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Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California, 90012

(213) 897-3937

FILED
JAN - 5 1995
DEPARTMENT OF REAL ESTATE
By K. Friederichs

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of) No. H-25526 LA
)
SANTA FE HOME LOANS INC.,) STIPULATION AND AGREEMENT
)
a corporation; EDUARDO)
12 CARRIZO and SERGIO GARCIA both) IN SETTLEMENT AND ORDER
13 individually and as designated)
officers of Santa Fe Home)
14 Loans, Inc.,)
)
15 Respondents.)
_____)

It is hereby stipulated by and between SERGIO GARCIA,
acting by and through Dennis M. Shuster, his attorney, and the
Complainant, acting by and through George W. Wright, Counsel for
the Department of Real Estate, as follows for the purpose of
settling and disposing of the Amended Accusation filed on February
18, 1994, in this matter:

1. All issues which were to be contested and all
evidence which was to be presented by Complainant and Respondent at
a formal hearing on the Accusation, which hearing was to be held in
accordance with the provisions of the Administrative Procedure Act
(APA), shall instead and in place thereof be submitted solely on

1 the basis of the provisions of this Stipulation And Agreement In
2 Settlement And Order (hereafter Stipulation).

3 2. Respondent has received, read and understands the
4 Statement to Respondent, the Discovery Provisions of the APA and
5 the Accusation, filed by the Department of Real Estate in this
6 proceeding.

7 3. On September 30, 1993, Respondent filed a Notice of
8 Defense pursuant to Section 11505 of the Government Code for the
9 purpose of requesting a hearing on the allegations in the
10 Accusation. Respondent hereby freely and voluntarily withdraws
11 said Notice of Defense. Respondent acknowledges that he
12 understands that by withdrawing said Notice of Defense, he will
13 thereby waive his right to require the Commissioner to prove the
14 allegations in the Accusation at a contested hearing held in
15 accordance with the provisions of the APA and that he will waive
16 other rights afforded to him in connection with the hearing such as
17 the right to present evidence in defense of the allegations in the
18 Accusation and the right to cross-examine witnesses.

19 4. Respondent, pursuant to the limitations set forth
20 below, hereby admits that the factual allegations in the Accusation
21 filed in this proceeding are true and correct and the Real Estate
22 Commissioner shall not be required to provide further evidence to
23 prove such allegations.

24 5. It is understood by the parties that the Real Estate
25 Commissioner may adopt the Order in this Stipulation as his
26 decision and order in this matter thereby imposing the penalty and
27 sanctions on Respondents' real estate licenses and/or license

1 rights as set forth in the below Order. In the event that the
2 Commissioner in his discretion does not adopt the Stipulation, the
3 Stipulation And Agreement In Settlement shall be void and of no
4 effect, and Respondents shall retain the right to a hearing and
5 proceeding on the Accusation under all the provisions of the APA
6 and shall not be bound by any admission or waiver made herein.

7 6. The Order or any subsequent Order of the Real Estate
8 Commissioner made pursuant to this Stipulation shall not constitute
9 an estoppel, merger or bar to any further administrative or civil
10 proceedings by the Department of Real Estate with respect to any
11 matters which were not specifically alleged to be causes for
12 accusation in this proceeding.

13 DETERMINATION OF ISSUES

14 By reason of the foregoing stipulations and waivers, made
15 solely for the purpose of settlement of the pending Accusation
16 without a hearing, it is stipulated and agreed that the following
17 Determination of Issues shall be made:

18 The conduct or omissions of Respondent SERGIO GARCIA, as
19 set forth in paragraphs eight (VIII) through nine (XIX) of the
20 Amended Accusation constitute cause to suspend or revoke his real
21 estate broker license and/or license rights under the provisions of
22 Code Sections 10177(d) for violations of Code Sections 10177(h) and
23 Regulations 2725, 2726 and 2731 of Title 10, Chapter 6 of the
24 California Code of Regulations (hereafter Regulations).

25 /

26 /

27 /

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I

The licenses and license rights of Respondent SERGIO GARCIA, under Part 1 of Division 4 of the Business and Professions Code are suspended for a period of ten (10) days. However, said suspension is permanently stayed.

* * * * *

I have read the Stipulation And Agreement In Settlement And Order, and discussed it with my counsel, 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 willingly, intelligently and voluntarily waive 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.

DATED: 10-28-94

Sergio Garcia
SERGIO GARCIA, Respondent

DATED: 10-28-94

Dennis M. Schuster
DENNIS SHUSTER, Counsel for Respondent

DATED: 12/21/94

George W. Wright
George W. Wright, Counsel for Complainant.

