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# REAL ESTATE BULLETIN

Arnold Schwarzenegger, *Governor*

Dale Bonner, *Secretary, Business, Transportation, & Housing Agency*

Jeff Davi, *Real Estate Commissioner*

Department of Real Estate

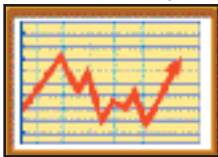
Spring 2007

## Understanding loan terms is essential to borrowers

**B**uyers dreaming of homeownership often shop for loans by looking for the program that has the lowest payments. In the past several years increasing numbers of these buyers have chosen payment option adjustable rate mortgages (ARMs) to purchase a home thought unaffordable and to limit their monthly payments.

The large number of these loans that are now on the books and the gradual but steady increase in interest rates from the lows in 2003 have caught the attention of the national media, Federal Reserve and banking regulators. The concerns over rising interest rates, the slowing of the housing market and the potential financial impact of these loans on consumers is real. The payment option ARM typically allows the borrower to make payments, at their option, based on a 1% interest rate, interest only, with a 15-year or 30-year amortization but there are many variations. If these loans are marketed to buyers based on claims of low payments or housing affordability, then it can be assumed that many, if not most, buyers will choose the lowest payment option.

We have analyzed the impact on a buyer who takes a \$300,000 payment option ARM and makes the minimum payments of \$965.00 per month. The analysis is based on an actual adjustable rate note from a national lender. The note provides for first year payments based on a 1% interest rate, annual payment increases of no more than 7½% of the previous payment for 5 years after which full payments must be made to amortize the loan over the remaining term. Interest is adjustable monthly beginning after the first month based on the Twelve-Month Average of monthly yields on actively traded United States Treasury Securities adjusted to a constant maturity of one year as published by the Federal Reserve Statistical Release entitled



“Selected Interest Rates (h-15),” otherwise known as the MTA. The margin is 3.10. Maximum deferred interest (negative amortization) is 115% of the original principal balance. There is no cap on the monthly rate increases

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## Helpful hints for licensees


**L**icensees occasionally voice their frustration to DRE staff with respect to the processing timelines of original and renewal applications. Many of these delays are caused by deficient applications, or in other words, applications which are either incomplete or completed incorrectly.

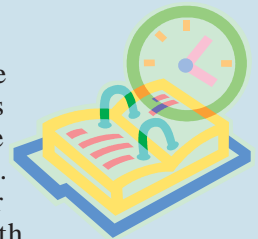
First, let us explore the reasons why deficient applications and processing efficiencies are important. Simply stated, incomplete applications represent a time factor for DRE since we have to deal with the applications twice. This impacts our overall ability to process all applications faster. When applications are incomplete, licensing staff update the computer system to acknowledge receipt of the application and identify the problem, write a letter, set up a tracking file with copies of the documents, mail out the letter and forms, and wait for a response. When the response is received, Licensing staff retrieve the original submittal, match it to the new information, and process the application again.

During the past fiscal year, approximately 39% of the original and renewal applications submitted were incomplete

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## Continuing education reminder

**U**nder the provisions of AB 223, all licensees who have a license expiration date of June 30, 2007, or later, or who file a renewal application on a late basis after that date, will be required to complete a DRE approved 3-hour course in Risk Management as part of their mandatory continuing education requirement. The continuing education requirement for salespersons who are completing their first renewal on and after July 1, 2007, will increase from 12 hours to 15 hours with the addition of a Risk Management course. All other salespersons and all brokers with a license expiration date of June 30, 2007, or later, or who renew on a late basis after that date, will be required to complete a course in Risk Management as part of their 45 hour continuing education requirement. For further information, check the DRE Web site. 



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**STATE OF CALIFORNIA**

Arnold Schwarzenegger, Governor

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

Dale Bonner, Secretary

DEPARTMENT OF REAL ESTATE

Jeff Davi, Commissioner

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Salesperson Examinations.....	(916) 227-0900
Original Licensing (sales/brokers) .....	(916) 227-0904

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(For the deaf and hearing impaired)

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From voice phone.....	1-800-735-2922

**Hints**

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or needed clarification. Statistically speaking, that is over 60,000 applications that required double effort and significantly contributed to the overall processing timelines.

DRE's licensing staff, the technicians who process the applications and answer the license related phone calls, were recently polled and asked to identify the most common reasons for deficient applications. Their responses are as follows:

➤ **Use the appropriate "change" application**

Brokers should submit *broker* change applications, salespersons should submit *salesperson* change applications and corporations submit *corporation* change applications.

➤ **Clarify information**

For example, "N/A" (not applicable) or "Same" in the area of main office address on broker change applications is often unclear. DRE cannot reasonably decipher if the "N/A" indicates that the licensee wishes to remove their main office address and inactivate their license or if it is not applicable because the address has not changed. "Same" could be interpreted that the same as currently on file or the same as the mailing address. While it is perfectly clear to the licensee, such references can be misinterpreted.

