



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

8           2. Respondents have received, read and understand  
9 the Statement to Respondent, the Discovery Provisions of the  
10 APA and the Accusation filed by the Department of Real Estate  
11 in this proceeding.

12           3. On April 8, 2005, Respondents filed Notices of  
13 Defense pursuant to Section 11506 of the Government Code for  
14 the purpose of requesting a hearing on the allegations in the  
15 Accusation. In order to effectuate this settlement,  
16 Respondents hereby freely and voluntarily withdraw said Notices  
17 of Defense. Respondents acknowledge that they understand that  
18 by withdrawing said Notices of Defense, they will thereby waive  
19 their rights to require the Commissioner to prove the  
20 allegations in the Accusation at a contested hearing held in  
21 accordance with the provisions of the APA and that they will  
22 waive other rights afforded to them in connection with the  
23 hearing such as the right to present evidence in defense of the  
24 allegations in the Accusation and the right to cross-examine  
25 witnesses.

26           4. Respondents, pursuant to the limitations set  
27 forth below, although not admitting or denying the truth of the

1 allegations, and in order to effectuate this settlement, will  
2 not contest the factual allegations contained in the Accusation  
3 filed in this proceeding and the Real Estate Commissioner shall  
4 not be required to provide further evidence of such  
5 allegations.

6           5. It is understood by the parties that the Real  
7 Estate Commissioner may adopt the Stipulation and Agreement as  
8 his Decision in this matter, thereby imposing the penalty and  
9 sanctions on Respondents' real estate licenses and license  
10 rights as set forth in the below "Order". In the event that  
11 the Commissioner in his discretion does not adopt the  
12 Stipulation and Agreement, it shall be void and of no effect,  
13 and Respondents shall retain the right to a hearing and  
14 proceeding on the Accusation under all the provisions of the  
15 APA and shall not be bound by any stipulation or waiver made  
16 herein.

17           6. The Order or any subsequent Order of the Real  
18 Estate Commissioner made pursuant to this Stipulation and  
19 Agreement shall not constitute an estoppel, merger or bar to  
20 any further administrative proceedings by the Department of  
21 Real Estate with respect to any matters which were not  
22 specifically alleged to be causes for accusation in this  
23 proceeding.

24           7. This Stipulation and Respondents' decision not to  
25 contest the Accusation are made for the sole purpose of  
26 reaching an agreed disposition of this proceeding, and are  
27 expressly limited to this proceeding and any other proceeding

1 or case in which the Department of Real Estate, or another  
2 licensing agency of this state, another state or if the federal  
3 government is involved and otherwise shall not be admissible in  
4 any other criminal or civil proceedings.

5 8. Respondents understand that by agreeing to this  
6 Stipulation and Agreement, Respondents agree to be jointly and  
7 severally liable for payment, pursuant to Section 10148 of the  
8 Business and Professions Code, of the cost of the audit which  
9 led to this disciplinary action. The amount of said cost is  
10 \$11,914.54.

11 9. Respondents have received, read and understand  
12 the "Notice Concerning Costs of Audits". Respondents further  
13 understand that by agreeing to this Stipulation and Agreement,  
14 the findings set forth below in the Determination of Issues  
15 become final, and that the Commissioner may charge Respondents  
16 for the costs of any subsequent audit conducted pursuant to  
17 Section 10148 of the Business and Professions Code to determine  
18 if the violations have been corrected. The maximum cost of  
19 said audit will not exceed \$11,914.54.

20 DETERMINATION OF ISSUES

21 By reason of the foregoing stipulations and waivers  
22 and solely for the purpose of settlement of the pending  
23 Accusation without a hearing, it is stipulated and agreed that  
24 the following Determination of Issues shall be made:

25 1. The conduct, acts or omissions of Respondent  
26 CRAWFORD INVESTMENT COMPANY, as set forth in the Accusation,  
27 constitute cause to suspend or revoke the real estate license

1 and license rights of Respondent CRAWFORD INVESTMENT COMPANY  
2 under the provisions of Business and Professions Code ("Code")  
3 Section 10177(d) and 10177(g) for violation of Code Sections  
4 10145 and 10234 in conjunction with Title 10, Chapter 6 of the  
5 California Code of Regulations ("Regulations"), Regulations  
6 2832.1, 2831, 2831.1, and 2831.2.