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The foregoing Stipulation And Agreement In Settlement is
hereby adopted as my Decision and Order in case H-25526 LA and
shall become effective at 12 o'clock noon on January 25, 1995

IT IS SO ORDERED December 29, 1994.

JOHN R. LIBERATOR
Interim Commissioner

By: Betty R. Ludeman
Betty R. Ludeman
Assistant Commissioner,
Enforcement

Sacto

**BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

FILED

FEB 24 1994

DEPARTMENT OF REAL ESTATE
BY *[Signature]*

In the Matter of the Accusation of

SANTA FE HOME LOANS, INC., et al.,

}
}

Case No. H-25526 LA

OAH No. L-61605

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at _____
Office of Administrative Hearings, 314 West First Street, Los Angeles,
California

on April 27 & 28, 1994, 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.

DEPARTMENT OF REAL ESTATE

Dated: February 24, 1994

By *[Signature]*
Counsel

cc: Santa Fe Home Loans Inc.
Eduardo A. Carrizo
Sergio Garcia
Morris Stone, Esq.
Dennis M. Schuster, Esq.
RE 501 (1/92) Sacto OAH

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

FILED
OCT 11 1994
DEPARTMENT OF REAL ESTATE

By R. H. Underholz

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

10 In the Matter of the Accusation of) No. H-25526 LA
11)
12 SANTA FE HOME LOANS INC.,) STIPULATION AND AGREEMENT
13 a corporation; EDUARDO)
14 CARRIZO and SERGIO GARCIA both) IN SETTLEMENT AND ORDER
15 individually and as designated)
16 officers of Santa Fe Home)
17 Loans, Inc.,)
18 Respondents.)
19 _____)

16 It is hereby stipulated by and between SANTA FE HOME
17 LOANS INC., and EDUARDO CARRIZO acting by and
18 through Morris Stone, their attorney, and the Complainant, acting
19 by and through George W. Wright, Counsel for the Department of Real
20 Estate, as follows for the purpose of settling and disposing of the
21 Amended Accusation filed on February 18, 1994, in this matter:

22 1. All issues which were to be contested and all
23 evidence which was to be presented by Complainant and Respondents
24 at a formal hearing on the Accusation, which hearing was to be held
25 in accordance with the provisions of the Administrative Procedure
26 Act (APA), shall instead and in place thereof be submitted solely
27

1 on the basis of the provisions of this Stipulation And Agreement In
2 Settlement And Order (hereafter Stipulation).

3 2. Respondents have received, read and understand the
4 Statement to Respondent, the Discovery Provisions of the APA and
5 the Accusation, filed by the Department of Real Estate in this
6 proceeding.

7 3. On October 1, 1993, Respondents filed a Notice of
8 Defense pursuant to Section 11505 of the Government Code for the
9 purpose of requesting a hearing on the allegations in the
10 Accusation. Respondents hereby freely and voluntarily withdraw
11 said Notice of Defense. Respondents acknowledge that they
12 understand that by withdrawing said Notice of Defense, they will
13 thereby waive their right to require the Commissioner to prove the
14 allegations in the Accusation at a contested hearing held in
15 accordance with the provisions of the APA and that they will waive
16 other rights afforded to them in connection with the hearing such
17 as the right to present evidence in defense of the allegations in
18 the Accusation and the right to cross-examine witnesses.

19 4. Respondents, pursuant to the limitations set forth
20 below, hereby admit that the factual allegations in Paragraphs one
21 (I), three (3), and five (5) through six (VI) in the Accusation
22 filed in this proceeding are true and correct and the Real Estate
23 Commissioner shall not be required to provide further evidence to
24 prove such allegations.

25 5. It is understood by the parties that the Real Estate
26 Commissioner may adopt the Order in this Stipulation as his
27 decision and order in this matter thereby imposing the penalty and

1 sanctions on Respondents' real estate licenses and/or license
2 rights as set forth in the below Order. In the event that the
3 Commissioner in his discretion does not adopt the Stipulation, the
4 Stipulation And Agreement In Settlement shall be void and of no
5 effect, and Respondents shall retain the right to a hearing and
6 proceeding on the Accusation under all the provisions of the APA
7 and shall not be bound by any admission or waiver made herein.

8 6. The Order or any subsequent Order of the Real Estate
9 Commissioner made pursuant to this Stipulation shall not constitute
10 an estoppel, merger or bar to any further administrative or civil
11 proceedings by the Department of Real Estate with respect to any
12 matters which were not specifically alleged to be causes for
13 accusation in this proceeding.

