Van Petten's misconduct, however, he completely ignored his responsibility to supervise Van Petten. Accordingly, as Van Petten's employing broker, Ehrensberger was, nonetheless, responsible for Van Petten's misconduct.

11. On April 1, 1994, Hutchison, an agent of FPC (licensed with Ehrensberger as designated officer), contracted with a customer, Richard Plastino, to arrange a 1.2 million dollar loan to purchase a 120 unit apartment complex located in Adelanto, California. Mr. Plastino gave Hutchinson \$25,000.00 in earnest money and a \$7,500.00 cashier's check as a retainer. The contract between FPC and Plastino provided that if a loan was not obtained, the \$7,500.00 retainer would be returned. Hutchinson never arranged the loan, nor did he return the \$7,500.00 retainer.

Again, Ehrensberger did not actually know about the misconduct, however, as in the Van Petten matter, he completely ignored his responsibility to supervise Hutchinson, and was, therefore, responsible for Hutchinson's misconduct.

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12. On August 10, 1993, the Department concluded an examination of CDF's real estate brokerage accounts and records for the period January 1, 1993 through June 30, 1993. The audit of CDF's books and records revealed the following violations of the Code and Chapter 6, title 10 of the California Code of Regulations ("Regulations"):

(a) CDF failed to maintain adequate separate records for each beneficiary and transaction, accounting therein for said account trust funds received, deposited, and disbursed in violation of Regulations section 2831.1;

(b) CDF failed to perform monthly reconciliations of the records of the receipt and disposition of all trust funds received, and the balance of all separate beneficiary or transaction records. Ehrensberger, as broker, failed to ensure that the individual borrower account balances were reconciled with the trust fund control records in violation of Regulations section 2831.2;

(c) Ehrensberger, as designated officer, failed to review and initial instruments prepared or signed by real estate salespeople employed by CDF in connection with transactions for which a real estate license is required, which instruments may have a material effect upon the rights or obligations of a party to the transaction in violation of Regulations section 2725;

(d) CDF failed to provide borrowers with a Mortgage Loan Disclosure Statement in violation of Code section 10240;

(e) CDF failed to provide a written, signed and dated agreement which covers all material aspects of the relationship between salespeople and brokers employed by CDF.

13. As the designated officer for CDF during the time-frame covered by the audit mentioned in Finding 12, above, the deficiencies found in the audit reveal the failure of Ehrensberger to exercise reasonable supervision and control over CDF's licensed activities.

14. On August 5, 1993, the Department concluded an audit of Ehrensberger's books and records concerning his real estate broker's activities for the period of January 1, 1993 through June 28, 1993. The examination of Ehrensberger's records revealed the following:

(a) He failed to deposit trust fund monies into the trust account in violation of Regulations section 2830;

(b) He, as designated officer, failed to review and initial instruments prepared or signed by real estate salespeople he employed in connection with transactions for which a real estate

license is required, which instruments may have a material effect upon the rights or obligations of a party to the transaction in violation of Regulations section 2725;

(c) He failed to meet the requirements of Code section 10145, subdivision (d) and Regulations section 2830.1, relating to interest bearing accounts;

(d) He failed to maintain adequate formal trust fund receipt journals and formal trust fund disbursements journals, or other records of the receipt and disposition of trust funds for the "Werner Ehrensberger Real Estate Trust Account", account number 10160-07813;

(e) He failed to maintain adequate separate records for each beneficiary and transaction, accounting therein for said account trust funds received, deposited, and disbursed in violation of Regulations section 2831.1;

(f) He failed to get Department approval for Disclosure statements provided borrowers in violation of Code section 10241 and Regulations section 2842.

15. On August 4, 1993, the Department concluded an examination of CTR's real estate brokerage accounts and records for the period January 1, 1993 through June 28, 1993. The audit of CTR's books and records revealed the following violation of the Regulations:

CTR violated Regulations section 2741 by failing to elect Ehrensberger, the Designated Officer, as an Officer or Director of the corporation, and by allowing Anthony Lugo, a licensed salesperson, to own all of CTR's stocks.

16. The acts and omissions of CDF and CTR while Ehrensberger was Designated Officer/Responsible Broker, evidence Ehrensberger's complete lack of supervision over the licensed activities of the licensed salespeople employed under Ehrensberger's broker's license. From 1990 through the date of the instant hearing, Ehrensberger was affiliated with approximately 35 companies in addition to CDF and CTR. It is apparent that Ehrensberger entered into financial agreements with many companies over the years whereby the companies paid Ehrensberger a fixed monthly sum in exchange for the ability to conduct business under Ehrensberger's broker's license. In essence, Ehrensberger merely rented his broker's license to Mortgage Loan Businesses so that they could conduct business. The only supervision provided by Ehrensberger consisted of his telling salespeople at the various businesses that if they had any problems or questions they should call him: such "supervision" is really no supervision at all, and serves to completely undermine the licensing system.

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DETERMINATION OF ISSUES

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following Determination of Issues:

1. Cause exists for discipline of Ehrensberger's license because, as set forth in Findings 1 through 16, Ehrensberger's actions in "renting out" his broker's license directly contributed to violations of Code sections 10145(c), 10145(d), 10176(a), 10176(b), 10176(i), 10177(c), 10177(d), 10177(h), 10240, 10241, and Regulations sections 2725, 2726, 2741, 2830, 2831, 2831.1, 2831.2, and 2842.

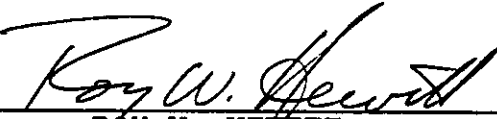
As set forth in Finding 16, Ehrensberger failed to exercise reasonable supervision and control over the activities of the corporations and individuals working under his broker's license. This failure allowed the businesses and licensed salespeople, including Van Petten, to conduct business without any supervision whatsoever. In the case of Van Petten, Ehrensberger's failure to supervise allowed Van Petten to bilk clients out of thousands of dollars. Allowing Ehrensberger's failure(s) to supervise those operating licensed activities under his license, as required by Code section 10159.2, to go undisciplined would send the wrong message to other licensed brokers and serve to subvert the statutory purpose of protecting the public by requiring salespeople to be properly supervised.

ORDER

WHEREFORE, IT IS ORDERED that:


Respondent Ehrensberger's broker's license and all licensing rights appurtenant thereto are hereby revoked.

Dated: January 9, 1998.



ROY W. HEWITT
Administrative Law Judge
Office of Administrative Hearings

1 Department of Real Estate
107 S. Broadway, Room 8107
2 Los Angeles, CA 90012
(213)897-3937

FILED
MAR 10 1998
DEPARTMENT OF REAL ESTATE
By 

8 DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of) NO. H-1786 SA
12)
13 CORPORATE TRUST REAL ESTATE)
14 INVESTMENT BROKERAGE COMPANY,)
15 INC., a corporation; CARPE DIEM)
16 FUNDING CORPORATION, a corporation;)
17 FIRST PACIFIC CENTURY, a corporation;)
18 WERNER GEORG EHRENSBERGER,)
19 individually and as designated)
20 officer of Corporate Trust Real)
21 Estate Investment Brokerage Company,)
CORPORATE TRUST REAL ESTATE)
INVESTMENT BROKERAGE COMPANY,)
INC., a corporation; CARPE DIEM)
FUNDING CORPORATION, a corporation;)
FIRST PACIFIC CENTURY, a corporation;)
WERNER GEORG EHRENSBERGER,)
individually and as designated)
officer of Corporate Trust Real)
Estate Investment Brokerage Company,)
Inc., and Carpe Diem Funding)
Corporation and doing business as)
Worldwide Real Estate GAYNOR)
PRESTON VAN PETTEN; and MELBOURNE C.)
HUTCHISON)
Respondents.)

22 STIPULATION AND AGREEMENT

23 It is hereby stipulated by and between CORPORATE
24 TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY, INC.
25 (Hereinafter and/or "CTRE" "Respondent"), acting by and through
26 counsel, Thomas P. Aplin, Esquire, and the Complainant, acting
27 by and through V. Ahda Sands, Esquire, Counsel for the

1 Department of Real Estate, as follows for the purpose of
2 settling and disposing of the Second Amendment to Accusation
3 filed on June 28, 1996, in this matter:

4 1. All issues which were to be contested and all
5 evidence which was to be presented by Complainant and
6 Respondent at a formal hearing on the Accusation, which
7 hearing was to be held in accordance with the provisions of the
8 Administrative Procedure Act (APA), shall instead and in place
9 thereof be submitted solely on the basis of the provisions of
10 this Stipulation and Agreement.

11 2. Respondent has received, read and understands the
12 Statement to Respondent, the Discovery Provisions of the APA
13 and the Second Amendment to Accusation filed by the Department
14 of Real Estate in this proceeding.

15 3. Respondent has filed a Notice of Defense pursuant
16 to Section 11505 of the Government Code for the purpose of
17 requesting a hearing on the allegations in this Accusation.
18 Respondent hereby freely and voluntarily withdraws said Notice
19 of Defense. Respondent acknowledges and understands that by
20 withdrawing said Notice of Defense, Respondent thereby waives
21 the right to require the Commissioner to prove the allegations
22 in the Second Amendment to Accusation at a contested hearing
23 held in accordance with the provisions of the APA and that
24 Respondent will waive other rights afforded to Respondent in
25 connection with the hearing, such as the right to present
26 evidence in defense of the allegations in the Second Amendment
27 to Accusation and the right to cross-examine witnesses.



1 pending Second Amendment to Accusation without a hearing, it
2 is stipulated and agreed that the following determination of
3 issues shall be made:

4 I

5 The conduct of Respondent CTRE, as described in the
6 Second Amendment to Accusation, is in violation of Section
7 10177(d) of the Business and Professions Code (Code) and in
8 violation of Section 2741, Title 10 of the California Code of
9 Regulations, and is grounds for the suspension or revocation of
10 the real estate licenses and license rights of Respondent under
11 the provisions of Section 10177(d) of the Code.

12 ORDER

13 1. All licenses and licensing rights of Respondent
14 CTRE under Real Estate Law are suspended for a period of sixty
15 (60) days from the effective date of this Decision; provided,
16 however, that if Respondent complies as set forth below, thirty
17 (30) days of said suspension shall be permanently stayed upon
18 Respondent's compliance with the terms and conditions of this
19 paragraph:

- 20 (a) Respondent pay a monetary penalty
21 pursuant to Section 10175.2 of the
22 Code at the rate of \$100.00 for each day
23 of said suspension stayed for a total
24 monetary penalty of \$3,000.00.
- 25 (b) Said payment shall be in the form of a
26 cashier's check or certified check made
27 payable to the Recovery Account of the Real

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Estate Fund. Said check must be delivered to the Department prior to the effective date of the Decision in this matter.