➤ **Submit correct fees**

Failure to submit a fee or the submission of an insufficient fee with an application requires the DRE to write to the licensee. If the licensee submits too much money, DRE must refund the excess. The processing of a refund takes approximately 45 minutes to complete and must pass through multiple staff for mandatory audit and control purposes before the refund request is forwarded to the State Controller to prepare the refund check. Please note the current fee schedule is on the form entitled, "Exam & Licensing Fees (RE 206)" or at [www.dre.ca.gov/fees.htm](http://www.dre.ca.gov/fees.htm).

➤ **Include all required documentation with the application**

Missing documentation, such as "legal presence" on original applications or continuing education course verifications on renewals will cause applications to be incomplete.

➤ **Submit all application requirements in one package**

If you do not, the information submitted separately may not be matched up and DRE may send out a deficiency letter. As a result, there may be confusion for the licensee as to whether or not DRE received the information at all.

➤ **Submit your application via one method only**

Often times an application is faxed, mailed, and entered into eLicensing. Only one method is necessary. With our current processing timeframes, application processing is normally concluded on all transactions within 20-40 days from receipt. You can check the DRE Web site at [www.dre.ca.gov/proc\\_time.htm](http://www.dre.ca.gov/proc_time.htm) for processing timeframes by the type of application submitted.

➤ **Incomplete/unanswered questions regarding violations of law**

This occurred on approximately 15% of original salesperson license applications that were submitted last fiscal year.

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# Rehabilitation and petitioning for reinstatement of a real estate license or removal of license restrictions

by Wayne S. Bell, Chief Counsel

California law provides for the possibility of licensure, reinstatement of a real estate license, or removal of restrictions (including conditions and limitations) placed on such a license, on a case-by-case basis where there are criminal convictions, trust fund violations, or other types of malfeasance in a person's background. Of course there are some grievous cases where the Department of Real Estate (DRE) and the Commissioner of Real Estate will find it not possible to issue an unrestricted license or to reinstate a license.

But having a procedure for the initial licensure of an applicant who has had a prior adverse judgment on his or her character, and for reinstatement and the removal of restrictions, reflects a societal belief and recognition that people are capable of rehabilitation and reformation through meaningful and fundamental changes in their outlooks, attitudes and actions.

Any person seeking to convince DRE and the Commissioner that first time licensure or a reinstatement (or license restriction removal) is justified has the burden of proof to compellingly demonstrate that such a transformation has occurred. As suggested above, the more serious and egregious the misconduct or transgression, the more difficult it will be for the applicant or petitioner to convince DRE and the Commissioner that the relief sought is justified. Moreover, a petitioner is required to show greater proof of honesty and integrity than an applicant for initial licensure. The proof presented must be sufficient to overcome the former adverse judgment regarding the petitioner's character.

## ***Petitioning for Reinstatement or Removal of Restrictions<sup>1</sup>***

Real estate licensees who have had their licenses revoked or revoked with the right to a restricted license, or who have had their applications for a plenary (or full and complete) license denied but were granted a restricted license, can petition for reinstatement of that license or removal of restrictions attaching to the license. Where there is a voluntary surrender of a real estate license, "...a surrendered licensee may be relicensed only by petitioning for reinstatement..." Section 10100.2 of the California Business and Professions Code.

At least one year must have passed from the effective date of a decision revoking a license, or from the date of the denial of a similar petition, before a petition can be filed. Sometimes a greater period of time is specified in a decision of the Commissioner, a Court, or by Stipulation. DRE must give notice to the California Attorney General of the filing of the petition for reinstatement. See section 11522 of the California Government Code. Reinstatement or removal of restrictions is not a process which automatically takes place without a petition being filed.

To start the process, a Petition Application (form RE 506, available at [www.dre.ca.gov](http://www.dre.ca.gov)) must first be filed with

any office of DRE. This petition will then be assigned to a Deputy Real Estate Commissioner for investigation. The investigation examines various aspects of the petitioner's life since DRE's action affecting his or her license. The purpose of the investigation is to evaluate and determine the existence and extent of the petitioner's rehabilitation. DRE and the Commissioner want to know if the petitioner has learned from past mistakes, addressed the conduct that led to the original discipline, and made the necessary corrections. When the petitioner is an individual, his or her work history since the license was revoked or restricted will be investigated, and civil, criminal, and bankruptcy court records, as well as internal DRE records, will be checked, among other things.

While a number of petitions for reinstatement or removal of restrictions are granted, many petitions are denied for various reasons. The criteria of rehabilitation (Commissioner's Regulation 2911) are used as guidelines to determine whether to grant the petition, and they contain a list of factors the DRE and the Commissioner will consider. The complete text of the Regulation containing the self-explanatory rehabilitation criteria can be accessed through DRE's Web site at [www.dre.ca.gov/regs\\_sub.htm](http://www.dre.ca.gov/regs_sub.htm).