14 7. The below Determination of Issues contains a
15 determination that Respondent SANTA FE HOME LOANS INC., has
16 violated Business and Professions Code (hereafter Code) Section
17 10145 or a regulation of the Real Estate Commissioner interpreting
18 Code Section 10145, or both. Respondent SANTA FE HOME LOANS INC.,
19 is aware that by agreeing to this Stipulation And Agreement In
20 Settlement, if the findings set forth below in the Determination of
21 Issues become final, the Commissioner may charge Respondent SANTA
22 FE HOME LOANS INC., for the costs of an audit conducted pursuant to
23 Section 10148 of the Code to determine if Respondent SANTA FE HOME
24 LOANS INC., is in compliance with the Real Estate Law. The maximum
25 costs of said audit will not exceed \$2,400.00.

26 /
27 /

1 B. However, Respondent shall be entitled to apply for
2 and be issued a restricted corporate real estate broker license
3 pursuant to Section 10156.5 of the Code if Respondent makes
4 application therefor and pays to the Department of Real Estate the
5 appropriate fee for said license within one hundred twenty (120)
6 days from the effective date of the Decision.

7 C. The restricted corporate real estate broker license
8 issued pursuant to this Order shall be suspended for thirty (30)
9 days from the effective date of the restricted license.

10 D. However, if Respondent petitions, the thirty (30)-
11 day suspension of Respondent's restricted corporate broker license
12 shall be permanently stayed upon condition that Respondent pay to
13 the Department's Recovery Account one thousand five hundred dollars
14 (\$1,500) prior to the effective date of this Decision, pursuant to
15 the provisions of Section 10175.2.

16 (1) Payment of the aforementioned monetary penalty
17 shall be in the form of cashiers checks or certified checks, made
18 payable to the Recovery Account of the Real Estate Fund. Payment
19 must be made prior to the effective date of this Decision.

20 (2) The Commissioner, in exercising his discretion
21 under Code Section 10175.2, agrees by adopting this Order that it
22 would not be against the public interest to permit such petitioning
23 Respondent to pay the aforesaid monetary penalty.

24 E. The restricted license issued to Respondent shall be
25 subject to all of the provisions of Section 10156.7 of the Business
26 and Professions Code and to the following limitations, conditions
27 and restrictions imposed under authority of Section 10156.6 of said

1 Code:

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

7 (2) Said restricted license may be suspended prior
8 to hearing by Order of the Real Estate Commissioner on evidence
9 satisfactory to the Commissioner that Respondent has violated
10 provisions of the California Real Estate law, the Subdivided Lands
11 Law, Regulations of the Real Estate Commissioner, or the conditions
12 attaching to this restricted license.

13 (3) Respondent shall report in writing to the
14 Department of Real Estate as the Real Estate Commissioner shall
15 direct by his Decision herein or by separate written order issued
16 while Respondent holds a restricted license, such information
17 concerning Respondent's activities for which a real estate license
18 is required as the Commissioner shall deem to be appropriate to
19 protect the public interest.

20 (4) Respondent shall not be eligible to apply for
21 the issuance of an unrestricted real estate license nor the removal
22 of any of the conditions, limitations or restrictions of a
23 restricted license until one (1) year has elapsed from the date of
24 issuance of the restricted license to Respondent.

25 (5) Pursuant to Section 10148 of the Business and
26 Professions Code, Respondent shall pay the Commissioner's
27 reasonable cost for an audit to determine if respondent has

1 corrected the trust fund violations found in paragraphs fourteen
2 (XIV) through twenty-eight (XXVIII) of the Determination of Issues.
3 In calculating the amount of the Commissioner's reasonable cost,
4 the Commissioner may use the estimated average hourly salary for
5 all persons performing audits of real estate brokers, and shall
6 include an allocation for travel time to and from the auditor's
7 place of work. Respondent shall pay such cost within 45 days of
8 receiving an invoice from the Commissioner detailing the activities
9 performed during the audit and the amount of time spent performing
10 those activities. The Commissioner may suspend the restricted
11 license issued to respondent pending a hearing held in accordance
12 with Section 11500, et seq., of the Government Code, if payment is
13 not timely made as provided for herein, or as provided for in a
14 subsequent agreement between the respondent and the Commissioner.
15 The suspension shall remain in effect until payment is made in full
16 or respondent enters into an agreement satisfactory to the
17 Commissioner to provide for payment, or until a decision providing
18 otherwise is adopted following a hearing held pursuant to this
19 condition.

20 II

21 A. The licenses and license rights of Respondent EDUARDO
22 CARRIZO, under Part 1 of Division 4 of the Business and Professions
23 Code are revoked.

24 B. However, Respondent shall be entitled to apply for
25 and be issued a restricted real estate broker license pursuant to
26 Section 10156.5 of the Code if Respondent makes application
27 therefor and pays to the Department of Real Estate the appropriate

1 fee for said license within one hundred twenty (120) days from the
2 effective date of the Decision.