(c) If Respondent fails to pay the monetary penalty in accordance with the terms and conditions of this paragraph or this Order, the Commissioner may, without a hearing, order the immediate execution of all or any part of the thirty (30) day stayed suspension, in which event Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Order.

2. The remaining thirty (30) days of the sixty (60) day suspension provided in paragraph "1" shall be stayed for one (1) year upon the following terms and conditions:

(a) Respondent shall obey all laws, rules and regulations governing the rights, duties and responsibilities of a real estate licensee in the State of California.

(b) That Respondent is not convicted of any crime involving moral turpitude substantially related to the functions of a real estate licensee.

(c) That no final subsequent determination be made, after hearing or upon stipulation,

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EXECUTION OF STIPULATION

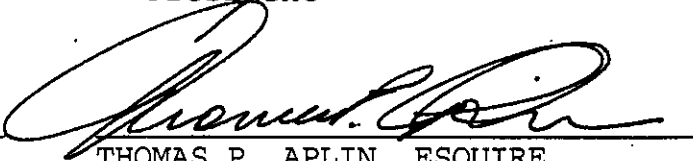
I have read the Stipulation and Agreement and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I am willingly, intelligently and voluntarily waiving those rights including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

CORPORATE TRUST REAL ESTATE
INVESTMENT BROKERAGE COMPANY,
INC.


DATED: 11/24/97

By 
Anthony Lugo
President

DATED: 11-19-97


THOMAS P. APLIN, ESQUIRE
Counsel for Respondent

DATED: Dec. 1, 1997


V. AHDA SANDS
Real Estate Counsel

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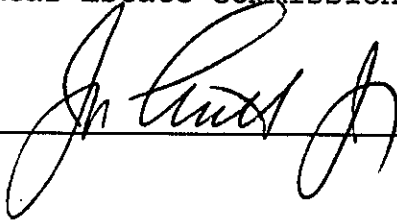
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DECISION

The foregoing Stipulation and Agreement is hereby
adopted as my Decision in this matter and shall become
effective at 12 o'clock noon on March 31, 1997.

IT IS SO ORDERED 2/25/98:

JIM ANTT, JR.
Real Estate Commissioner



SACTO.
Plan

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
OCT 10 1997
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
CORPORATE TRUST REAL ESTATE)
INVESTMENT BROKERAGE)
COMPANY, INC., et al.)

Case No. H-1786 SA
OAH No. L-9408232

[Signature]

Respondents

NOTICE OF CONTINUED HEARING ON ACCUSATION

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 107 South Broadway, 2nd Floor, Los Angeles, California, on **December 9 and 10, 1997**, at the hour of **9:00 a.m.**, or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission 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 and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: October 10, 1997.

DEPARTMENT OF REAL ESTATE

cc: Corporate Trust R.E.I.B.C.
Werner Georg Ehrensberger
Thomas P. Aplin, Esq.
Sacto.
OAH

By: *[Signature]*
V. AHDA SANDS, Counsel

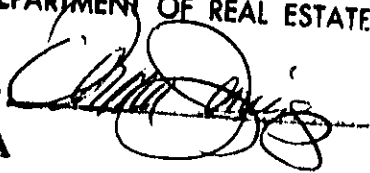
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Flax*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
AUG 12 1997
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
CORPORATE TRUST REAL ESTATE)
INVESTMENT BROKERAGE)
COMPANY, INC., et al.)

Case No. H-1786 SA
OAH No. L-9408232

By 

Respondents

NOTICE OF CONTINUED HEARING ON ACCUSATION

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 107 South Broadway, 2nd Floor, Los Angeles, California, on October 8 and 9, 1997, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

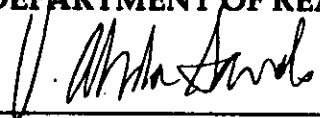
You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real 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 and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: August 12, 1997.

cc: Corporate Trust R.E.I.B.C.
Carpe Diem Funding Corp.
Werner G. Ehrensberger
Gaynor P. VanPetten
First Pacific Century
Thomas P. Aplin, Esq.
Sacto./OAH

DEPARTMENT OF REAL ESTATE

By: 
V. AHDA SANDS, Counsel

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FILED
JUL - 7 1997

DEPARTMENT OF REAL ESTATE

By Emily J. J. J.

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	NO. H-1786 SA
)	
CORPORATE TRUST REAL ESTATE)	<u>ORDER GRANTING</u>
INVESTMENT BROKERAGE COMPANY,)	<u>RECONSIDERATION</u>
INC., a corporation; CARPE DIEM)	<u>AND REMANDING THE</u>
FUNDING CORPORATION,)	<u>CASE FOR HEARING</u>
a corporation; FIRST PACIFIC)	<u>SECTION 11521 OF</u>
CENTURY; a corporation WERNER)	<u>THE GOVERNMENT CODE</u>
GEORG EHRENSBERGER, individually)	
as designated officer of)	
Corporate Trust Real Estate,)	
Investment Brokerage Company,)	
Inc., and Carpe Diem Funding)	
Corporation and; doing business)	
as Worldwide Real Estate and)	
GAYNOR PRESTON VAN PETTEN; and)	
MELBOURNE C. HUTCHISON)	
)	
)	
Respondents.)	
)	

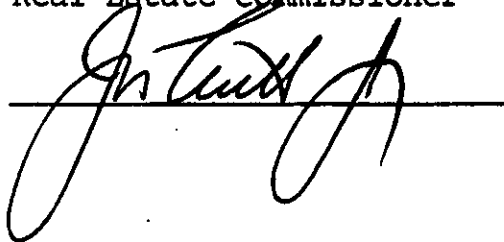
On MAY 12, 1997, a Decision was rendered whereby the license and license rights of CORPORATE TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY, INC. (hereinafter CTRE) and WERNER GEORG EHRENSBERGER (hereinafter EHRENSBERGER) were revoked.

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This Decision shall become effective at 12 o'clock
noon on July 30 , 1997.

IT IS SO ORDERED 7/7, 1997.

JIM ANTT, JR.
Real Estate Commissioner



Corporate Trust Real Estate Inv. Brokerage Co.
Carpe Diem Funding Corp.
Werner Georg Ehrensberger
Gaynor Preston Van Petten
First Pacific Century
Melbourne C. Hutchison
Thomas P. Aplin, Esq.
OAH
DKB

Sally

FILED
MAY 29 1997

DEPARTMENT OF REAL ESTATE

By *Laura B. Orma*

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DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	NO. H-1786 SA
CORPORATE TRUST REAL ESTATE, etc.,)	L-9408232
et. al.)	
<u>Respondents.)</u>	

ORDER STAYING EFFECTIVE DATE

On May 12, 1997, a Decision was rendered in the above-entitled matter to become effective June 5, 1997.

IT IS HEREBY ORDERED that the effective date of the Decision of May 12, 1997, is stayed for a period of 30 days.

The Decision of May 12, 1997, shall become effective at 12 o'clock noon on July 7, 1997.

DATED: *29 May 97*

JIM ANTT, JR.
Real Estate Commissioner

By: *Randolph Brendia*
RANDOLPH BRENDIA
Regional Manager

official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Amendments and Statements to Respondent, and Notices of Defense were mailed, by certified mail, to respondents' last known mailing addresses on file with the Department on June 6, 1994, July 10, 1995, and July 3, 1996.

(b) On December 10, 1996, after none of the named Respondents appeared at the scheduled hearing, respondents' defaults were noted by the Administrative Law Judge and entered herein.

2.

The Complainant, Thomas Mc Crady, a Deputy Real Estate Commissioner of the State of California, made the Accusation and Amendments to Accusation against CORPORATE TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY INC.; CARPE DIEM FUNDING CORPORATION, a corporation; FIRST PACIFIC CENTURY, a corporation; WERNER GEORG EHRENSBERGER, individually, and as designated officer of Corporate Trust Real Estate Investment Brokerage Company Inc. and Carpe Diem Funding Corporation; and doing business as Worldwide Realty; GAYNOR PRESTON VAN PETTEN and MELBOURNE C. HUTCHISON (sometimes referred to as "Respondents").

3.

The term "the Regulations" as used herein refers to provisions of Chapter 6, Title 10, California Code of Regulations.

4.

With the exception of MELBOURNE C. HUTCHISON, whose license and license rights have now expired, Respondents are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code (herein "the Code").

5.

At all times mentioned herein, Respondents, CORPORATE TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY INC. (herein "CTRE") a corporation; and CARPE DIEM FUNDING CORPORATION (herein "CDFC") a corporation; and FIRST PACIFIC CENTURY CORPORATION (herein "FPCC") a corporation; were and now are licensed by the Department of Real Estate of the State of California (herein "the Department") as corporate real estate brokers. At all times mentioned herein CTRE, CDFC and FPCC, were and now are licensed as corporate real estate brokers by and through WERNER GEORG EHRENSBERGER (herein EHRENSBERGER) as the officer and broker responsible pursuant to the provisions of Section 10159.2(a) of the Code for supervision of activities requiring a real estate license conducted on behalf of CTRE, CDFC and FPCC by their officers and employees.

6.

At all times mentioned herein, WERNER GEORG EHRENSBERGER (herein EHRENSBERGER), was and now is licensed by the Department as a real estate broker doing business as Pacific Expressway Mortgage and Worldwide Real Estate and as the designated broker officer of CTRE, CDFC and FPCC.

7.

At all times mentioned herein, GAYNOR PRESTON VAN PETTEN (herein VAN PETTEN), was and now is licensed by the Department as a real estate salesperson.

8.

At the times mentioned herein, MELBOURNE C. HUTCHISON (herein HUTCHISON), was licensed by the Department as a real estate salesperson.

9.

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers for others in the State of California within the meaning of Code Sections:

10131(a) whereby Respondents sold or offered to sell, bought or offered to buy, solicited or obtained listings of, or negotiated the purchase, sale or exchange of real property of a business opportunity as the agent of others for compensation or;

10131(d) including the operation and conduct of mortgage loan activities with the public wherein, on behalf of others and for compensation or in expectation of compensation, Respondents solicited lenders and borrowers for loans secured directly or collaterally by a lien on real property; arranged, negotiated, processed, and consummated said loans.

10.