A petitioner should consult and carefully review the criteria in order to develop a program of rehabilitation and to support his or her case for either reinstatement or removal of restrictions. Petitioners need to understand that rehabilitation is inherently fact based, that each case is different, and that there is no such thing as rehabilitation as a matter of law.

It should also be noted that not all of the factors listed in the criteria will be applicable in each case. Moreover, not all of the relevant factors will necessarily be given equal weight in evaluating the petitioner's rehabilitation.

For example, if a licensee has lost his or her license because of a criminal conviction, the department and the Commissioner will be acutely interested in knowing whether this conviction has been expunged and probation completed. That is because rehabilitation from the adverse impact of a criminal conviction is most accurately assessed after the licensee is beyond the restrictions of probation and the threat of incarceration.

Similarly, where persons have suffered financial loss due to the misconduct of the petitioner, restitution to the victims will be a foremost consideration as part of the determination as to whether the petitioner is rehabilitated. The nonpayment of debts or monetary obligations to persons other than the victims could also be closely considered under subsection (j) of Commissioner's Regulation 2911.

In addition to the criteria of rehabilitation, subsequent conduct that could have led to discipline or denial of a license under section 10177 of the California Business and

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# Disciplinary Action: September 06 - November 06



- ✓ A list of actions is not published in this *Bulletin* until the 30-day period allowed for court appeal has expired, or if an appeal is filed and the disciplinary action is stayed, until the stay is dissolved. Names of persons to whom licenses are denied on application are not published.
- ✓ Licensees are listed alphabetically by the District Office region of responsibility.
- ✓ The license type is listed in parentheses after the licensee's name. [REB – Real estate broker; RREB – Restricted real estate broker; RES – Real estate salesperson; RRES – Restricted real estate salesperson; PRLS – Prepaid rental listing service;

RPRLS – Restricted prepaid rental listing service; REO – Real estate officer; REC – Real estate corporation]

- ✓ Below are brief summaries of various regulations and code sections. The full text of the sections is available on the DRE Web site [www.dre.ca.gov](http://www.dre.ca.gov) under Real Estate Law and/or Regulations.
- ✓ Disciplinary actions that are “stayed” means there is “a delay in carrying out” all or part of the recommended discipline.

### Commissioner's Regulations

- 2715 Licensee's failure to maintain current business or mailing address with DRE
- 2725 Failure of broker to exercise reasonable supervision over the activities of his or her salespersons
- 2726 Failure to have broker-salesperson agreements
- 2731 Unauthorized use of fictitious business name
- 2752 Broker's failure to notify DRE of salesperson employment
- 2831 Failure to keep proper trust fund records
- 2831.1 Inadequate separate trust fund beneficiary records
- 2831.2 Failure to reconcile trust account
- 2832 Failure to comply with trust fund handling provisions
- 2832(d) Failure of broker holding trust funds contingent on offer of acceptance to properly place funds within 3 business days of acceptance
- 2832(e) Failure of broker acting as escrow holder to deposit trust funds in trust account by next business day following receipt
- 2832.1 Failure to obtain permission to reduce trust fund balance in a multiple beneficiary account
- 2834 Trust account withdrawals by unauthorized or unbonded person
- 2835 Retention of broker funds in trust account
- 2840 Failure to give approved borrower disclosure
- 2950(d) Failure of broker handling escrows to maintain records and accounts
- 2950(g) Broker-handled escrow disbursement without written instructions
- 2950(h) Failure to disclose interest in the agency holding the escrow
- 2951 Improper record keeping for broker handled escrows

### Business and Professions Code

- 490 Substantially related criminal conviction
- 490(a) Substantially related criminal conviction
- 498 License obtained by fraud or misrepresentation
- 10130 Acting without license
- 10137 Unlawful employment or payment of compensation
- 10145 Trust fund handling
- 10145(a) Trust fund handling
- 10145(d) Violation of interest bearing trust account requirements
- 10148 Failure to retain records and make available for inspection
- 10159.2 Failure by designated officer to supervise licensed acts of corporation
- 10159.5 Failure to obtain license with fictitious business name
- 10161.8 Failure of broker to notify Commissioner of salesperson employment
- 10162 Failure to maintain a place of business
- 10163 Failure to obtain a branch office license
- 10165 Failure to comply with specified B&P code sections
- 10176(a) Making any substantial misrepresentation
- 10176(e) Commingling trust funds with brokers funds
- 10176(g) Secret profit or undisclosed compensation
- 10176(i) Fraud or dishonest dealing in licensed capacity
- 10177(a) Procuring a real estate license by misrepresentation or material false statement
- 10177(b) Conviction of crime
- 10177(d) Violation of real estate law or regulations