3 C. The restricted real estate broker license issued
4 pursuant to this Order shall be suspended for thirty (30) days from
5 the effective date of the restricted license.

6 D. However, if respondent petitions, the thirty (30)-
7 day suspension of Respondent's restricted broker license shall be
8 permanently stayed upon condition that Respondent pay to the
9 Department's Recovery Account one thousand five hundred dollars
10 (\$1,500) prior to the effective date of this Decision, pursuant to
11 the provisions of Section 10175.2.

12 (1) Payment of the aforementioned monetary penalty
13 shall be in the form of cashiers checks or certified checks, made
14 payable to the Recovery Account of the Real Estate Fund. Payment
15 must be made prior to the effective date of this Decision.

16 (2) The Commissioner, in exercising his discretion
17 under Code Section 10175.2, agrees by adopting this Order that it
18 would not be against the public interest to permit such petitioning
19 Respondent to pay the aforesaid monetary penalty.

20 E. The restricted license issued to Respondent shall be
21 subject to all of the provisions of Section 10156.7 of the Business
22 and Professions Code and to the following limitations, conditions
23 and restrictions imposed under authority of Section 10156.6 of said
24 Code:

25 (1) Said restricted license may be suspended prior
26 to hearing by order of the Real Estate Commissioner in the event of
27 Respondent's conviction or plea of nolo contendere to a crime which

1 bears a significant relation to Respondent's qualifications, duties
2 or functions as a real estate licensee.

3 (2) Said restricted license may be suspended prior
4 to hearing by Order of the Real Estate Commissioner on evidence
5 satisfactory to the Commissioner that Respondent has violated
6 provisions of the California Real Estate Law, the Subdivided Lands
7 Law, Regulations of the Real Estate Commissioner, or the conditions
8 attaching to this restricted license.

9 (3) Respondent shall, within nine (9) months from
10 the effective date of the restricted license, present evidence
11 satisfactory to the Real Estate Commissioner that he has, since the
12 most recent issuance of an original or renewal real estate license,
13 taken and successfully completed the continuing education
14 requirements of Article 2.5 of Chapter 3 of the Real Estate Law for
15 renewal of a real estate license. If Respondent fails to satisfy
16 this condition, the Real Estate Commissioner may order the
17 suspension of the restricted license until Respondent presents such
18 evidence. The Real Estate Commissioner shall afford Respondent the
19 opportunity for a hearing pursuant to the APA to present such
20 evidence.

21 (4) Respondent shall, within six (6) months from
22 the effective date of the restricted license, take and pass the
23 Professional Responsibility Examination administered by the
24 Department, including the payment of the appropriate fee. If
25 Respondent fails to satisfy this condition, the Commissioner may
26 order suspension of the restricted license until Respondent passes
27 the examination.

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(5) Respondent shall report in writing to the
Department of Real Estate as the Real Estate Commissioner shall
direct by his Decision herein or by separate written order issued
while Respondent holds a restricted license, such information
concerning Respondent's activities for which a real estate license
is required as the Commissioner shall deem to be appropriate to
protect the public interest.

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

* * * * *

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

DATED: 9/15/94


SANTA FE HOME LOANS, INC.
Respondent, by EDUARDO CARRIZO, JR.,
Designated Officer.

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DATED: 9/15/94

Eduardo Carrizo, Jr.
EDUARDO CARRIZO, JR., Respondent.

DATED: 9/15/94

Morris Stone
Morris Stone, Counsel for Respondents

DATED: 9/20/94

George W. Wright
George W. Wright, Counsel for Complainant.

* * * * *

The foregoing Stipulation And Agreement In Settlement is hereby adopted as my Decision and Order in case H-25526 LA and shall become effective at 12 o'clock noon on November 1, 1994

IT IS SO ORDERED October 3, 1994.

JOHN R. LIBERATOR
Interim Commissioner
John R. Liberator

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George Wright, Staff Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
(213) 897-3937

FILED

FEB 18 1994

DEPARTMENT OF REAL ESTATE
BY *R. Melendez*

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-25526 LA
)	
SANTA FE HOME LOANS INC.,)	A M E N D E D
a corporation; EDUARDO)	
CARRIZO and SERGIO GARCIA both)	A C C U S A T I O N
individually and as designated)	
officers of Santa Fe Home)	
Loans, Inc.,)	
)	
Respondents.)	
)	

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against SANTA FE HOME LOANS INC., a corporation, SERGIO GARCIA and EDUARDO CARRIZO, alleges as follows:

I

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

II

At all times mentioned herein, SANTA FE HOME LOANS INC., ("SANTA FE") was and still is licensed by the Department of Real

1 Estate of the State of California ("Department") as a corporate
2 real estate broker.

3 II

4 At all times herein mentioned, SERGIO GARCIA ("GARCIA")
5 was and still is licensed by the Department as a real estate
6 broker in his individual capacity. From June 5, 1989 to May 1,
7 1991, GARCIA was licensed by the Department as the designated
8 officer of SANTA FE. As the designated officer of SANTA FE,
9 GARCIA was responsible for the supervision and control of the
10 activities conducted on behalf of SANTA FE by its officers and
11 employees as necessary to secure full compliance with the Real
12 Estate Law as set forth in Section 10159.2 of the Code.