From on or about February 18, 1993 through June 9, 1994, in the course of the activities described in Finding 9, above, Respondent EHRENSBERGER, doing business as Worldwide Real Estate, employed and compensated PRESTON VAN PETTEN (herein VAN PETTEN) to perform acts requiring a real estate license, including but not limited to soliciting borrowers and/or lenders for applications for loans to be secured directly by liens on real property or soliciting or obtaining listings of, or negotiating the purchase, sale or exchange of real property of a business opportunity as the agent of others for compensation.

FALSE ADVERTISEMENTS
BY EHRENSBERGER AND/OR BY VAN PETTEN

11.

From February 18, 1993 to June 9, 1994, EHRENSBERGER and/or VAN PETTEN caused advertisements to be placed in various newspapers including: The Press Enterprise; Los Angeles Times; Corona-Norco; Corona Press; Daily Bulletin and Orange County Register. On at least one occasion, the advertisements listed a seven (7) bedroom, (3) bathroom fixer upper home for \$2,700.00 move in costs; \$117,000 sales price and payments of \$859.00 per month.

12.

In truth and in fact Respondent VAN PETTEN and EHRENSBERGER, knew or should have known that the property listed was owned by Veterans Administration and bids of no less than \$128,000 were to have been submitted to the seller for consideration.

DISHONEST DEALINGS, CONVERSION
BY VAN PETTEN

13.

During the course of said employment VAN PETTEN solicited bids from persons desiring to purchase real property available under the Veterans Administration loan program. VAN PETTEN represented to the prospective buyers that a \$2,000.00 down payment amount was needed before the bid could be submitted to the Veterans Administration loan program.

14.

In reliance on said representations said persons deposited money with VAN PETTEN. Said trust fund deposits were supposed to have been submitted directly to VAN PETTEN's broker immediately and were to accompany bids for Veterans Administration real properties.

15.

In truth and in fact the funds were not submitted to VAN PETTEN's broker. Two weeks after receipt of the deposited funds VAN PETTEN represented to the prospective bidders that the original bid was rejected and that the Veterans Administration was considering the relevant bids as a second "back-up" bid. In truth and in fact the original bids were not submitted on behalf of the prospective bidders and the prospective buyers were not awarded "back-up" bids. After waiting two or more weeks the

prospective buyers requested refunds of their deposits. Thereafter, VAN PETTEN's telephone was disconnected, letters to VAN PETTEN were unanswered and the funds deposited by the prospective buyers were never refunded to the prospective buyers. The funds were converted by VAN PETTEN.

16.

The following prospective buyers of real estate lost deposit money under the scheme set forth above in Findings 13-15. Pertinent information related to these prospective buyers is set forth below:

<u>NAME</u>	<u>DATE</u>	<u>AMOUNT</u>
John M. Brink and Kelly M. Brink	6/3/94	\$2,000.00
Paul James Lonchair	6/2/94	\$2,000.00
Joan Cooney Mc Maken	6/5/94	\$2,000.00
William L. Sanchez and Virginia S. Sanchez	6/4/94	\$2,000.00
Dennis C. Tyler	6/6/94	\$2,000.00
Carlos L. And Lisa M. Escanuelas	5/15/94	\$2,000.00
Stuart W. Doan	3/10/94	\$2,000.00
Michael Vernon and Cindy Ann Lloyd	5/26/94	\$2,000.00

MISREPRESENTATION, CONVERSION, DISHONEST DEALING

17.

On or about April 1, 1994, Richard J. Plastino met with HUTCHISON, an agent of FPCC (licensed by and through EHRENSBERGER, as designated officer) and was assured by HUTCHISON that he could get a purchase loan of approximately 1.2 million dollars for the purchase of 120 unit apartment complex located on four properties on Montezuma Street in Adelanto, California. Mr. Plastino at that time supplied HUTCHISON with his financial statement, tax return, resume and copy of escrow instructions. HUTCHISON presented a letter that confirmed a lender would loan Plastino \$1,140,000.00. On or about April 1, 1994, Mr. Plastino gave HUTCHISON \$25,000.00 in earnest money deposits and a cashier's check for \$7,500.00. The \$7,500.00 was to be used as a retainer fee to HUTCHISON for his acquisition of the loan. Plastino received a Retainer agreement from FPCC, signed by M.C. HUTCHISON, President. The agreement provided that the retainer would be returned if no loan were obtained. HUTCHISON failed to arrange the loan and failed to refund either the deposit or the retainer fee.

CDFC AUDIT VIOLATIONS

18.

In connection with the aforesaid real estate brokerage activities Respondent CDFC and EHRENSBERGER accepted or received funds in trust (hereinafter "trust funds") from or on behalf of prospective borrowers and thereafter made disbursements of such funds. CDFC by and through EHRENSBERGER, deposited certain of said funds into account No. 10160-07813, the "Carpe Diem Funding Corp. Trust Account", at the Sanwa Bank branch located at 4400 Mac Arthur Blvd., California 92640 (hereinafter "Trust Account").

19.

On August 10, 1993, the Department concluded its examination of CDFC's books and records pertaining to its real estate broker activities for the month January 1, 1993 to June 30, 1993, which examination revealed violations of the Code and of the Regulations as set forth in the following Findings.

20.

In connection with the trust funds referred to in Finding 18 Respondent CDFC by and/or through EHRENSBERGER:

(a) Failed to maintain adequate separate records for each beneficiary or transaction, accounting therein for said account trust funds received, deposited, and disbursed, conforming to the requirements of Section 2831.1 of the Regulations.

(b) Failed to perform monthly reconciliations of the records of the receipt and disposition of all trust funds received, and the balance of all separate beneficiary or transaction records. Specifically, the broker failed to reconcile the balances in the individual borrower accounts with the trust fund control records and to keep a record of such reconciliation, in violation of Regulation Section 2831.2.

(c) EHRENSBERGER failed to review and initial instruments prepared or signed by real estate salespersons employed by Respondent in connection with transactions for which a real estate license is required, which instruments may have a material effect upon the rights or obligations of a party to the transaction, in violation Section 2725 of the Regulations.

(d) Failed to provide borrowers with a Mortgage Loan Disclosure Statement in violation of Section 10240 of the Code.

(e) Failed to provide a written agreement which covers all material aspects of the relationship between salesmen

and/or brokers employed by Respondents and/or failed to sign or date said agreement, in violation of Regulation Section 2726.

EHRENSBERGER AUDIT VIOLATIONS

21.

In connection with the aforesaid real estate brokerage activities Respondent EHRENSBERGER accepted or received funds in trust (hereinafter "trust funds") from or on behalf of prospective borrowers and thereafter made disbursements of such funds. EHRENSBERGER, deposited certain of said funds into account No. 10160-07813, the "Werner Ehrensberger Real Estate Trust Account", at Bank of America located at the Laguna Niguel, California branch (hereinafter "Trust Account").

22.

On August 5, 1993, the Department concluded its examination of Respondent EHRENSBERGER's books and records pertaining to the real estate broker activities described in Finding 21, above, for the month January 1, 1993 to June 28, 1993, which examination revealed violations of the Code and of the Regulations as set forth in the following Findings.

23.

In connection with the trust funds referred to in Finding 21, above, Respondent EHRENSBERGER:

(a) Failed to deposit trust fund monies into the trust account, in violation of Section 2830 of the Regulations.

(b) EHRENSBERGER failed to review and initial instruments prepared or signed by real estate salespersons employed by Respondent in connection with transactions for which a real estate license is required, which instruments may have a material effect upon the rights or obligations of a party to the transaction, in violation of Section 2725 of the Regulations.

(c) Failed to meet the requirements of Code Section 10145(d) as related to interest bearing trust accounts.

(d) Failed to maintain adequate formal trust fund receipt journal and formal trust fund disbursements journals for the account identified in Finding 21, above, or other records of the receipt and disposition of trust funds received, conforming to the requirements of Sections 2831 of the Regulations;

(e) Failed to maintain adequate separate records for each beneficiary or transaction, accounting therein for said account trust funds received, deposited, and disbursed,

conforming to the requirements of Section 2831.1 of the Regulations.

(f) Failed to obtain approval from the Department of Real Estate for the Disclosure Statements provided to borrowers in violation of Section 10241 of the Code and Section 2842 of the Regulations.

CTRE AUDIT

24.

On August 4, 1993, the Department concluded its examination of Respondent CTRE's books and records pertaining to the real estate broker activities described in Finding 9, above, for the month January 1, 1993 to June 28, 1993, which examination revealed violations of the Code and of the Regulations as set forth in the following paragraphs:

25.

Respondent CTRE by and through EHRENSBERGER violated Section 2741 of the Regulations by its failure to elect Designated Officer EHRENSBERGER as an Officer and/or Director of CTRE and allowing Anthony Lugo, a licensed salesperson, to own all of the stock of CTRE.

LACK OF SUPERVISION VARIOUS COMPANIES

26.

By way of advertisements in the Wall Street Journal Respondent EHRENSBERGER has advertised his willingness to aid unlicensed persons to conduct acts requiring a real estate license.

Since 1990 and during the last three years Respondent EHRENSBERGER had done business as or has affiliated himself with the following businesses:

A&E Mortgage
AIG Property Management
AIG Property Management Inc.
Allstate Express Funding
American Realtors
AMRIC Realty
AMRIC Realty and Investment
Associated Financial Co.
Capital Financial and Real Estate Services Inc.
Carpe Diem Funding Corporation
Christian Mortgage Network
City Funding
Coast Asset Management
Corporate Trust R E Inv. Brkrgr

Crown Valley Funding Inc.
Creative Mortgage Company
Dana Laguna Mortgage Company
Dana Laguna Realty
Dejam Bankers Real Estate
Discount Mortgage
Equity Home Loan
Family Mortgage Center Inc.
Fiesta Mortgage
First Equity Home loans
Hi Desert Mortgage
Hungary International Realty
Mortgage Productions
Pacific Expressway Mortgage
Prestamax
Realty World Crown Valley
Realty World on Hawthorne Blvd.
Rock Bottom Mortgage Company
Southland Mortgage Bankers
State Wide Mortgage Company
Tri Star Mortgage Company
(USA) Capital First Mortgage Company

27

The acts of Respondent EHRENSBERGER described in the preceding Paragraph, illustrates his propensity to be a "rent-a-broker" and demonstrates his lack of supervision over the corporations named in Accusation as amended.

DETERMINATION OF ISSUES

1.

The conduct, acts and omissions of Respondents VAN PETTEN and EHRENSBERGER as described in Findings 11 and 12, above, constitute circulation of false or misleading advertisement, and is cause for the suspension or revocation of all real estate licenses and license rights of EHRENSBERGER and VAN PETTEN pursuant to the provisions of Section 10177(c) of the Code.