- 10177(f) Conduct that would have warranted denial of a license
- 10177(g) Negligence or incompetence in performing licensed acts
- 10177(h) Failure to supervise salespersons or licensed acts of corporation
- 10177(k) Violation of restricted license condition
- 10229(i) Failure to properly handle trust funds on multi-lender loans
- 10231 Accepting loan funds for other than a specific loan
- 10232.2 Failure to file or maintain trust fund status
- 10232.4 Failure to give lender/purchaser disclosure
- 10232.4(a) Failure to give and retain copy of lender/purchaser disclosure
- 10234 Failure by broker negotiating mortgage loan to record or cause trust deed to be recorded
- 10234.4 Failure to timely record trust deed in name of beneficiary
- 10240 Failure to give mortgage loan disclosure statement
- 10241 Improper mortgage loan disclosure statement
- 11018.2 Sale of subdivision lots without a public report

### Financial Code

- 4973(b) Violation of covered loan prohibitions regarding negative amortization, & installment payment totals
- 4979.6 Financing excessive points and fees in covered loan

## REVOKED LICENSES

### FRESNO REGION

**Ehda, Christine Louise (RES)**  
 4830 Nogales, Atascadero  
*Effective:* 11/15/06  
*Violation:* 490, 10177(b)

**Linderman, Queenie Mahalia (RES)**  
 507 Placer Creek Dr., Patterson  
*Effective:* 11/1/06  
*Violation:* 490, 10177(b)

**Majors, Colleen Mary (RES)**  
 231 N. Thompson Ave., Nipomo  
*Effective:* 10/10/06  
*Violation:* 490, 10177(b)

**Reyes, Victor Martinez (RRES)**  
 215 ¾ Kelly St., Modesto  
*Effective:* 10/31/06  
*Violation:* 10177(k)

### LOS ANGELES REGION

**Autwin, Inc. (REC)**  
 17822 East 17<sup>th</sup> St., Center 402, Tustin  
*Effective:* 9/29/06  
*Violation:* 2725, 2831, 2831.1, 2831.2, 2832, 2835, 2840, 2950(d), 10145, 10177(d)(g), 10240

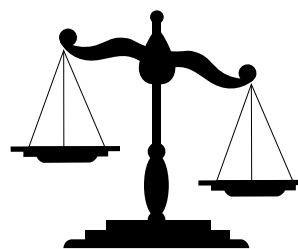
**Betancourt, Ishmael Avila (REB, REO)**  
 916 N. Mount Vernon, Colton  
*Effective:* 11/20/06  
*Violation:* 490, 10177(b)

**Cabrera, Jose A. (REB)**  
 8132 Firestone Blvd., #74, Downey  
*Effective:* 9/12/06  
*Violation:* 490, 10177(b)

**Castro, Fernando Alberto (RES)**  
 10547 Avenue S, Littlerock  
*Effective:* 11/14/06  
*Violation:* 490(a), 10177(b)

**Chekmeyan, Susanna (RES)**  
 12921 Oxnard St., #9, Van Nuys  
*Effective:* 9/22/06  
*Violation:* 490, 10177(b)

**Choice Financial Funding, Inc. (REC)**  
 21 Brookline, Aliso Viejo  
*Effective:* 11/20/06  
*Violation:* 2731, 2832, 2832.1, 2834, 2840, 2950(d)(g)(h),