13 III

14 At all times herein mentioned, EDUARDO CARRIZO
15 ("CARRIZO") was and still is licensed by the Department as a real
16 estate broker in his individual capacity. From May 1, 1991 to the
17 present, CARRIZO was licensed by the Department as the designated
18 officer of SANTA FE. As the designated officer of SANTA FE,
19 CARRIZO was and is responsible for the supervision and control of
20 the activities conducted on behalf of SANTA FE by its officers and
21 employees as necessary to secure full compliance with the Real
22 Estate Law as set forth in Section 10159.2 of the Code.

23 IV

24 At no time mentioned herein has Rosa Mirella Chavez
25 ("Chavez") been licensed by the Department as a real estate broker
26 or real estate salesperson licensed under an employing broker.
27

1
2 At all times mentioned herein, for or in expectation of
3 compensation, SANTA FE engaged in the business of, acted in the
4 capacity of, advertised or assumed to act as a real estate broker
5 in the State of California, within the meaning of Sections
6 10131(a) and 10131(d) of the Code, including the operation of a
7 residential resales and mortgage loan brokerage business with the
8 public wherein lenders and borrowers were solicited for loans
9 secured directly or collaterally by liens on real property,
10 wherein such loans were arranged, negotiated, processed, and
11 consummated on behalf of others for compensation or in expectation
12 of compensation and for fees often collected in advance. In
13 addition, SANTA FE performed escrows for the mortgage loan and
14 residential resales divisions.

VI

15
16 On September 10, 1991, Department personnel completed an
17 office survey of the books and records of SANTA FE pertaining to
18 its activities as a mortgage loan broker requiring a corporate
19 real estate broker license, which revealed violations of the Real
20 Estate Law now described.

VII

21
22 The Department's investigation revealed that SANTA FE
23 and CARRIZO employed Chavez who was not licensed by the Department
24 to perform acts which require a real estate license. On or about
25 January, 1992, Chavez solicited Jorge and Julia Hernandez (the
26 "Hernandezes") for the purpose of refinancing their duplex located
27 at 10760 and 10762 Barlow Avenue, Lynwood, California. Chavez

1 solicited and negotiated with the Hernandezes for a loan quoting
2 rates of interest as well as terms and conditions of various loans
3 to the Hernandezes. The Hernandezes agreed to refinance their
4 duplex and Chavez acted as the agent for SANTA FE. SANTA FE
5 received \$4,190.00 in commissions and fees for the refinancing.
6 Chavez violated Section 10130 of the Code by performing said acts
7 which require a license when Chavez was not licensed by the
8 Department as either a real estate broker or as a real estate
9 salesperson employed under the license of a broker. SANTA FE and
10 CARRIZO violated Section 10137 of the Code by employing and/or
11 compensating Chavez for these acts.

12 VIII

13 The office survey also revealed that SANTA FE and
14 GARCIA, failed to maintain written broker-salesperson agreements
15 for the salespeople employed by SANTA FE in connection with
16 mortgage loan brokerage activities for which a real estate license
17 is required in violation of Regulation 2726.

18 IX

19 The office Survey also revealed that SANTA FE and GARCIA
20 employed real estate salespersons who prepared instruments which
21 had a material effect upon the rights and obligations of
22 principals represented by SANTA FE. GARCIA violated Section 2725
23 of the Regulations by failing to review, initial, and date all
24 such instruments.

25 X

26 The office survey also revealed that SANTA FE used the
27 fictitious name of "Santa Fe Real Estate", to conduct mortgage

1 loan brokerage activities without holding a license bearing this
2 fictitious business name in violation of Section 2731 of the
3 Regulations.

4 XI

5 GARCIA failed to comply with Section 10159.2 of the Code
6 by allowing SANTA FE to violate the above-described provisions of
7 the Real Estate Law during the time that GARCIA was the designated
8 officer of SANTA FE. This conduct is cause for the suspension or
9 revocation of GARCIA'S license and/or license rights under Section
10 10177(h) of the Code.