2.

The conduct, acts and omissions of Respondent VAN PETTEN as described in Findings 13, 14, 15, 16, above, constitutes fraud or dishonest dealing and is cause for the suspension or revocation of all real estate licenses and license rights of VAN PETTEN pursuant to the provisions of Section 10176(i) of the Code. VAN PETTEN's failure to immediately deliver monies received to his broker, into escrow or into his broker's trust account, is also in violation of Code Section 10145(c) and is additional cause of discipline pursuant to Section 10177(d) of the Code.

3.

The conduct, acts and omissions of Respondent EHRENSBERGER as described in Finding 13, above, constitute failure on the part of EHRENSBERGER to exercise reasonable supervision and control over licensed activities, and is cause for the suspension or revocation of all real estate licenses and license rights of EHRENSBERGER pursuant to the provisions of Section 10177 (h).

4.

The conduct, acts and omissions of Respondent HUTCHISON as described in Finding 17 constitutes: fraud or dishonest conduct - a violation of Code Section 10176(i); making substantial misrepresentations - a violation of Code Section 10176(a); making false promises to induce reliance - a violation of Code Section 10176(b); conversion of trust funds - a violation of Code Section 10145(c); and overall violations of real estate law - a violation of Code Section 10177(d).

5.

The acts and omissions of Respondents CDFC and EHRENSBERGER as set forth in Findings 18 through 20, violated Section 10240 of the Code and Regulations 2725, 2726, 2831.1 and 2831.2 of the Regulations.

Each of the foregoing violations separately constitutes cause for the suspension or revocation of all licenses and license rights of Respondents CDFC and EHRENSBERGER pursuant to the provisions of Section 10177(d) of the Code.

6.

The conduct, acts and omissions of Respondent HUTCHISON as described in Finding 17, above, constitute failure on the part of EHRENSBERGER to exercise reasonable supervision and control over licensed activities, and is cause for the suspension or revocation of all real estate licenses and license rights of EHRENSBERGER pursuant to the provisions of Section 10177 (h).

7.

The conduct, acts and omissions of Respondent EHRENSBERGER, as described in Findings 18 through 20, constitutes failure on the part of EHRENSBERGER, as officer designated by a corporate broker licensee to exercise the reasonable supervision and control over the licensed activities of CDFC required by Section 10159.2 of the Code and is cause for the suspension or revocation of all real estate licenses and license rights of EHRENSBERGER pursuant to the provisions of Section 10177(h) of the Code.

8.

The acts and omissions of Respondent EHRENSBERGER, described in Findings 21, 22 and 23 violated Sections 10145, and 10241 of the Code and Sections 2725, 2830, 2831, 2831.1 and 2842 of the Regulations. These violations are additional cause to suspend or revoke the licenses and license rights of EHRENSBERGER pursuant to Section 10177(d) of the Code.

9.

The acts and omissions of Respondent EHRENSBERGER, described in Finding 24, above, violated the Regulation Section 2741. This violations constitutes cause for the suspension or revocation of all licenses and license rights of Respondents CTRE and EHRENSBERGER pursuant to the provisions of Section 10177(d) of the Code, while EHRENSBERGER's lack of supervision is further cause for discipline per 10177(h) of the Code.

10.

The conduct, acts and omissions of Respondent EHRENSBERGER, as described in Finding 26 demonstrates an inability on the part of EHRENSBERGER as officer designated by a corporate broker licensee to exercise the reasonable supervision and control over the licensed activities of the corporations named in the Accusation as Amended required by Section 10159.2 of the Code and is further cause for the suspension or revocation of all real estate licenses and license rights of EHRENSBERGER pursuant to the provisions of Section 10177(h) of the Code.

11

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

The licenses and license rights of CORPORATE TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY, INC., CARPE DIEM FUNDING CORPORATION, FIRST PACIFIC CENTURY, WERNER GEORG EHRENSBERGER and GAYNOR PRESTON VAN PETTEN under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked.

The Accusation against MELBOURNE C. HUTCHISON IS DISMISSED inasmuch as this Respondent has no remaining license rights.

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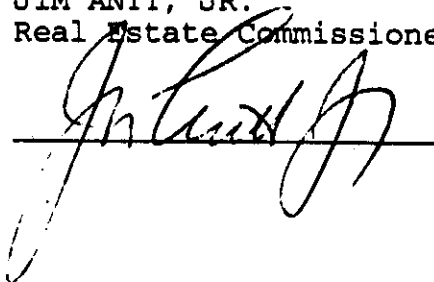
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This Decision shall become effective at 12 o'clock noon on June 5, 1997.

DATED: _____

5/12/97

JIM ANTT, JR.
Real Estate Commissioner



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FILED
12-10-96
DEPARTMENT OF REAL ESTATE

By T. Baker

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H- 1786 SA
CORPORATE TRUST REAL ESTATE)	
INVESTMENT BROKERAGE COMPANY,)	
INC., a corporation; CARPE DIEM)	
FUNDING CORPORATION,)	
a corporation; FIRST PACIFIC)	
CENTURY, a corporation; WERNER)	
GEORG EHRENSBERGER, individually)	
and as designated officer of)	
Corporate Trust Real Estate)	
Investment Brokerage Company,)	
Inc., and Carpe Diem Funding)	
Corporation and dba Worldwide)	
Real Estate and GAYNOR PRESTON)	
VAN PETTEN and MELBOURNE C.)	
HUTCHISON)	
Respondents)	

DEFAULT ORDER


Respondents, having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, or to appear at the hearing scheduled for December 10, 1996, are

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now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED December 10, 1996

JIM ANTT, JR.
Real Estate Commissioner


By: RANDOLPH BRENDIA
Regional Manager

Sacto Joe

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
AUG - 1 1996
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of) Case No. H-1786 SA
) OAH No. L-9408232
CORPORATE TRUST REAL ESTATE)
INVESTMENT BROKERAGE CO., INC., et al.,)
Respondents.)

By *Gene B. Oron*

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on DECEMBER 10, 11, 12, 13, 1996, at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission 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 Administrative Law Judge 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 Administrative Law Judge directs otherwise.

Dated: August 1, 1996

DEPARTMENT OF REAL ESTATE

By: *V. Ahda Sands*
V. AHDA SANDS, Counsel

cc: Corporate Trust RE Inv. Brokerage Co., Inc.
Carpe Diem Funding Corporation
Werner Georg Ehrensberger
Gaynor Preston Van Petten
First Pacific Century
Melbourne C. Hutchison
Sacto., OAH

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V. AHDA SANDS, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012
(213) 897-3937

FILED
JUN 28 1996
DEPARTMENT OF REAL ESTATE

By James B. P... ..

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	NO. H-1786 SA
)	
CORPORATE TRUST REAL ESTATE)	<u>SECOND AMENDMENT</u>
INVESTMENT BROKERAGE COMPANY,)	<u>TO ACCUSATION</u>
INC., a corporation; CARPE DIEM)	
FUNDING CORPORATION,)	
a corporation; FIRST PACIFIC)	
CENTURY; a corporation WERNER)	
GEORG EHRENSBERGER, individually)	
as designated officer of)	
Corporate Trust Real Estate,)	
Investment Brokerage Company,)	
Inc., and Carpe Diem Funding)	
Corporation and; doing business)	
as Worldwide Real Estate and)	
GAYNOR PRESTON VAN PETTEN; and)	
MELBOURNE C. HUTCHISON)	
)	
)	
Respondents.)	

The Accusation heretofore filed on June 6, 1994, and amended to on July 10, 1995, in the above-mentioned matter is hereby further amended to read in its entirety as follows:

1

Complainant, Thomas Mc Crady, a Deputy Real Estate Commissioner of the State of California, for cause of

1 Accusation against CORPORATE TRUST REAL ESTATE INVESTMENT
2 BROKERAGE COMPANY INC.; CARPE DIEM FUNDING CORPORATION, a
3 corporation; FIRST PACIFIC CENTURY, a corporation; WERNER GEORG
4 EHRENSBERGER, individually, and as designated officer of
5 Corporate Trust Real Estate Investment Brokerage Company Inc. and
6 Carpe Diem Funding Corporation; and doing business as Worldwide
7 Realty; GAYNOR PRESTON VAN PETTEN and MELBOURNE C. HUTCHISON
8 (herein "Respondents") alleges as follows:

9
10 2

11 The term "the Regulations" as used herein refers to
12 provisions of Chapter 6, Title 10, California Code of
13 Regulations.

14 3

15 The Complainant, Thomas Mc Crady, a Deputy Real Estate
16 Commissioner of the State of California, makes this Accusation
17 against Respondents in his official capacity.

18 4

19 Respondents are presently licensed and/or have license
20 rights under the Real Estate Law, Part 1 of Division 4 of the
21 Business and Professions Code (herein "the Code").

22 5

23 At all times mentioned herein, Respondents, CORPORATE
24 TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY INC. (herein
25 "CTRE") a corporation; and CARPE DIEM FUNDING CORPORATION (herein
26 "CDFC") a corporation; and FIRST PACIFIC CENTURY CORPORATION
27 (herein "FPCC") a corporation; were and now are licensed by the
Department of Real Estate of the State of California (herein "the

1 Department") as corporate real estate brokers. At all times
2 mentioned herein CTRE, CDFC and FPCC, were and now are licensed
3 as corporate real estate brokers by and through WERNER GEORG
4 EHRENSBERGER (herein EHRENSBERGER) as the officer and broker
5 responsible pursuant to the provisions of Section 10159.2(a) of
6 the Code for supervision the activities requiring a real estate
7 license conducted on behalf of CTRE, CDFC and FPCC by CTRE's,
8 CDFC and FPCC's officers and employees.

9
10 6

11 At all times mentioned herein, WERNER GEORG
12 EHRENSBERGER (herein EHRENSBERGER), was and now is licensed by
13 the Department as a real estate broker doing business as Pacific
14 Expressway Mortgage and Worldwide Real Estate and as officer of
15 CTRE, CDFC and FPCC.

16 7

17 At all times mentioned herein, GAYNOR PRESTON VAN
18 PETTEN (herein VAN PETTEN), was and now is licensed by the
19 Department as a real estate salesperson.

20 8

21 At all times mentioned herein, MELBOURNE C. HUTCHISON
22 (herein HUTCHISON), was and now is licensed by the Department as
23 a real estate salesperson.

24 9

25 Respondents are presently licensed and/or have license
26 rights under the Real Estate Law, Part 1 of Division 4 of the
27 Business and Professions Code (herein "the Code").