10145, 10159.5, 10165, 10177(d)(g), 10240	<i>Violation:</i> 498, 10177(a)	<b>Vartanian, George (RES)</b> 218 Louise Ln., San Mateo <i>Effective:</i> 10/4/06 <i>Violation:</i> 490, 10177(b)	<i>Effective:</i> 10/4/06 <i>Officer of:</i> J Dayne Incorporated <i>Violation:</i> 2731, 2831, 2831.1, 2831.2, 2832, 2832.1, 2834, 2835, 10145, 10159.2, 10176(e), 10177(d)(g)(h)
<b>Clarke, Kevin Mattes (REB)</b> 25202 Crenshaw Blvd., Ste. 216, Torrance <i>Effective:</i> 11/7/06 <i>Violation:</i> 490, 10177(b)(f)	<b>Slayman, Summer Tiffany (RES)</b> 3473 Tweedy Blvd., South Gate <i>Effective:</i> 9/12/06 <i>Violation:</i> 490, 10177(b)	<b>Zubow, Abraham David (RES)</b> 17505 Monterey St., Morgan Hill <i>Effective:</i> 9/19/06 <i>Violation:</i> 490(a), 10177(b)	<b>Hytlem, Kent Bryan (RES)</b> 12678 Carmel Country Rd., #23, San Diego <i>Effective:</i> 11/29/06 <i>Violation:</i> 490, 10177(a)(b)
<b>Cusack, John Bernard (RES)</b> 5112 Dunbar Ave., D, Huntington Beach <i>Effective:</i> 10/31/06 <i>Violation:</i> 490, 10177(b)	<b>TPC 2000, Inc. (REC)</b> 9550 Flair Dr., #512, El Monte <i>Effective:</i> 9/25/06 <i>Violation:</i> 2840, 10176(g)(i), 10177(d)(g), 10240, 10241	<b>SACRAMENTO REGION</b>	<b>J Dayne Incorporated (REC)</b> 840 Crenshaw Dr., Hemet <i>Effective:</i> 10/4/06 <i>Violation:</i> 2731, 2831, 2831.1, 2831.2, 2832, 2832.1, 2834, 2835, 10145, 10176(e), 10177(d)
<b>Dawson, Sherry Ann (RES)</b> 2713 Arbor, Lakewood <i>Effective:</i> 9/27/06 <i>Violation:</i> 490, 10177(b)	<b>Upshaw, Demetrius (RES)</b> 1264 Taft St., Irvine <i>Effective:</i> 9/27/06 <i>Violation:</i> 490, 498(a), 10177(b)	<b>Anyanwu, Katrina Chiamaka (RES)</b> PO Box 668, Stockton <i>Effective:</i> 11/29/06 AKA: King, Katrina Arlene <i>Violation:</i> 498, 10177(a)	<b>Kane, Kevin Mikel (RES)</b> 6820 Red Cardinal Ct., Corona <i>Effective:</i> 10/23/06 <i>Violation:</i> 490, 10177(b)
<b>Del Toro, Phil (RES)</b> 114 North Palm Ave., Santa Paula <i>Effective:</i> 10/19/06 <i>Violation:</i> 490, 10177(b)	<b>OAKLAND REGION</b>	<b>Felt, Steve Randall (RES)</b> 2396 Heinemann Dr., Valley Springs <i>Effective:</i> 9/20/06 <i>Violation:</i> 490, 10177(b)	<b>Kelly, Richard Otha (RES)</b> 550 West C St., Ste. 1000, San Diego <i>Effective:</i> 10/17/06 <i>Violation:</i> 490, 10177(b)
<b>Evans, Ryan Gordon (RES)</b> 7915 E. Menton Ave., Anaheim <i>Effective:</i> 10/31/06 <i>Violation:</i> 490, 10177(b)	<b>Bhandari, Sarweshwer Chandra (REB)</b> 3142 Baylis St., Fremont <i>Effective:</i> 9/25/06 <i>Violation:</i> 490, 10177(b)	<b>Micheli, Nicholas Joseph (RES)</b> 9111 Kent Ave., Live Oak <i>Effective:</i> 9/26/06 <i>Violation:</i> 490, 10177(b)	<b>Ontiveros, Franklin (RES)</b> 3614 College Blvd., #106, Oceanside <i>Effective:</i> 10/17/06 <i>Violation:</i> 490, 10177(b)
<b>Garavito, Mike A. (RES)</b> PO Box 2464, Lancaster <i>Effective:</i> 11/7/06 <i>Violation:</i> 490, 10177(b)	<b>Bignotti, Charlotte Marie (RES)</b> 576 Lassen St., Los Altos <i>Effective:</i> 11/3/06 <i>Violation:</i> 490, 10177(b)	<b>Nguyen, Kevin Hoa (RES)</b> 5905 Isaac Way, Elk Grove <i>Effective:</i> 9/26/06 <i>Violation:</i> 490, 10177(b)	<b>Quinonez, Shelli Rae (RES)</b> 1515 Second St., #301, Coronado <i>Effective:</i> 10/18/06 <i>Violation:</i> 490, 10177(b)
<b>Gonzalez, Michael Anthony (RES)</b> 745 S. Oakland Ave., Pasadena <i>Effective:</i> 11/27/06 <i>Violation:</i> 10177(f)	<b>California Plan, Inc. (REC)</b> 3595 Stevens Creek Blvd., San Jose <i>Effective:</i> 11/1/06 <i>Violation:</i> 10176(a)(e), 10177(d), 10232.2, 10234(a)	<b>Nolivo, Girolamo Marcello (RES)</b> 2111 Arnold Dr., Rocklin <i>Effective:</i> 11/28/06 <i>Violation:</i> 10177(b)	<b>Styc, Atoosa Vanessa (RES)</b> 7258 Romero Dr., La Jolla <i>Effective:</i> 11/13/06 <i>Violation:</i> 490, 10177(b)