7 2. The conduct, acts or omissions of Respondent  
8 CHRISTOPHER ARTHUR CRAWFORD, as set forth in the Accusation,  
9 constitute cause to suspend or revoke the real estate license  
10 and license rights of Respondent CRAWFORD under the provisions  
11 of Code Sections 10177(d), 10177(g) and 10177(h) for violation  
12 of Code Sections 10159.2, 10234, and 10145 in conjunction with  
13 Regulations 2832.1, 2831, 2831.1, and 2831.2.

14 ORDER

15 WHEREFORE, THE FOLLOWING ORDER is hereby made:

16 A. All licenses and license rights of Respondent  
17 CRAWFORD INVESTMENT COMPANY and Respondent CHRISTOPHER ARTHUR  
18 CRAWFORD shall be suspended for ninety (90) days from the  
19 effective date of this Decision; provided, however, that sixty  
20 (60) days of said suspension shall be stayed for two (2) years  
21 upon the following terms and conditions:

22 1. Respondents shall obey all laws, rules and  
23 regulations governing the rights, duties and responsibilities  
24 of a real estate licensee in the State of California; and

25 2. That no final subsequent determination be made,  
26 after hearing or upon stipulation, that cause for disciplinary  
27 action occurred within two (2) years of the effective date of

1 this Decision. Should such a determination be made, the  
2 Commissioner may, in his discretion, vacate and set aside the  
3 stay order and reimpose all or a portion of the stayed  
4 suspensions. Should no such determination be made, the stay  
5 imposed herein shall become permanent.

6 B. As to the remaining 30 days of said 90 day  
7 suspensions, all licenses and licensing rights of Respondent  
8 CRAWFORD INVESTMENT COMPANY and Respondent CHRISTOPHER ARTHUR  
9 CRAWFORD shall be suspended for a period of 30 days from the  
10 effective date of this decision; provided, however, that if  
11 either Respondent petitions, the remaining 30 days of said 90  
12 day suspension shall be stayed upon condition that:

13 1. Respondents pay a monetary penalty pursuant to  
14 Section 10175.2 of the Business and Professions Code at the  
15 rate of \$200.00 per day for a total monetary penalty of  
16 \$6,000.00.

17 2. Said payment shall be in the form of a cashier's  
18 check or certified check made payable to the Recovery Account  
19 of the Real Estate Fund. Said check must be received by the  
20 Department prior to the effective date of the Decision in this  
21 matter.

22 3. No further cause for disciplinary action against  
23 the real estate licenses of Respondents occurs within two years  
24 from the effective date of the Decision in this matter.

25 4. If Respondents fail to pay the monetary penalty  
26 in accordance with the terms and conditions of the Decision,  
27 the Commissioner may, without a hearing, order the immediate

1 execution of all or any part of the stayed suspension in which  
2 event the Respondents shall not be entitled to any repayment  
3 nor credit, prorated or otherwise, for the money paid to the  
4 Department under the terms of this Decision.

5           5. If Respondents pay the monetary penalty and if no  
6 further cause for disciplinary action against the real estate  
7 licenses of Respondents occurs within two years from the  
8 effective date of the Decision, the stay hereby granted shall  
9 become permanent.

10           C. Respondent CRAWFORD shall, within six months from  
11 the effective date of this Decision, take and pass the  
12 Professional Responsibility Examination administered by the  
13 Department including the payment of the appropriate examination  
14 fee. If Respondent CRAWFORD fails to satisfy this condition,  
15 the Commissioner may order suspension of his license until he  
16 passes the examination.