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All further references herein to "Respondents" include the parties identified in Paragraphs 5 to 8 above, and also includes the officers, directors, employees, agents and real estate licensees employed by or associated with said parties and who at all times herein mentioned were engaged in the furtherance of the business or operations of said parties and who were acting within the course and scope of their authority and employment.

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers for others in the State of California within the meaning of Code Sections:

10131(a) whereby Respondents sold or offered to sell, bought or offered to buy, solicited or obtained listings of, or negotiated the purchase, sale or exchange of real property of a business opportunity as the agent of others for compensation.

10131(d) including the operation and conduct of mortgage loan activities with the public wherein, on behalf of others and for compensation or in expectation of compensation, Respondents solicited lenders and borrowers for loans secured directly or collaterally by a lien on real property; arranged, negotiated, processed, and consummated said loans.

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1
2 From on or about February 18, 1993 through June 9,
3 1994, in the course of the activities described in Paragraph 11,
4 above, Respondent EHRENSBERGER, doing business as Worldwide Real
5 Estate, employed and compensated PRESTON VAN PETTEN (herein VAN
6 PETTEN) to perform acts requiring a real estate license,
7 including but not limited to soliciting borrowers and/or lenders
8 for applications for loans to be secured directly by liens on
9 real property or soliciting or obtaining listings of, or
10 negotiating the purchase, sale or exchange of real property of a
11 business opportunity as the agent of others for compensation.

12 FIRST CAUSE OF ACCUSATION

13 FALSE ADVERTISEMENTS

14 BY EHRENSBERGER AND/OR BY VAN PETTEN

15
16 From February 16, 1993 to June 9, 1994, EHRENSBERGER
17 and/or VAN PETTEN caused advertisements to be placed in various
18 newspapers including: The Press Enterprise; Los Angeles Times;
19 Corona-Norco; Corona Press; Daily Bulletin and Orange Count
20 Register. On at least one occasion, the advertisements listed a
21 seven (7) bedroom, (3) bathroom fixer upper home for \$2,700.00
22 move in costs; \$117,000 sales price and payments of \$859.00 per
23 month.

24
25 In truth and in fact Respondent VAN PETTEN and/or
26 EHRENSBERGER, knew or should have known that the property listed
27 was owned by Veterans Administration and bids of no less than

1 \$128,000 were to have been submitted to the seller for
2 consideration.

3
4 15

5 The conduct, acts and omissions of Respondents VAN
6 PETTEN and EHRENSBERGER as described in Paragraphs 13 to 14,
7 above, independently and collectively constitute circulation of
8 false or misleading advertisement, and is cause for the
9 suspension or revocation of all real estate licenses and license
10 rights of EHRENSBERGER and VAN PETTEN pursuant to the provisions
11 of Section 10177(c) of the Code.

12 SECOND CAUSE OF ACCUSATION

13 DISHONEST DEALINGS, CONVERSION

14 BY EHRENSBERGER AND/OR VAN PETTEN

15 16

16 During the course of said employment VAN PETTEN
17 solicited bids from persons desiring to purchase real property
18 available under the Veterans Administration loan program. VAN
19 PETTEN represented to the prospective buyers that a \$2,000.00
20 downpayment amount was needed before the bid could be submitted
21 to the Veterans Administration loan program.

22 17

23 In reliance on said representations said persons
24 deposited money with VAN PETTEN. Said trust fund deposits were
25 supposed to have been submitted directly to VAN PETTEN's broker
26 immediately and were to accompany bids for Veterans
27 Administration real properties.

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In truth and in fact the funds were not submitted to VAN PETTEN's broker. Two weeks after receipt of the deposited funds VAN PETTEN represented to the prospective bidders that the original bid was rejected and that the Veterans Administration was considering the relevant bids as a second "back-up" bid. In truth and in fact the original bids were not submitted on behalf of the prospective borrowers and the prospective buyers were not awarded "back-up" bids. After waiting two or more weeks the prospective buyers requested refunds of their deposits. Thereafter, VAN PETTEN's telephone was disconnected, letters to VAN PETTEN were unanswered and the funds deposited by the prospective buyers were never refunded to the prospective buyers. The funds were converted by VAN PETTEN.

The following prospective buyers of real estate lost deposit money under the scheme set forth above in paragraph 18. Pertinent information related to these prospective buyers is set forth below:

NAME	DATE	AMOUNT
John M. Brink and Kelly M. Brink	6/3/94	\$2,000.00
Paul James Lonthair	6/2/94	\$2,000.00
Joan Cooney Mc Maken	6/5/94	\$2,000.00
William L. Sanchez and Virginia S. Sanchez	6/4/94	\$2,000.00
Dennis C. Tyler	6/6/94	\$2,000.00
Carlos L. And Lisa M. Escanuelas	5/15/94	\$2,000.00
Stuart W. Doan	3/10/94	\$2,000.00
Michael Vernon and Cindy Ann Lloyd	5/26/94	\$2,000.00

1 The conduct, acts and omissions of Respondents VAN PETTEN
2 and/or EHRENSBERGER as described in Paragraphs 16 to 19, above,
3 independently and collectively constitute fraud or dishonest
4 dealing on the part of VAN PETTEN and/or EHRENSBERGER, and is
5 cause for the suspension or revocation of all real estate
6 licenses and license rights of EHRENSBERGER and VAN PETTEN
7 pursuant to the provisions of Section 10176(i) of the Code. VAN
8 PETTEN's failure to immediately deliver monies received to his
9 broker, into escrow or into his broker's trust account, is also
10 in violation of Code Section 10145(c) and is additional cause of
11 discipline pursuant to Section 10177(d) of the Code.

12 THIRD CAUSE OF ACCUSATION

13 LACK OF SUPERVISION WORLD WIDE REAL ESTATE

14 20

15 The conduct, acts and omissions of Respondents
16 EHRENSBERGER and/or VAN PETTEN as described in Paragraphs 15 to
17 19, above, independently and collectively constitute failure on
18 the part of EHRENSBERGER to exercise reasonable supervision and
19 control over licensed activities, and is cause for the suspension
20 or revocation of all real estate licenses and license rights of
21 EHRENSBERGER pursuant to the provisions of Section 10177(h).

22 FOURTH CAUSE OF ACCUSATION

23 MISREPRESENTATION, CONVERSION, DISHONEST DEALING

24 21

25 On or about April 1, 1994, Richard J. Plastino met with
26 HUTCHISON an agent of PFC (licensed by and through EHRENSBERGER,
27 as designated officer) and was assured that he could get a

1 purchase loan of approximately 1.2 million dollars for the
2 purchase of 120 unit apartment complex located on four properties
3 on Montezuma Street in Adelanto, California. Mr. Plastino at
4 that time supplied HUTCHISON with his financial statement, tax
5 return, resume and copy of escrow instructions. HUTCHISON
6 presented a letter that confirmed a lender would loan Plastino
7 \$1,140,000.00. On or about April 1, 1994, Mr. Plastino gave
8 HUTCHISON \$25,000.00 in earnest money deposits and a cashier's
9 check for \$7,500.00. The \$7,500.00 was to be used as a retainer
10 fee to HUTCHISON for his acquisition of the loan. HUTCHISON
11 received a Retainer agreement from FPCC, signed by M.C.
12 HUTCHISON, President. The agreement provided that the retainer
13 would be returned if no loan were obtained. HUTCHISON failed to
14 arrange the loan and failed to refund either the deposit or the
15 retainer fee.

16 22

17 The conduct, acts and omissions of Respondent HUTCHISON
18 as described in Paragraph 21 above, constitutes: fraud or
19 dishonest conduct - a violation of Code Section 10176(i); making
20 substantial misrepresentations - a violation of Code Section
21 10176(a); making false promises to induce reliance - a violation
22 of Code Section 10176(b); conversion of trust funds - a violation
23 of Code Section 10145(c); and overall violations of real estate
24 law - a violation of Code Section 10177(d).

25 23

26 The conduct, acts and omissions of Respondent HUTCHISON
27 as described in Paragraphs 22 to 23, above, independently and

1 collectively constitute failure on the part of EHRENSBERGER to
2 exercise reasonable supervision and control over licensed
3 activities, and is cause for the suspension or revocation of all
4 real estate licenses and license rights of EHRENSBERGER pursuant
5 to the provisions of Section 10177(h).

6
7 FIFTH CAUSE OF ACCUSATION

8 CDFC AUDIT VIOLATIONS

9 24

10 In connection with the aforesaid real estate brokerage
11 activities Respondent CDFC and EHRENSBERGER accepted or received
12 funds in trust (hereinafter "trust funds") from or on behalf of
13 prospective borrowers and thereafter made disbursements of such
14 funds. CDFC by and through EHRENSBERGER, deposited certain of
15 said funds into account No. 10160-07813, the "Carpe
16 Diem Funding Corp. Trust Account", at the Sanwa Bank branch
17 located at 4400 Mac Arthur Blvd., California 92640 (hereinafter
18 "Trust Account").

19 25

20 On August 10, 1993, the Department concluded its
21 examination of Respondent CDFC's books and records pertaining to
22 the real estate broker activities described in Paragraph 11,
23 above, for the month January 1, 1993 to June 30, 1993, which
24 examination revealed violations of the Code and of the
25 Regulations as set forth in the following paragraphs:

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1
2 In connection with the trust funds referred to in
3 Paragraph 25, above, Respondent CDFC by and/or through
4 EHRENSBERGER:

5 (a) Failed to maintain adequate separate records
6 for each beneficiary or transaction, accounting therein for said
7 account trust funds received, deposited, and disbursed,
8 conforming to the requirements of Section 2831.1 of the
9 Regulations.

10 (b) Failed to perform monthly reconciliations of
11 the records of the receipt and disposition of all trust funds
12 received, and the balance of all separate beneficiary or
13 transaction records. Specifically, the broker failed to reconcile
14 the balances in the individual borrower accounts with the trust
15 fund control records and to keep a record of such reconciliation,
16 in violation of Regulation Section 2831.2.

17 (c) EHRENSBERGER failed to review and initial
18 instruments prepared or signed by real estate salespersons
19 employed by Respondent in connection with transactions for which
20 a real estate license is required, which instruments may have a
21 material effect upon the rights or obligations of a party to the
22 transaction, in violation Section 2725 of the Regulations.

23 (d) Failed to provide borrowers with a Mortgage
24 Loan Disclosure Statement in violation of Section 10240 of the
25 Code.