<b>Guerrero, Angel Ibarra (RES)</b> 3 Stage Coach Ln., #210, Carson <i>Effective:</i> 11/20/06 <i>Violation:</i> 490, 498, 10177(a)(b)	<b>Chaves, Roberto Briones (RES)</b> 2260 B Quimby Rd., San Jose <i>Effective:</i> 9/25/06 <i>Violation:</i> 490, 10177(b)	<b>Perry, Markeith La'Mont (RES)</b> PO Box 516, Fortuna <i>Effective:</i> 9/20/06 <i>Violation:</i> 490, 10177(b)	<b>The Rose Fund, Inc. (REC)</b> 12526 High Bluff Dr., Ste. 300, San Diego <i>Effective:</i> 11/28/06 <i>Violation:</i> 2842.5, 4973(b), 4979.6, 10148, 10177(g), 10232.4, 10240, 10241
<b>Kairis, Paul Richard (RES)</b> 24060 Camino Del Avion, Dana Point <i>Effective:</i> 11/7/06 <i>Violation:</i> 490, 10177(b)	<b>Dominguez, Michael Bowley (RES)</b> 2019 Rapallo Way, Bay Point <i>Effective:</i> 11/28/06 <i>Violation:</i> 490, 10177(b)	<b>Wehrman, Beverly Jean (REB)</b> 343 Delleker Rd., Portola <i>Effective:</i> 10/30/06 <i>Violation:</i> 490, 10177(b)	<b>Wells, Jean (RES)</b> 2931 Degen Dr., Bonita <i>Effective:</i> 10/17/06 <i>Violation:</i> 490, 10177(b)
<b>Kittrell, B. Bruce (REB)</b> 25202 Crenshaw Blvd., Ste. 200, Torrance <i>Effective:</i> 9/11/06 <i>Violation:</i> 10177(f)	<b>Dooley, Matthew Morgan (RES)</b> 27 Eagle Rock Rd., Mill Valley <i>Effective:</i> 9/7/06 <i>Violation:</i> 490	<b>Whitney, Richard Willingham (REB)</b> 2740 Fulton Ave., Ste. 224, Sacramento <i>Effective:</i> 9/5/06 <i>Violation:</i> 10177(f)(j)(k)	<b>REVOKED WITH A RIGHT TO A RESTRICTED LICENSE</b>
<b>Kuo, Samuel H. (RES)</b> 3707 Gilman Rd., #A, El Monte <i>Effective:</i> 10/5/06 <i>Violation:</i> 490(a), 10177(b)	<b>Jackson, Yacine (RES)</b> PO Box 5475, South San Francisco <i>Effective:</i> 9/25/06 <i>Violation:</i> 490, 10177(b)	<b>Young, Mark Anthony Sr. (RES)</b> 2214 Arden Way, #118, Sacramento <i>Effective:</i> 9/13/06 <i>Violation:</i> 490, 10177(b)	<b>LOS ANGELES REGION</b>
<b>Martin, Thomas (RES)</b> 3948 Atlantic Ave., Long Beach <i>Effective:</i> 10/11/06 <i>Violation:</i> 490, 10177(b)	<b>Kazemi, Sweeda A (RES)</b> 813 Corporate Way, Fremont <i>Effective:</i> 11/28/06 <i>Violation:</i> 10177(b)	<b>SAN DIEGO REGION</b>	<b>Anderson, Diane Davis (RES)</b> 8117 W. Manchester Ave., #655, Playa Del Rey <i>Effective:</i> 10/23/06 <i>Violation:</i> 490, 10177(b) Right to RRES license on terms and conditions
<b>Nargizyan, Ambartsum (RES)</b> 7047 Sunnyslope Ave., Van Nuys <i>Effective:</i> 11/7/06 <i>Violation:</i> 490, 10177(b)	<b>Nahavandi, Ahmad (RES)</b> 6077 Snell Ave., #438, San Jose <i>Effective:</i> 9/20/06 <i>Violation:</i> 490, 10177(b)	<b>Ballon, Bob I. (RES)</b> 7865 Hillandale Dr., San Diego <i>Effective:</i> 9/13/06 <i>Violation:</i> 490, 10177(b)(f)(j)	<b>Barrow, Robin Renee (RES)</b> 7913 Hemlock Ave., Hesperia <i>Effective:</i> 10/18/06 <i>Violation:</i> 490 Right to RRES license on terms and conditions
<b>Nunez, Edward (REB, REO)</b> 9784 Stanwin Ave., Arleta <i>Effective:</i> 10/6/06 <i>Violation:</i> 490, 498, 10177(a)(b)	<b>Schneider, Michael Joseph (REB, REO)</b> 3595 Stevens Creek Blvd., San Jose <i>Effective:</i> 11/1/06 <i>Officer of:</i> California Plan, Inc. <i>Violation:</i> 2725, 10177(d)(h)	<b>Contemprato, Leila Soto (RES)</b> 8616 Troy St., Spring Valley <i>Effective:</i> 10/26/06 <i>Violation:</i> 10176(g)(i), 10177(g)(j)	
<b>Otterstrom, Lillian Eva (RES)</b> 5924 Naples Plaza, Long Beach <i>Effective:</i> 9/13/06 <i>Violation:</i> 490, 10177(b)	<b>Springer, Michael Guy (REB)</b> 4622 Leonard Rd., Mariposa <i>Effective:</i> 11/16/06 <i>Violation:</i> 490, 10177(b)	<b>Davis, James Brice (RES)</b> 38960 Calle Hermosa, #1, Murrieta <i>Effective:</i> 10/16/06 <i>Violation:</i> 490, 10177(b)	
<b>Pritchard, Michael Joseph Jr. (RES)</b> 21806 Raintree Ln., Lake Forest <i>Effective:</i> 11/7/06	<b>Tran, Diem Vu (RES)</b> 202 South 13 <sup>th</sup> St., San Jose <i>Effective:</i> 9/7/06 <i>Violation:</i> 490, 10177(b)	<b>Eeds, R. Anson (RES)</b> 2056 Torrey Pines Rd., La Jolla <i>Effective:</i> 10/18/06 <i>Violation:</i> 490, 10177(b)	
		<b>Fields, Huelan Ray (REB, REO)</b> 166 E. Main St., #1, San Jacinto	