17           D. All licenses and licensing rights of Respondent  
18 CRAWFORD shall be indefinitely suspended unless or until he  
19 provides proof satisfactory to the Commissioner, of having  
20 taken and successfully completed the trust fund accounting and  
21 handling course specified in paragraph (3) of subdivision (a)  
22 of Business and Professions Code Section 10170.5. Proof of  
23 satisfaction of this requirement includes evidence that  
24 Respondent CRAWFORD has successfully completed the trust fund  
25 accounting and handling continuing education course within 120  
26 days prior to the effective date of the Decision in this  
27 matter.

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E. Pursuant to Section 10148 of the Business and Professions Code, Respondent CHRISTOPHER ARTHUR CRAWFORD shall be jointly and severally liable with Respondent CRAWFORD INVESTMENT COMPANY, for payment of the Commissioner's reasonable cost for: a) the audit which led to this disciplinary action and, b) a subsequent audit to determine if Respondents have corrected the trust fund violations found in the Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel costs, including mileage to and from the auditor's place of work and per diem. Respondents shall pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may, in his discretion, vacate and set aside the stay order if payment is not timely made as provided herein, or as provided for in a subsequent agreement between the Respondents and the Commissioner. The vacation and the set aside of the stay shall remain in effect until payment is made in full, or until Respondents enter into an agreement satisfactory to the Commissioner to provide for payment.

DATED: 9/29/05


MARtha J. ROsett  
MARTHA J. ROSETT  
Counsel for Complainant



\* \* \*

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

13 Respondents may signify acceptance and approval of the  
14 terms and conditions of this Stipulation and Agreement by faxing  
15 a copy of its signature page, as actually signed by Respondents,  
16 to the Department at the following fax number (213) 576-6917.  
17 Respondents agree, acknowledge and understand that by  
18 electronically sending to the Department a fax copy of their  
19 actual signatures as they appear on the Stipulation, that receipt  
20 of the faxed copy by the Department shall be as binding on  
21 Respondents as if the Department had received the original signed  
22 Stipulation and Agreement.

23  
24  
25 DATED: 9-22-05  
26 CHRISTOPHER ARTHUR CRAWFORD,  
27 individually, Respondent

\* \* \*

1 We have read the Stipulation and Agreement, have  
2 discussed it with our counsel, and its terms are understood by  
3 us and are agreeable and acceptable to us. We understand that  
4 we are waiving rights given to us by the California  
5 Administrative Procedure Act (including but not limited to  
6 Sections 11506, 11508, 11509 and 11513 of the Government Code),  
7 and we willingly, intelligently and voluntarily waive those  
8 rights, including the right of requiring the Commissioner to  
9 prove the allegations in the Accusation at a hearing at which  
10 we would have the right to cross-examine witnesses against us  
11 and to present evidence in defense and mitigation of the  
12 charges.  
13

14 Respondents may signify acceptance and approval of the  
15 terms and conditions of this Stipulation and Agreement by faxing  
16 a copy of its signature page, as actually signed by Respondents,  
17 to the Department at the following fax number (213) 576-6917.  
18 Respondents agree, acknowledge and understand that by  
19 electronically sending to the Department a fax copy of their  
20 actual signatures as they appear on the Stipulation, that receipt  
21 of the faxed copy by the Department shall be as binding on  
22 Respondents as if the Department had received the original signed  
23 Stipulation and Agreement.  
24

25 DATED: \_\_\_\_\_

CHRISTOPHER ARTHUR CRAWFORD,  
26 individually, Respondent  
27

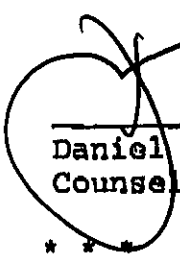
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DATED: 9-22-05



CHRISTOPHER ARTHUR CRAWFORD,  
designated broker-officer, on  
behalf of Respondent CRAWFORD  
INVESTMENT COMPANY

DATED: 9-23-05



Daniel A. Nassie, Esq.  
Counsel for Respondents

\*\*\*

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

IT IS SO ORDERED \_\_\_\_\_.