26 (e) Failed to provide a written agreement which
27 covers all material aspects of the relationship between salesmen

1 and/or brokers employed by Respondents and/or failed to sign or
2 date said agreement, in violation of Regulation Section 2726.

3 The acts and omissions of Respondents CDFC and/or
4 EHRENSBERGER, described above, violated the Code and the
5 Regulations as set forth below:

6	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>	
7	26(a)	Sec. 2831.1	of the Regulations;
	26(b)	Sec. 2831.2	of the Regulations;
8	26(c)	Sec. 2725	of the Regulations;
	26(d)	Sec. 10240	of the Code;
9	26(e)	Sec. 2726	of the Regulations.

10 Each of the foregoing violations separately constitutes
11 cause for the suspension or revocation of all licenses and
12 license rights of Respondents CDFC and EHRENSBERGER pursuant to
13 the provisions of Section 10177(d) of the Code.

14 SIXTH CAUSE OF ACCUSATION

15 LACK OF SUPERVISION CDFC

16 27

17 The conduct, acts and omissions of Respondent
18 EHRENSBERGER, as described in Paragraph 26, above, independently
19 and collectively constitutes failure on the part of EHRENSBERGER,
20 as officer designated by a corporate broker licensee to exercise
21 the reasonable supervision and control over the licensed
22 activities of CDFC required by Section 10159.2 of the Code and is
23 cause for the suspension or revocation of all real estate
24 licenses and license rights of EHRENSBERGER pursuant to the
25 provisions of Section 10177(h) of the Code.

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SEVENTH CAUSE OF ACCUSATION

EHRENSBERGER AUDIT VIOLATIONS

28

In connection with the aforesaid real estate brokerage activities Respondent EHRENSBERGER accepted or received funds in trust (hereinafter "trust funds") from or on behalf of prospective borrowers and thereafter made disbursements of such funds. EHRENSBERGER, deposited certain of said funds into account No. 10160-07813, the "Werner Ehrensberger Real Estate Trust Account", at Bank of America located at the Laguna Niguel, California branch (hereinafter "Trust Account").

29

On August 5, 1993, the Department concluded its examination of Respondent EHRENSBERGER's books and records pertaining to the real estate broker activities described in Paragraph 11, above, for the month January 1, 1993 to June 28, 1993, which examination revealed violations of the Code and of the Regulations as set forth in the following paragraphs:

30

In connection with the trust funds referred to in Paragraph 29, above, Respondent EHRENSBERGER:

(a) Failed to deposit trust fund monies into the trust account, in violation of Section 2830 of the Regulations.

(b) EHRENSBERGER failed to review and initial instruments prepared or signed by real estate salespersons employed by Respondent in connection with transactions for which a real estate license is required, which instruments may have a

1 material effect upon the rights or obligations of a party to the
2 transaction, in violation of Section 2725 of the Regulations.

3 (c) Failed to meet the requirements of Code
4 Section 10145(d) as related to interest bearing trust accounts.

5 (d) Failed to maintain adequate formal trust fund
6 receipt journal and formal trust fund disbursements journals for
7 the account identified in Paragraph 29, above, or other records
8 of the receipt and disposition of trust funds received,
9 conforming to the requirements of Sections 2831 of the
10 Regulations;

11 (e) Failed to maintain adequate separate records
12 for each beneficiary or transaction, accounting therein for said
13 account trust funds received, deposited, and disbursed,
14 conforming to the requirements of Section 2831.1 of the
15 Regulations.

16 (f) Failed to obtain approval from the Department
17 of Real Estate for the Disclosure Statements provided to
18 borrowers in violation of Section 10241 of the Code and Section
19 2842 of the Regulations.

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The acts and omissions of Respondent EHRENSBERGER, described in Paragraph 30, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>	
30 (a)	Sec. 2830	of the Regulations;
30 (b)	Sec. 2725	of the Regulations
30 (c)	Sec. 10145	of the Code;
30 (d)	Sec. 2831	of the Regulations.
30 (e)	Sec. 2831.1	of the Regulations;
30 (f)	Sec. 10241	of the Code;
	Sec. 2842	of the Regulations.

Each of the foregoing violations separately constitutes cause for the suspension or revocation of all licenses and license rights of Respondent EHRENSBERGER pursuant to the provisions of Section 10177(d) of the Code.

EIGHTH CAUSE OF ACCUSATION

CTRE AUDIT VIOLATIONS

On August 4, 1993, the Department concluded its examination of Respondent CTRE's books and records pertaining to the real estate broker activities described in Paragraph 11, above, for the month January 1, 1993 to June 28, 1993, which examination revealed violations of the Code and of the Regulations as set forth in the following paragraphs:

Respondent CTRE by and through EHRENSBERGER violated Section 2741 of the Regulations by its failure to elect Designated Officer EHRENSBERGER as an Officer and/or Director of

1 CTRE and allowing Anthony Lugo, a licensed salesperson, to own
2 all of the stock of CTRE.

3 NINTH CAUSE OF ACCUSATION

4 LACK OF SUPERVISION CTRE

5 34

6 The acts and omissions of Respondent EHRENSBERGER,
7 described in Paragraph 33, above, violated the Regulation Section
8 2741. This violations separately constitutes cause for the
9 suspension or revocation of all licenses and license rights of
10 Respondents CTRE and EHRENSBERGER pursuant to the provisions of
11 Section 10177(d) of the Code, while EHRENSBERGER's lack of
12 supervision is further cause for discipline per 10177(h) of the
13 Code.

14 TENTH CAUSE OF ACCUSATION

15 LACK OF SUPERVISION VARIOUS COMPANIES

16 35

17 By way of advertisements in the Wall Street Journal
18 Respondent EHRENSBERGER has advertised his willingness to aid
19 unlicensed persons to conduct acts requiring a real estate
20 license.

21 Since 1990 Respondent EHRENSBERGER had done business as
22 or has affiliated himself with the following businesses:

23 A&E Mortgage

24 AIG Property Management

25 AIG Property Management Inc.

26 Allstate Express Funding

27 American Realtors

- 1 AMRIC Realty
- 2 AMRIC Realty and Investment
- 3 Associated Financial Co.
- 4 Capital Financial and Real Estate Services Inc.
- 5 Carpe Diem Funding Corporation
- 6 Christian Mortgage Network
- 7 City Funding
- 8 Coast Asset Management
- 9 Corporate Trust R E Inv. Brkrgr
- 10 Crown Valley Funding Inc.
- 11 Creative Mortgage Company
- 12 Dana Laguna Mortgage Company
- 13 Dana Laguna Realty
- 14 Dejam Bankers Real Estate
- 15 Discount Mortgage
- 16 Equity Home Loan
- 17 Family Mortgage Center Inc.
- 18 Fiesta Mortgage
- 19 First Equity Home loans
- 20 Hi Desert Mortgage
- 21 Hungary International Realty
- 22 Mortgage Productions
- 23 Pacific Expressway Mortgage
- 24 Prestamax
- 25 Realty World Crown Valley
- 26 Realty World on Hawthorne Blvd.
- 27 Rock Bottom Mortgage Company

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Southland Mortgage Bankers
State Wide Mortgage Company
Tri Star Mortgage Company
(USA) Capital First Mortgage Company

The acts of Respondent EHRENSBERGER described in the preceding Paragraph, illustrates his propensity to be a "rent-a-broker" and demonstrates his lack of supervision over the corporations named in this Amendment to the Accusation.

36

The conduct, acts and omissions of Respondent EHRENSBERGER, as described in Paragraph 35, above, independently and collectively constitutes failure on the part of EHRENSBERGER as officer designated by a corporate broker licensee to exercise the reasonable supervision and control over the licensed activities of the corporations (listed above in paragraph 35) required by Section 10159.2 of the Code and is cause for the suspension or revocation of all real estate licenses and license rights of EHRENSBERGER pursuant to the provisions of Sections 10177(d) and 10177(h) of the Code.

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof a decision be rendered imposing disciplinary action
4 against all licenses and license rights of Respondents CORPORATE
5 TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY INC.; CARPE DIEM
6 FUNDING CORPORATION; FIRST PACIFIC CENTURY; WERNER GEORG
7 EHRENSBERGER; GAYNOR PRESTON VAN PETTEN and MELBOURNE C.
8 HUTCHISON under the Real Estate Law (Part 1 of Division 4 of the
9 Business and Professions Code) and for such other and further
10 relief as may be proper under other applicable provisions of law.
11 Dated at Los Angeles, California
12 this 28th day of June. 1996.

13
14
15 THOMAS McCRADY
16 _____
17 Deputy Real Estate Commissioner
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22

23 cc: Corporate Trust Real Estate
24 Carpe Diem Funding Corporation
25 Werner Georg Ehrensberger
26 First Pacific Century Corp.
27 Gaynor Preston Van Petten
Melbourne C. Hutchison
Sacto.
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VAS

*Sacto-
Hay*

1 V. AHDA SANDS, Counsel
Department of Real Estate
2 107 South Broadway, Room 8107
Los Angeles, California 90012
3 (213) 897-3937

FILED
JUL 10 1995
DEPARTMENT OF REAL ESTATE

By *Laura B. Orono*

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DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	NO: H-1786 SA
CORPORATE TRUST REAL ESTATE a)	
INVESTMENT BROKERAGE COMPANY,)	<u>AMENDMENT TO</u>
INC., a corporation; CARPE DIEM)	<u>ACCUSATION</u>
FUNDING CORPORATION,)	
a corporation; WERNER GEORGE)	
EHRENSBERGER, individually,)	
as designated officer of)	
Corporate Trust Real Estate,)	
Investment Brokerage Company,)	
Inc., and Carpe Diem Funding)	
Corporation and; doing business)	
as Worldwide Real Estate and)	
GAYNOR PRESTON VAN PETTEN)	
)	
)	
Respondents.)	
)	

21 Complainant, Thomas Mc Crady, a Deputy Real Estate
22 Commissioner of the State of California, as and for cause of
23 Accusation against CORPORATE TRUST REAL ESTATE INVESTMENT
24 BROKERAGE COMPANY INC.; CARPE DIEM FUNDING CORPORATION, a
25 corporation; WERNER GEORGE EHRENSBERGER, individually, and as
26 designated officer of Corporate Trust Real Estate Investment
27 Brokerage Company Inc. and Carpe Diem Funding Corporation; and

1 operations of said parties and who were acting within the course
2 and scope of their authority and employment.

3 19

4 At all times herein mentioned, Respondents engaged in
5 the business of, acted in the capacity of, advertised or assumed
6 to act as real estate brokers for others in the State of
7 California within the meaning of Sections:

8 10131(a) whereby Respondents sold or offered to
9 sell, bought or offered to buy, solicited or obtained listings
10 of, or negotiated the purchase, sale or exchange of real property
11 of a business opportunity as the agent of others for
12 compensation.