11 XII

12 CARRIZO failed to comply with Section 10159.2 of the
13 Code by allowing SANTA FE to violate the above-described
14 provisions of the Real Estate Law during the time that CARRIZO was
15 the designated officer of SANTA FE. This conduct is cause for the
16 suspension or revocation of CARRIZO'S license and/or license
17 rights under Section 10177(h) of the Code.

18 XIII

19 On or about December 10, 1993, Department personnel
20 completed an investigative audit of the books and records of SANTA
21 FE, pertaining to its activities as a mortgage loan broker, for a
22 period commencing on April 1, 1992, and terminating on September
23 30, 1993, and unless otherwise specified, the relevant period of
24 time referenced herein shall be the same. The findings of that
25 audit are set forth in the paragraphs that follow.

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XIV

At all times material in the course of the above-described mortgage loan brokerage business, SANTA FE solicited borrowers for and negotiated for loans secured by liens on real property. The audit revealed that said borrowers did not receive Mortgage Loan Disclosure Statements. SANTA Fe violated Section 10240 of the Code by failing to provide borrowers with mortgage loan disclosure statements when appropriate.

XV

At all times material in the course of packaging loans for institutional investors and mortgage bankers, SANTA FE was involved in loan transactions wherein SANTA FE was receiving rebates from lenders as additional compensation for processing loan transactions from borrowers. SANTA FE violated Section 10176(g) of the Code by failing to advise all parties in writing that SANTA FE was receiving rebates from lenders as additional compensation.

XVI

On or about December 10, 1993, Department personnel completed an investigative audit of the books and records of SANTA FE, pertaining to its activities in performing escrows, for a period commencing on January 1, 1992, and terminating on September 30, 1993, and unless otherwise specified, the relevant period of time referenced herein shall be the same. The findings of that audit are set forth in the paragraphs that follow.

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XVII

In connection with the aforesaid escrow activities, SANTA FE accepted or received funds in trust ("trust funds") in the form of escrow funds, from or on behalf of borrowers and thereafter made disbursements of such funds on behalf of said borrowers. SANTA FE deposited these funds into the following account:

Santa Fe Escrow Division
Account No. 0943-035089
Wells Fargo Bank
4300 Tweedy Blvd.
South Gate, Ca 90280

XVIII

- SANTA FE violated Section 2830 of the Regulations and Section 10145 of the Code by failing to designate the above-described accounts as a trust account and/or failing to place the accounts in its licensed name as trustee.

XIX

At all times herein mentioned, SANTA FE failed to maintain COLUMNAR control records of the receipts and disbursements of trust funds received and paid out of this account. SANTA FE violated Section 2831 of the Regulation by such conduct.

XX

At all times herein mentioned, SANTA FE failed to maintain a separate ledger for each beneficiary and transaction. However, when SANTA FE maintained a separate ledger for each beneficiary and transaction, SANTA FE failed to record the correct check numbers and the date that funds were disbursed. SANTA FE

1 violated Section 2831.1 of the Regulations by its failure to
2 perform such acts.

3 XXI

4 At all times material herein, SANTA FE failed to provide
5 documents to indicate that it reconciled the balance of all
6 separate records maintained pursuant to the provisions of Section
7 2831.1, with the columnar records of all trust funds received and
8 disbursed as required by Section 2831 of the Regulations, on a
9 monthly basis. SANTA FE violated Section 2831.2 by its failure to
10 perform said acts.

11 XXII

12 As of September 30, 1993, SANTA FE violated Section
13 10145 of the Code and Section 2832.1 of the Regulations by
14 disbursing or allowing the disbursement of funds from the escrow
15 trust account, without the prior written consent of every
16 principal who was then an owner of said funds in the account, in
17 an amount which was at least \$11,813.28 less than the existing
18 aggregate trust fund liability to all owners of said trust funds.

19 XXIII

20 At all times material, Eduardo Carrizo, Sr. was not
21 licensed by the Department as a real estate broker or as a real
22 estate salesperson who is employed under the license of a broker.
23 At all times material herein, Eduardo Carrizo, Sr. was not covered
24 by a fidelity bond. SANTA FE violated Section 2834 of the
25 Regulations by allowing Eduardo Carrizo, Sr., an unbonded,
26 unlicensed person, to be a signatory on the escrow trust account.

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XXIV

At all times material herein, SANTA FE employed real estate salesperson who prepared instruments which had a material effect upon the rights and obligations of the principals represented by SANTA FE. CARRIZO violated Section 2725 of the Regulations by failing to initial and date loan escrow instructions and escrow closing statements.