JEFF DAVI  
Real Estate Commissioner

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DATED: \_\_\_\_\_

CHRISTOPHER ARTHUR CRAWFORD,  
designated broker-officer, on  
behalf of Respondent CRAWFORD  
INVESTMENT COMPANY

DATED: \_\_\_\_\_

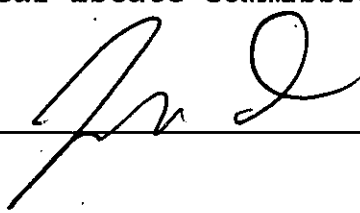
Daniel A. Nassie, Esq.  
Counsel for Respondents

\* \* \*

The foregoing Stipulation and Agreement is hereby  
adopted as my Decision in this matter and shall become  
effective at 12 o'clock noon on November 23, 2005.

IT IS SO ORDERED 10-12-05

JEFF DAVI  
Real Estate Commissioner



*Subpoena*

**FILED**  
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DEPARTMENT OF REAL ESTATE

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MARTHA J. ROSETT, Counsel (SBN 142072)  
Department of Real Estate  
320 West Fourth St., #350  
Los Angeles, CA 90013  
  
(213) 576-6982  
(213) 576-6907

By Laura B. Ornela

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of ) No. H-31797 LA  
)  
CRAWFORD INVESTMENT COMPANY, and )  
CHRISTOPHER ARTHUR CRAWFORD, ) A C C U S A T I O N  
Individually and as designated )  
Broker-Officer of Crawford Investment )  
Company, )  
)  
Respondents. )

The Complainant, Maria Suarez, a Deputy Real Estate  
Commissioner, for cause of Accusation against CRAWFORD INVESTMENT  
COMPANY, and CHRISTOPHER ARTHUR CRAWFORD, individually and as  
designated broker-officer of Crawford Investment Company, is  
informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate  
Commissioner of the State of California, makes this Accusation in  
her official capacity.

2.

1  
2 Respondent CRAWFORD INVESTMENT COMPANY (hereinafter  
3 "CIC"), is presently licensed and at all times relevant herein  
4 was licensed under the Real Estate Law, Part 1 of Division 4 of  
5 the California Business and Professions Code (hereinafter "Code")  
6 as a corporate real estate broker. Respondent CIC has been  
7 licensed by the Department of Real Estate of the State of  
8 California (hereinafter "Department") as a corporate real estate  
9 broker since on or before July 9, 1968. At all times relevant  
10 herein, Respondent CIC was authorized to act by and through  
11 Respondent CHRISTOPHER ARTHUR CRAWFORD as the designated officer  
12 and broker responsible, pursuant to the provisions of Code  
13 Section 10159.2 for the supervision and control of the activities  
14 conducted on behalf of CIC by CIC's officers and employees.  
15

3.

16  
17 Respondent CHRISTOPHER ARTHUR CRAWFORD (hereinafter  
18 "CRAWFORD"), is licensed and at all times relevant herein was  
19 licensed under the Code as a real estate broker. Respondent  
20 CRAWFORD has been licensed by the Department since on or before  
21 May 29, 1981.

4.

22  
23 Between on or about July 9, 1996 and the present time,  
24 Respondent CRAWFORD was licensed as the broker-officer of CIC  
25 designated pursuant to Code Section 10159.2 to be responsible for  
26 the supervision and control of the activities conducted on behalf  
27

1 of CIC by its officers and employees as necessary to secure  
2 compliance with the Real Estate Law.

3 5.