**Berry, Jimmy (REB)**

19332 Balan Rd., Rowland Heights  
*Effective:* 9/28/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Braker, Charles John (REB, REO)**

10221 Slater Ave., Ste. 109, Fountain Valley  
*Effective:* 10/23/06  
*Officer of:* Charles J. Braker, Inc.  
*Violation:* 2715, 2831, 2834, 10145, 10162, 10240, 10241(b)  
 Right to RREB license on terms and conditions

**Charles J. Braker, Inc. (REC)**

10221 Slater Ave., Ste. 109, Fountain Valley  
*Effective:* 10/23/06  
*Violation:* 2715, 2831, 2834, 10145, 10162, 10240, 10241(b)  
 Right to RREC license on terms and conditions

**Fuerth, Cheryl Christine (REB)**

968 Palo Verde Ave., Long Beach  
*Effective:* 11/16/06  
*Violation:* 490, 10177(b)  
 Right to RREB license on terms and conditions

**Mahoney, Regina (RES)**

5277 Sierra Rd., San Bernardino  
*Effective:* 11/15/06  
*Violation:* 10177(b)  
 Right to RRES license on terms and conditions

**Mangione, Christopher A. (REB, REO)**

5812 Vespor Ave., Van Nuys  
*Effective:* 10/2/06  
*Violation:* 10159.2, 10177(h)  
 Right to RREB license on terms and conditions

**Mansfield, Allion A. (RES)**

20720 Campania Ln., Northridge  
*Effective:* 9/7/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Murphy, Paula-Jean M. (RES)**

625 17<sup>th</sup> St., Manhattan Beach  
*Effective:* 10/2/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Perez, Juan A. (RES)**

10373 Amherst Ave., Montclair  
*Effective:* 11/7/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Rasmussen, Lisa Anne (RES)**

PO Box 8526, Green Valley Lake  
*Effective:* 11/21/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Rodova, Natalia Leonid (RES)**

17563 Ventura Blvd., Encino  
*Effective:* 9/12/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Saldivar, Vincent Daniel (RES)**

3127 N. Driftwood, Orange  
*Effective:* 9/5/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Sandusky, Aaron (REB, REO)**

8598 Utica Ave., #100, Rancho Cucamonga  
*Effective:* 10/24/06  
*Officer of:* Mortgage Solutions Network, Inc.  
*Violation:* 490, 2831.1, 2831.2, 2832, 2832.1, 10145(a), 10177(d), 10240  
 Right to RRES license on terms and conditions

**Torres, Brian (RES)**

725 Bowcreek Dr., Diamond Bar  
*Effective:* 11/15/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**U S National Bancorp (REC)**

4525 Sepulveda Blvd., Sherman Oaks  
*Effective:* 10/2/06  
*Violation:* 2831, 2831.1, 2831.2, 2832, 2950(d), 10145, 10177(d)(g)  
 Right to RREC license on terms and conditions

**U S National Lending (REC)**

15303 Ventura Blvd., Ste. 850, Sherman Oaks  
*Effective:* 10/2/06  
*Violation:* 2831, 2831.1, 2831.2, 2832, 10145, 10177(d)(g)  
 Right to RREC license on terms and conditions

**Webb, Catherine Donise (RES)**

38631 Annette Ave., Palmdale  
*Effective:* 9/5/06  
*Violation:* 498, 10177(a)  
 Right to RRES license on terms and conditions

**Webb, Mandy Estelle (RES)**

20722 Brookdale Ln., Huntington Beach  
*Effective:* 9/20/06  
*Violation:* 490, 10177(B)  
 Right to RRES license on terms and conditions

**OAKLAND REGION****Breyer, Dawn Marie (RES)**

4765 Meritage Ct., Gilroy  
*Effective:* 9/7/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Buenrostro, Guillermina (RES)**