XXV

At all times material in the course of packaging loans for institutional investors and mortgage bankers, SANTA FE was involved in escrows wherein SANTA FE was the owner of the agency handling the escrow. SANTA FE violated Section 2950 (h) of the Regulations by failing to advise all parties in writing that SANTA FE had a financial interest in the transaction or that SANTA FE was the owner of the agency handling the escrow.

XXVI

At all times material in the course of the above-described mortgage loan brokerage business, SANTA FE solicited borrowers for and negotiated for loans secured by liens on real property. The audit revealed that said borrowers did not receive Mortgage Loan Disclosure Statements. SANTA FE violated Section 10240 of the Code by failing to provide borrowers with mortgage loan disclosure statements when appropriate.

XXVII

The audit examination also revealed that SANTA FE used the fictitious business names "Santa Fe Escrow, Inc." and "Santa Fe Real Estate" to conduct its broker escrow activities. SANTA FE

1 violated Section 2731 of the Regulations by using the fictitious
2 business names when it was not licensed by the Department to do so

3 XXIX

4 The conduct of SANTA FE and CARRIZO, as alleged
5 hereinabove in Paragraphs XIII through XXVIII, constitutes
6 cause for the suspension or revocation of all licenses and/or
7 license rights of the Respondents under Section 10177(d) of
8 the Code.

9 XXXII

10 The conduct of Respondent CARRIZO, in allowing
11 Respondent SANTA FE to violated the above-described
12 provisions of the Code while acting as the designated officer
13 of SANTA FE, constitutes a failure to exercise reasonable
14 supervision and control of the activities of SANTA FE for
15 which a real estate license is required, and is cause for the
16 suspension or revocation of the licenses and/or licensing
17 rights of CARRIZO under Section 10177(h) of the Code.

18 XXXIII

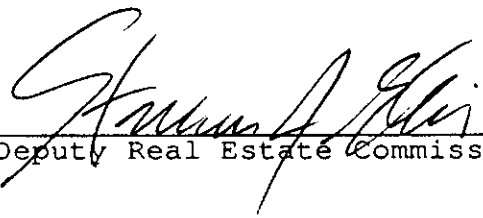
19 The conduct of SANTA FE, GARCIA, and CARRIZO, as alleged
20 hereinabove in Paragraphs VII through XXVIII, constitutes cause
21 for the suspension or revocation of all licenses and/or license
22 rights of the Respondents under Sections 10137 and 10177(d) of the
23 Code.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights of the Respondents under the Real Estate Law and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California
this 18th day of February , 1994.


Deputy Real Estate Commissioner

cc: SANTA FE HOME LOANS, INC.,
EDUARDO CARRIZO
SERGIO GARCIA
SACTO
MS

Handwritten initials/signature in top left corner.

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE NOV -3 1993
STATE OF CALIFORNIA

Handwritten signature: H. W. ...

In the Matter of the Accusation of

SANTA FE HOME LOANS INC.,
et al.,

} (Right-facing curly bracket)

Case No. H-25526 LA

OAH No. L-61605

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at _____
Office of Administrative Hearings, 314 West First Street, Los Angeles

on March 3, 1994, 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.

DEPARTMENT OF REAL ESTATE

Dated: November 3, 1993

By George W. Wright
Counsel

cc: Santa Fe Home Loans Inc.
Eduardo A. Carrizo
Sergio Garcia
Morris Stone, Esq.
RE 501 (1/92) Dennis Shuster, Esq.
OAH Sacto

kw

*facts
file*

George Wright, Staff Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
(213) 897-3937

SEP-8 1993

DEPARTMENT OF REAL ESTATE
BY *R. Friedrichs*

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-25526 LA
)	
SANTA FE HOME LOANS INC.,)	A C C U S A T I O N
a corporation; EDUARDO)	
CARRIZO and SERGIO GARCIA both)	
individually and as designated)	
officers of Santa Fe Home)	
Loans, Inc.,)	
)	
Respondents.)	
)	

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against SANTA FE HOME LOANS INC., a corporation, SERGIO GARCIA and EDUARDO CARRIZO, alleges as follows:

I

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

II

At all times mentioned herein, SANTA FE HOME LOANS INC., ("SANTA FE") was and still is licensed by the Department of Real

1 Estate of the State of California ("Department") as a corporate
2 real estate broker.

3 II

4 At all times herein mentioned, SERGIO GARCIA ("GARCIA")
5 was and still is licensed by the Department as a real estate
6 broker in his individual capacity. From June 5, 1989 to May 1,
7 1991, GARCIA was licensed by the Department as the designated
8 officer of SANTA FE. As the designated officer of SANTA FE,
9 GARCIA was responsible for the supervision and control of the
10 activities conducted on behalf of SANTA FE by its officers and
11 employees as necessary to secure full compliance with the Real
12 Estate Law as set forth in Section 10159.2 of the Code.