13 10131(d) of the Code, including the operation and
14 conduct of mortgage loan activities with the public wherein, on
15 behalf of others and for compensation or in expectation of
16 compensation, Respondents solicited lenders and borrowers for
17 loans secured directly or collaterally by a lien on real
18 property; arranged, negotiated, processed, and consummated said
19 loans.

20 20

21 From on or about February 18, 1993 through June 9,
22 1994, in the course of the activities described in Paragraph 19,
23 above, Respondent EHRENSBERGER, doing business as Worldwide Real
24 Estate, employed and compensated PRESTON VAN PETTEN (herein VAN
25 PETTEN) to perform acts requiring a real estate license,
26 including but not limited to soliciting borrowers and/or lenders
27 for applications for loans to be secured directly by liens on

1 real property or soliciting or obtaining listings of, or
2 negotiating the purchase, sale or exchange of real property of a
3 business opportunity as the agent of others for compensation.

4 FIFTH CAUSE OF ACCUSATION

5 FALSE ADVERTISEMENTS

6 BY EHRENSBERGER AND/OR

7 BY VAN PETTEN

8 21

9 From February 16, 1993 to June 9, 1994, EHRENSBERGER
10 and/or VAN PETTEN caused advertisements to be placed in various
11 newspapers including: The Press Enterprise; Los Angeles Times;
12 Corona-Norco; Corona Press; Daily Bulletin and Orange County
13 Register. On at least one occasion, the advertisements listed a
14 seven (7) bedroom three (3) bathroom fixer upper home for
15 \$2,700.00 move in costs; \$117,000 sale price and payments of
16 \$859.00 per month.

17 22

18 In truth and in fact Respondent VAN PETTEN, knew or
19 should have known that the property listed was owned by Veterans
20 Administration and bids of no less than \$128,000 were to have
21 been submitted to the seller for consideration.

22 23

23 The conduct, acts and omissions of Respondents VAN
24 PETTEN and EHRENSBERGER as described in Paragraphs 21 to 22,
25 above, independently and collectively constitute circulation of
26 false or misleading advertisement, and is cause for the
27 suspension or revocation of all real estate licenses and license

1 rights of EHRENSBERGER and VAN PETTEN pursuant to the provisions
2 of Section 10177(c) of the Code.

3 SIXTH CAUSE OF ACCUSATION

4 DISHONEST DEALINGS, CONVERSION

5 BY VAN PETTEN

6 24

7 During the course of said employment VAN PETTEN
8 solicited bids from persons desiring to purchase real property
9 available under the Veterans Administration loan program. VAN
10 PETTEN represented to the prospective buyers that a \$2,000.00
11 downpayment amount was needed before the bid could be submitted
12 to the Veterans Administration loan program.

13 25

14 In reliance on said representations said persons deposited
15 money with VAN PETTEN. Said trust fund deposits were supposed to
16 have been submitted directly to VAN PETTEN'S broker immediately
17 and were to accompany bids for Veterans Administration real
18 properties.

19 26

20 In truth and in fact the funds were not submitted to
21 VAN PETTEN's broker. Two weeks after receipt of the deposited
22 funds VAN PETTEN represented to the prospective bidders that the
23 original bid was rejected and that the Veterans Administration
24 was considering the relevant bids as a second "backup" bid. In
25 truth and in fact the original bids were not submitted on behalf
26 of the prospective borrowers and the prospective buyers were not
27 awarded "back-up" bids. After waiting two or more weeks the

1 prospective buyers requested refunds of their deposits.
2 Thereafter, VAN PETTEN's telephone was disconnected, letters to
3 VAN PETTEN were unanswered and the funds deposited by the
4 prospective buyers were never refunded to the prospective buyers.
5 The funds were converted by VAN PETTEN. Pertinent information
6 related to these prospective buyers is set forth below:

7 27

8 The following prospective buyers of real estate lost
9 deposit money under the scheme set forth above in Paragraphs 24
10 to 26.

11	<u>NAME</u>	<u>DATE</u>	<u>AMOUNT</u>
12	John M. Brink and		
	Kelly M. Brink	6/3/94	\$2,000.00
	Paul James Lonthair	6/2/94	\$2,000.00
13	Joan Cooney Mc Maken	6/5/94	\$2,000.00
	William L. Sanchez and		
14	Virginia S. Sanchez	6/4/94	\$2,000.00
	Dennis C. Tyler	6/6/94	\$2,000.00
15	Carlos L. and Lisa M.		
	Escanuelas	5/15/94	\$2,000.00
16	Stuart W. Doan	3/10/94	\$2,000.00
	Michael Vernon		
17	Cindy Ann Lloyd	5/26/94	\$2,000.00

18 28

19 The conduct, acts and omissions of Respondent VAN
20 PETTEN as described in Paragraphs 24 to 27, above, independently
21 and collectively constitute fraud or dishonest dealing on the
22 part of VAN PETTEN, and is cause for the suspension or
23 revocation of all real estate licenses and license rights of
24 EHRENSBERGER pursuant to the provisions of Section 10176(i) of
25 the Code. VAN PETTEN's failure to immediately deliver monies
26 received to his broker, into escrow or into his broker's trust
27 account, is also in violation of Code Section 10145(c) and is

1 additional cause for discipline pursuant to Section 10177(d) of
2 the Code.

3 SEVENTH CAUSE OF ACCUSATION

4 LACK OF SUPERVISION

5 29

6 The conduct, acts and omissions of Respondent
7 EHRENSBERGER as described in Paragraphs 24 to 28, above,
8 independently and collectively constitute failure on the part of
9 EHRENSBERGER to exercise reasonable supervision and control over
10 licensed activities, and is cause for the suspension or
11 revocation of all real estate licenses and license rights of
12 EHRENSBERGER pursuant to the provisions of Section 10177(h) of
13 the Code.

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof a decision be rendered imposing disciplinary action
4 against all licenses and license rights of Respondents CORPORATE
5 TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY INC.; CARPE DIEM
6 FUNDING CORPORATION, WERNER GEORGE EHRENSBERGER and; GAYNOR
7 PRESTON VAN PETTEN under the Real Estate Law (Part 1 of Division
8 4 of the Business and Professions Code) and for such other and
9 further relief as may be proper under other applicable provisions
10 of law.

11 Dated at Santa Ana, California
12 this 10th day of July, 1995.

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 THOMAS McCRADY
 Deputy Real Estate Commissioner

cc: Corporate Trust Real Estate
Carpe Diem Funding Corporation
Werner George Ehrensberger
Gaynor Preston Van Petten
Sacto.
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*Sacto
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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUN 27 1995
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)

Case No. H-1786 SA)

CORPORATE TRUST REAL ESTATE)

OAH No. L-08232)

INVESTMENT BROKERAGE, INC. et al,)

By Laura B. Erone

Respondents.)

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on SEPTEMBER 27 & 28, 1995 at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission 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 Administrative Law Judge 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 Administrative Law Judge directs otherwise.

Dated: June 27, 1995

DEPARTMENT OF REAL ESTATE

By: V. Ahda Sands

V. AHDA SANDS, Counsel

cc: Corpotate Trust RE Investment
Carpe Diem Funding Corporation
Werner George Ehrensberger
Sacto.
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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILE
SEP 12 1994
DEPARTMENT OF REAL EST.

In the Matter of the Accusation of) Case No. H-1786 SA
) OAH No. L-08232
CORPORATE TRUST REAL ESTATE)
INVESTMENT BROKERAGE CO.)
INC. ET AL.,)
Respondents.)

By Laura B. Orone

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on JANUARY 25 & 26, 1995 at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission 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 Administrative Law Judge 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 Administrative Law Judge directs otherwise.

Dated: September 12, 1994

DEPARTMENT OF REAL ESTATE

By: V. Ahda Sands
V. AHDA SANDS, Counsel

cc: Corporate Trust RE Inv. Brkrg. Co., Inc.
Carpe Diem Funding Corporation
Werner George Ehrensberger
Thomas P. Aplin, Esq.
Sacto.
OAH

*Sect 10
10/1/94*

V. AHDA SANDS, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012
(213) 897-3937

FILED
JUN - 6 1994
DEPARTMENT OF REAL ESTATE

By Laura B. Orona

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In The Matter of the Accusation:)	NO. H-1786 SA
)	
CORPORATE TRUST REAL ESTATE)	<u>ACCUSATION</u>
INVESTMENT BROKERAGE COMPANY, INC.))	
CARPE DIEM FUNDING CORPORATION)	
and WERNER GEORGE EHRENSBERGER)	
individually and as Designated)	
Officer of Corporate Trust Real)	
Estate Investment Brokerage)	
Company Inc., and Carpe Diem)	
Funding Corporation,)	
)	
Respondents.)	

Complainant, Thomas Mc Crady, a Deputy Real Estate
Commissioner of the State of California, as and for cause of
Accusation against CORPORATE TRUST REAL ESTATE INVESTMENT
BROKERAGE COMPANY INC., CARPE DIEM FUNDING CORPORATION,
corporations and WERNER GEORGE EHRENSBERGER, individually and as
designated officer of Corporate Trust Real Estate Investment
Brokerage Company Inc. and Carpe Diem Funding Corporation (herein
"Respondents"), alleges as follows:

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The term "the Regulations" as used herein refers to provisions of Chapter 6, Title 10, California Code of Regulations.

2

The Complainant, Thomas Mc Crady, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondents in his official capacity.

3

Respondents are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code (herein "the Code").

4

At all times mentioned herein, Respondents, CORPORATE TRUST REAL ESTATE INVESTMENT BROKERAGE COMPANY INC., (herein "CTRE"), a corporation and CARPE DIEM FUNDING CORPORATION (herein "CDFC"), a corporation, were and now are licensed by the Department of Real Estate of the State of California (herein "the Department") as corporate real estate brokers. At all times mentioned herein CTRE and CDFC, were and now are licensed as corporate real estate brokers by and through WERNER GEORGE EHRENSBERGER (herein "EHRENSBERGER") as the officer and broker responsible pursuant to the provisions of Section 10159.2(a) of the Code for supervising the activities requiring a real estate license conducted on behalf of CTRE and CDFC by CTRE's and CDFC's officers and employees.

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At all times mentioned herein, Respondent WERNER GEORGE EHRENSBERGER was and now is licensed by the Department as an individual real estate broker and as an officer of CTRE and CDFC.