4 At all times material herein, Respondents engaged in  
5 the business of, acted in the capacity of, advertised or assumed  
6 to act as a real estate broker in the State of California within  
7 the meaning of Code Section 10131(d) for another or others in  
8 expectation of compensation. Said activity included soliciting  
9 and representing borrowers and lenders, negotiating loans secured  
10 by real property, and performing escrow activities in  
11 relationship to said loan transactions pursuant to the exemption  
12 set forth in Financial Code Section 17006(a)(4).

13 6.

14 All further references to "Respondents" include  
15 Respondent CIC and Respondent CRAWFORD, and also include the  
16 employees, agents and real estate licensees employed by or  
17 associated with each Respondent, who at all times material herein  
18 were engaged in the furtherance of the business or operations of  
19 said parties and who were acting within the course and scope of  
20 their authority, agency or employment.  
21

22 7.

23 During the period between January 1, 2001 through May  
24 31, 2002, in connection with the aforesaid property management  
25 activities, Respondents accepted or received funds, including  
26 funds in trust (hereinafter "trust funds") from or on behalf of  
27

1 actual and prospective borrowers and lenders of loans secured by  
2 real property and made deposits and/or disbursements of such  
3 funds. From time to time herein mentioned, said trust funds were  
4 deposited into trust accounts maintained by Respondents,  
5 identified as follows:

6  
7 1. Account No. 866-6247419, entitled, "Crawford  
8 Investment Company, Servicing Trust" (hereinafter referred  
9 to as "Trust Account #1"), Wells Fargo Banking, 296 W.  
10 Highland Ave., San Bernardino, CA 92405. This account was  
11 identified by Respondents as the main account for the  
12 deposit and disbursement of monthly payments and payoffs  
13 received from borrowers on behalf of the beneficiaries  
14 (lenders). This account was opened in November 2001 to  
15 replace Account No. 0425-744836. Respondent CRAWFORD and  
16 licensed salespersons Susan Zowarka, Leonel Tapia and Tekla  
17 Housley were signatories on this account.

18 2. Account No. 042-5745437, entitled Crawford  
19 Investment Company Reseda Servicing Trust (hereinafter  
20 referred to as "Trust Account #2"), Wells Fargo Bank, 296 W.  
21 Highland Avenue, San Bernardino, CA 92405. This account was  
22 used for the deposit and disbursement of monthly payments  
23 and payoffs received from borrowers on behalf of the  
24 beneficiaries (lenders). Respondent CRAWFORD indicated that  
25 the servicing of these loans was purchased from another  
26 broker. Respondent CRAWFORD and licensed salespersons Susan  
27 Zowarka, Leonel Tapia and Tekla Housley were signatories on



1 this account.

2 3. Account No. 0696-03477, "Crawford Investment  
3 Company Escrow Trust Account," (hereinafter referred to as  
4 "Trust Account #3), Wells Fargo Bank, 296 W. Highland  
5 Avenue, San Bernardino, CA 92405. This account was  
6 maintained for the deposit and disbursement of trust funds  
7 received in connection with the escrow activity. Respondent  
8 CRAWFORD and licensed salespersons Susan Zowarka, Leonel  
9 Tapia and Tekla Housley were signatories on this account.

10  
11 Audit Violations

12 8.

13 On or about September 27, 2002, the Department  
14 completed its examination of Respondent CIC's books and records,  
15 pertaining to the real estate activities described in Paragraph 5  
16 above, covering a period from approximately January 1, 2001  
17 through May 31, 2002. The primary purpose of the examination was  
18 to determine Respondent's compliance with the Real Estate Law.  
19 The examination, Audit Nos. LA 101357 and 020106, revealed  
20 violations of the Business and Professions Code, of Title 10,  
21 Chapter 6, California Code of Regulations ("Regulations"), as  
22 more specifically set forth in the Audit Reports and Exhibits  
23 attached thereto.

24  
25 9.