13 III

14 At all times herein mentioned, EDUARDO CARRIZO
15 ("CARRIZO") was and still is licensed by the Department as a real
16 estate broker in his individual capacity. From May 1, 1991 to the
17 present, CARRIZO was licensed by the Department as the designated
18 officer of SANTA FE. As the designated officer of SANTA FE,
19 CARRIZO was and is responsible for the supervision and control of
20 the activities conducted on behalf of SANTA FE by its officers and
21 employees as necessary to secure full compliance with the Real
22 Estate Law as set forth in Section 10159.2 of the Code.

23 IV

24 At no time mentioned herein has Rosa Mirella Chavez
25 ("Chavez") been licensed by the Department as a real estate broker
26 or real estate salesperson licensed under an employing broker.
27

V

1
2 At all times mentioned herein, for or in expectation of
3 compensation, SANTA FE engaged in the business of, acted in the
4 capacity of, advertised or assumed to act as a real estate broker
5 in the State of California, within the meaning of Section 10131(b)
6 of the Code, including the operation of a residential resale
7 business with the public by the buying and selling of, and the
8 soliciting of offers to buy and sell real property, as well as the
9 soliciting of borrowers and lenders for loans secured directly or
10 collaterally by liens on real property, for or in expectation of
11 compensation.

12 VI

13 On September 10, 1991, Department personnel completed an
14 office survey of the books and records of SANTA FE pertaining to
15 its activities as a mortgage loan broker requiring a corporate
16 real estate broker license, which revealed violations of the Real
17 Estate Law now described.

18 VII

19 The Department's investigation revealed that SANTA FE
20 and CARRIZO employed Chavez who was not licensed by the Department
21 to perform acts which require a real estate license. On or about
22 January, 1992, Chavez solicited Jorge and Julia Hernandez (the
23 "Hernandezes") for the purpose of refinancing their duplex located
24 at 10760 and 10762 Barlow Avenue, Lynwood, California. Chavez
25 solicited and negotiated with the Hernandezes for a loan quoting
26 rates of interest as well as terms and conditions of various loans
27 to the Hernandezes. The Hernandezes agreed to refinance their

1 duplex and Chavez acted as the agent for SANTA FE. SANTA FE
2 received \$4,190.00 in commissions and fees for the refinancing.
3 Chavez violated Section 10130 of the Code by performing said acts
4 which require a license when Chavez was not licensed by the
5 Department as either a real estate broker or as a real estate
6 salesperson employed under the license of a broker. SANTA FE and
7 CARRIZO violated Section 10137 of the Code by employing and/or
8 compensating Chavez for these acts.

9 VIII

10 The office survey also revealed that SANTA FE and
11 GARCIA, failed to maintain written broker-salesperson agreements
12 for the salespeople employed by SANTA FE in connection with
13 mortgage loan brokerage activities for which a real estate license
14 is required in violation of Regulation 2726.

15 IX

16 The office Survey also revealed that SANTA FE and
17 GARCIA, employed real estate salespersons who prepared instruments
18 which had a material effect upon the rights and obligations of
19 principals represented by SANTA FE, GARCIA violated Section 2725
20 of the Regulations by failing to review, initial, and date all
21 such instruments.

22 X

23 The office survey also revealed that SANTA FE used the
24 fictitious name of "Santa Fe Real Estate", to conduct mortgage
25 loan brokerage activities without holding a license bearing this
26 fictitious business name in violation of Section 2731 of the
27 Regulations.

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XI

GARCIA failed to comply with Section 10159.2 of the Code by allowing SANTA FE to violate the above-described provisions of the Real Estate Law during the time that GARCIA was the designated officer of SANTA FE. This conduct is cause for the suspension or revocation of GARCIA'S license and/or license rights under Section 10177(h) of the Code.

XII

CARRIZO failed to comply with Section 10159.2 of the Code by allowing SANTA FE to violate the above-described provisions of the Real Estate Law during the time that CARRIZO was the designated officer of SANTA FE. This conduct is cause for the suspension or revocation of CARRIZO'S license and/or license rights under Section 10177(h) of the Code.

XIII

The conduct of SANTA FE, GARCIA, and CARRIZO, as alleged hereinabove in Paragraphs VII through X, constitutes cause for the suspension or revocation of all licenses and/or license rights of the Respondents under Sections 10137 and 10177(d) of the Code.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights of the Respondents under the Real Estate Law and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California
this 8th day of September , 1993.

STEVEN J. ELLIS

Deputy Real Estate Commissioner

cc: SANTA FE HOME LOANS, INC.,
EDUARDO CARRIZO
SERGIO GARCIA
SACTO
MS