All further references herein to "Respondents" include the parties identified in Paragraphs 4, and 5, above, and also includes the officers, directors, employees, agents and real estate licensees employed by or associated with said parties and who at all times herein mentioned were engaged in the furtherance of the business or operations of said parties and who were acting within the course and scope of their authority and employment.

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California within the meaning of Sections 10131(d) of the Code, including the operation and conduct of mortgage brokerages.

FIRST CAUSE OF ACCUSATION

Complainant incorporates herein the allegations of Paragraphs 1 through 7, inclusive, herein.

In connection with the aforesaid real estate brokerage activities Respondents CDFC and EHRENSBERGER accepted or received funds in trust (hereinafter "trust funds") from or on behalf of prospective borrowers and thereafter made disbursements of such

1 funds. CDFC by and through EHRENSBERGER, deposited certain of said
2 funds into account No. 1060-07813, the "Carpe Diem Funding Corp.
3 Trust Account", at the Sanwa Bank branch located at 4400 Mac
4 Arthur Blvd., California 92640 (hereinafter "Trust Account").

5 10

6 On August 10, 1993, the Department concluded an
7 examination of Respondent CDFC's books and records pertaining to
8 the mortgage brokerage activities described in Paragraph 7, above,
9 for the period January 1, 1993 to June 30, 1993, which examination
10 revealed violations of the Code and of the Regulations as set
11 forth in the following paragraphs.

12 11

13 In connection with the trust funds referred to in
14 Paragraph 9, above, Respondent CDFC by and/or EHRENSBERGER:

- 15 (a) Failed to maintain separate records for each beneficiary
16 placing funds into the Trust Account, in violation of
17 Section 2831.1 of the Regulations.
- 18 (b) Failed to perform monthly reconciliations of records
19 maintained pursuant to Sections 2831 and 2831.1 of the
20 Regulations in violation of Section 2831.2 of the
21 Regulations.
- 22 (c) Failed to review and initial instruments prepared or
23 signed by real estate salespersons employed by
24 Respondent in connection with transactions for which a
25 real estate license is required, which instruments may
26 have a material effect upon the rights or obligations of
27

1 a party to the transaction, in violation Section 2725 of
2 the Regulations.

3 (d) Failed to provide borrowers with a Mortgage Loan
4 Disclosure Statement in violation of Section 10240 of
5 the Code.

6 (e) Failed to prepare or sign a broker salesperson
7 agreement with each real estate licensee employed by
8 Respondents in violation of Section 2726 of the
9 Regulations.

10 _____ 12 _____

11 The acts and omissions of Respondents CDFC and
12 EHRENSBERGER described in Paragraph 11, above, violated the Code
13 and the Regulations as set forth below:

14	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
15	11(a)	Sec. 2831.1 of the Regulations;
16	11(b)	Sec. 2831 of the Regulations;
17	11(c)	Sec. 2831.1, 2831.2 of the Regulations;
18	11(d)	Sec. 2831.2 of the Regulations;
19	11(e)	Sec. 2725 of the Regulations;
20		Sec. 10240 of the Code;
21		Sec. 2726 of the Regulations.

22 13

23 Each of the foregoing violations separately constitutes
24 cause for the suspension or revocation of all licenses and license
25 rights of Respondents CDFC and/or EHRENSBERGER pursuant to the
26 provisions of Section 10177(d) of the Code, while EHRENSBERGER'S
27 lack of supervision is cause to revoke his licenses per 10177(h)
of the Code.

1 /
2 SECOND CAUSE OF ACCUSATION

3 14

4 Complainant incorporates herein the allegations of Paragraphs
5 1 through 13, inclusive, herein.

6 15

7 In connection with the aforesaid real estate brokerage
8 activities Respondent EHRENSBERGER accepted or received funds in
9 trust (hereinafter "trust funds") from or on behalf of prospective
10 borrowers and thereafter made disbursements of such funds.

11 EHRENSBERGER, deposited certain of said funds into account No.
12 10224-02839, the "Werner Ehrensberger Real Estate Trust Account",
13 at Bank of America located at Laguna Niguel, California branch
14 (hereinafter "Trust Account").

15 16

16 On August 5, 1993, the Department concluded an
17 examination of Respondent EHRENSBERGER's books and records
18 pertaining to the mortgage brokerage activities described in
19 Paragraph 7, above, for the period January 1, 1993, to June 28,
20 1993, which examination revealed violations of the Code and of the
21 Regulations as set forth in the following paragraphs.

22 17

23 In connection with the trust funds referred to in
24 Paragraph 15, above, Respondent EHRENSBERGER:

- 25 (a) Failed to deposit trust fund monies into the Trust
26 Account, in violation of Section 2830 of the
27 Regulations.

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(b) Failed to review and initial instruments prepared or signed by real estate salespersons employed by Respondent in connection with transactions for which a real estate license is required, which instruments may have a material effect upon the rights or obligations of a party to the transaction, in violation Section 10177(h) of the Code and Section 2725 of the Regulations.

(c) The Trust Account was maintained by Respondent as an interest bearing account without meeting the requirements of Section 10145(d) of the Code.

(d) Respondent did not maintain adequate formal trust fund receipt journal and a formal trust fund disbursements journals for the account identified in Paragraph 15, above, or other records of the receipt and disposition of trust funds received, conforming to the requirements of Sections 2831 and 2951 of the Regulations;

(e) Respondent failed to maintain adequate separate records for each beneficiary or transaction, accounting therein for all trust funds received, deposited, and disbursed, conforming to the requirements of Sections 2831.1 and 2951 of the Regulations;

(f) Failed to obtain approval from the Department of Real Estate for the Disclosure Statements provided

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to borrowers in violation of Section 10241 of the Code and Section 2842 of the Regulations.

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The acts and omissions of Respondents CDFC and EHRENSBERGER described in Paragraph 17, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>	
17(a)	Sec. 2830	of the Regulations;
17(b)	Sec. 10177(h)	of the Code;
	Sec. 2725	of the Regulations;
17(c)	Sec. 10145(d)	of the Code;
	Sec. 2830	of the Regulations;
17(d)	Sec. 2831, 2951	of the Regulations;
17(e)	Sec. 2831.1, 2951	of the Regulations;
17(f)	Sec. 10241	of the Code;
	Sec. 2842	of the Regulations.

19

Each of the foregoing violations separately constitutes cause for the suspension or revocation of all licenses and license rights of Respondent EHRENSBERGER per section 10177(d) of the Code and EHRENSBERGER'S lack of supervision is cause to revoke his licenses per 10177(h) of the Code.

THIRD CAUSE OF ACCUSATION

20

Complainant incorporates herein the allegations of Paragraphs 1 through 19, inclusive, herein.

21

On August 4, 1993, the Department concluded an examination of Respondent CTRE's books and records pertaining to the mortgage brokerage activities described in Paragraph 7, above,

1 for the period of June 30, 1993, which examination revealed
2 violations of the Code and of the Regulations as set forth in the
3 following paragraphs.

4 22

5 In connection with the audit referred to in Paragraph
6 21, above, Respondents CTRE by and through EHRENSBERGER:

7 (a) Violated Section 2741 of the Regulations by its
8 failure to elect Designated Officer EHRENSBERGER
9 as an Officer and/or Director of CTRE.

10 (b) Violated Section 2741 of the Regulations by
11 allowing Anthony Lugo, a licensed salesperson to
12 own all of the Stock of CTRE.

13 23

14 The acts and omissions of Respondents CTRE and
15 EHRENSBERGER described in Paragraph 22, above, violated the Code
16 and the Regulations as set forth below:

17	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>	
18	22 (a)	Sec. 2741	of the Regulations;
19	22 (b)	Sec. 2741	of the Regulations.

20 24

21 Each of the foregoing violations separately constitutes
22 cause for the suspension or revocation of all licenses and license
23 rights of Respondents CTRE and EHRENSBERGER pursuant to the
24 provisions of Section 10177(d) of the Code, while EHRENSBERGER's
25 lack of supervision is further cause for discipline per 10177(h)
26 the Code.

27 /

FOURTH CAUSE OF ACCUSATION

25

Complainant incorporates herein the allegations of Paragraphs 1 through 24, inclusive, herein.

26

By way of advertisements in the Wall Street Journal Respondent has advertised his willingness to aid unlicensed persons to conduct acts requiring a real estate license.

27

Since 1990 Respondent EHRENSBERGER has done business as or has affiliated himself with the following businesses:

A&E Mortgage

AIG Property Management

AIG Property Management Inc.

Allstate Express Funding

American Realtors

AMRIC Realty

AMRIC Realty and Investment

Associated Financial Co.

Capital Financial and Real Estate Services Inc.

Carpe Diem Funding Corporation

Christian Mortgage Network,

City Funding

Coast Asset Management

Corporate Trust R E Inv Brkrg

Crown Valley Funding Inc.

Creative Mortgage Company

- 1 Dana Laguna Mortgage Company
- 2 Dana Laguna Realty
- 3 Dejam Bankers Real Estate
- 4 Discount Mortgage
- 5 Equity Home Loan
- 6 Family Mortgage Center Inc.
- 7 Fiesta Mortgage
- 8 First Equity Home Loans
- 9 Hi Desert Mortgage
- 10 Hungary International Realty
- 11 Mortgage Productions
- 12 Pacific Expressway Mortgage
- 13 Prestamax
- 14 Realty World Crown Valley
- 15 Realty World on Hawthorne Blvd.
- 16 Rock Bottom Mortgage Company
- 17 Southland Mortgage Bankers
- 18 State Wide Mortgage Company
- 19 Tri Star Mortgage Company
- 20 (USA) Capital First Mortgage Company

21 28

22 The acts of Respondent EHRENSBERGER described in
23 Paragraphs 26 and 27, above, illustrate his propensity to be a
24 "rent-a-broker" and demonstrates his lack of supervision over the
25 corporations named in this Accusation.

26 WHEREFORE, Complainant prays that a hearing be conducted
27 on the allegations of this Accusation and that upon proof thereof

1 a decision be rendered imposing disciplinary action against all
2 licenses and license rights of Respondents under the Real Estate
3 Law (Part 1 of Division 4 of the Business and Professions Code)
4 and for such other and further relief as may be proper under other
5 applicable provisions of law.

6 Dated at Santa Ana, California

7 this 6th day of June, 1994.

8
9 THOMAS McCRADY

10 Deputy Real Estate Commissioner
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25 cc: George Werner Ehrensberger
26 Corporate Trust Real Estate Investment Brokerage Company
27 Carpe Diem Funding Corporation
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