26 In the course of activities described in Paragraph 5  
27 above, and during the examination period described in Paragraph

1 8, Respondents acted in violation of the Business and Professions  
2 Code and the Regulations in that:

3 a). As of May 31, 2002, the trust account contained a  
4 shortage of \$26,418.03. Respondents caused, permitted and/or  
5 allowed the withdrawal or disbursement of trust funds from this  
6 account without the prior written consent of every principal who  
7 then was an owner of funds in the account, thereby reducing the  
8 balance of funds the said account to an amount less than the  
9 existing aggregate trust fund liability of the broker to all the  
10 owners of said trust funds, in violation of Code Section 10145  
11 and Regulation 2832.1.

12  
13 b) The columnar records of trust funds received and  
14 disbursed maintained by CIC on Trust Account #1 and Trust Account  
15 #2 were inaccurate. Specifically, adjustments had not been made  
16 to account for checks that had been deposited and returned by the  
17 bank due to insufficient funds. In addition, some of the lender  
18 balances transferred to Trust Account 1 when a new account was  
19 opened in November of 2001 were inaccurate. Failure to properly  
20 maintain columnar records of trust funds received and disbursed  
21 is in violation of Code Section 10145 and Regulation 2831.

22 c) The separate records maintained for the  
23 beneficiaries (lenders) on Trust Account #1 and Trust Account #2  
24 were inaccurate. Specifically, no adjustments had been made to  
25 account for deposits returned by the bank as "NSF". In addition,  
26 some of the lender balances on Trust Account #1 that were  
27 transferred in November of 2001 were incorrect. Failure to

1 properly maintain separate records is in violation of Code  
2 Section 10145 and Regulation 2831.1.

3 d) The balance of all separate beneficiary records was  
4 not being reconciled with the records of all trust funds received  
5 and disbursed for Trust Account #1 and Trust Account #2, in  
6 violation of Code Section 10145 and Regulation 2831.2.

7 e) Trust deeds on real property securing the loans  
8 that had been negotiated by Respondents did not name the true  
9 lenders. Deeds of trust were recorded naming as lender  
10 "Arrowhead Service Corporation", a corporation owned by  
11 Respondent CRAWFORD, with a subsequent assignment of the trust  
12 deed being recorded a few days later. This was in violation of  
13 Code Section 10234.

14 10.

15 The foregoing violations constitute cause for the  
16 suspension or revocation of Respondent CIC and Respondent  
17 CRAWFORD's real estate licenses and license rights under the  
18 provisions of Code Sections 10177(d), 10234, and/or 10177(g).

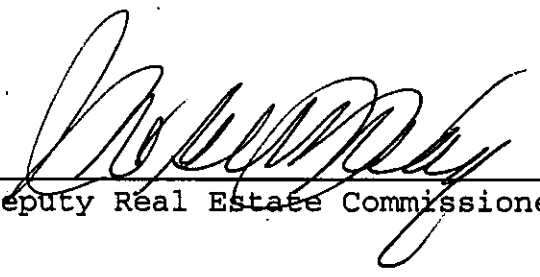
19 Failure to Supervise

20 11.

21 The violations set forth above constitute cause for the  
22 suspension or revocation of Respondent CHRISTOPHER ARTHUR  
23 CRAWFORD's real estate license and/or license rights as the  
24 broker-officer of Respondent CIC designated pursuant to Code  
25 Section 10159.2, for failing to supervise the activities of the  
26 corporation, in violation of Code Sections 10177(h), 10177(d)  
27 and/or 10177(g).

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  
4 action against all licenses and/or license rights of Respondent  
5 CRAWFORD INVESTMENT COMPANY and Respondent CHRISTOPHER ARTHUR  
6 CRAWFORD under the Real Estate Law and for such other and further  
7 relief as may be proper under applicable provisions of law.

8 Dated at Los Angeles, California  
9 this 28th day of March, 2005.

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12   
13 Deputy Real Estate Commissioner  
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22 cc:           Crawford Investment Company  
23           Christopher Arthur Crawford  
24           Sacto.  
25           Janice Waddell  
26           Maria Suarez  
27           Audits