PO Box 59315, San Jose  
*Effective:* 10/16/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Dutton, George R. (REB)**

115 Foss Creek Circle, Healdsburg  
*Effective:* 11/29/06

*Violation:* 10177(f)(g)  
 Right to RREB license on terms and conditions

**Hines, Teresita Isabel del Rosario (RES)**

3126 Harbor St., Pittsburg  
*Effective:* 10/20/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Matos, Arnaldo S. (REB)**

1897 Alum Rock Ave., #20, San Jose  
*Effective:* 9/7/06  
*Violation:* 490, 10177(b)  
 Right to RREB license on terms and conditions

**Putzeys, Francisco (RES)**

4411 Rocky Point Dr., Antioch  
*Effective:* 11/29/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**SACRAMENTO REGION****Roth, James Gordon (RES)**

4361 Hillock Dr., Placerville  
*Effective:* 11/22/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Stuart, Christopher Paul (RES)**

1069 Lavastone Dr., Lincoln  
*Effective:* 10/30/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**SAN DIEGO REGION****Acosta, Pamela Kaye (RES)**

2655 Camino Del Rio North, Ste. 450, San Diego  
*Effective:* 9/26/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions; Restricted license suspended for 60 days

**Alcaraz, Raul Patrick (RES)**

6540 Reflection Dr., #1310, San Diego  
*Effective:* 9/11/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**Blanchard, Judith Rebasz (REB)**

1154 Pasatiempo Rd., Palm Springs  
*Effective:* 9/11/06  
*Violation:* 10159.2, 10177(d)  
 Right to RREB license on terms and conditions

**Kammerzell, Patricia (RRES)**

3629 S. Barcelona, #2, Spring Valley  
*Effective:* 11/15/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**McKenzie, Robert (REB)**

13350 Poway Rd., Poway  
*Effective:* 11/6/06  
*Violation:* 490, 10177(b)  
 Right to RREB license on terms and conditions

**Melfe, Richard Allan (RREB)**

3485 Corte Sonrisa, Carlsbad  
*Effective:* 11/29/06  
*Violation:* 2731, 10159.5, 10177(d)(k)  
 Right to RREB license on terms and conditions

**Prince, Angela Louise (RES)**

28820 Bridgewater, Menifee  
*Effective:* 10/23/06  
*Violation:* 490, 10177(b)  
 Right to RRES license on terms and conditions

**SUSPENDED WITH STAY****LOS ANGELES REGION****Bernal, Helen Marie (REB, REO)**

35232 N. Trenmar Dr., Acton  
*Effective:* 10/19/06  
*Officer of:* Eagle Loan Service, Inc.  
*Violation:* 2831, 2831.2, 10177(d), 10231, 10234  
 Suspended for 90 days-stayed for 2 years on terms and conditions

**An, George M. (REB)**

11358 Old Ranch Cir., Chatsworth  
*Effective:* 11/14/06  
*Violation:* 2840, 10137, 10163, 10177(d)(g), 10240  
 Suspended for 90 days-stayed for 2 years on terms and conditions

**Capital Plus Financial Corp. (REC)**

909 W. Laurel St., Ste. 250, San Diego  
*Effective:* 11/20/06  
*Violation:* 10177(g)  
 Suspended for 60 days-stayed for 2 years on terms and conditions

**Chisick, Mark David (REB, REO)**

2301 N. Glassell St., Ste. 200, Orange  
*Effective:* 9/18/06  
*Officer of:* First United Home Loans  
*Violation:* 10159.2, 10177(h)  
 Suspended for 90 days-stayed for 2 years on terms and conditions

**Eagle Loan Service, Inc. (REC)**

35232 N. Trenmar Dr., Acton  
*Effective:* 10/19/06  
*Violation:* 2831, 2831.2, 10177(d), 10231, 10234  
 Suspended for 90 days-stayed for 2 years on terms and conditions

**Elam, Mechel Bernard (RES)**

137 N. Larchmont Blvd., #194, Los Angeles  
*Effective:* 10/31/06  
*Violation:* 10130, 10177(d)  
 Suspended for 90 days-stayed for 1 year on terms and conditions

**Fairon, Patrick Michelle (REB, REO)**

2010 Main St., Ste. 500, Irvine  
*Effective:* 9/20/06  
*Officer of:* Loannow Financial Corp.  
*Violation:* 10159.2, 10177(h)  
 Suspended for 120 days-90 days stayed for 2 years on terms





The fastest, easiest way to manage  
your real estate license!

### Brokers:

- Ⓢ Add/change main office address
- Ⓢ Certify salesperson employment
- Ⓢ Discontinue salesperson employment
- Ⓢ Renew license
- Ⓢ Request duplicate license
- Ⓢ Change mailing address

### Salespersons:

- Ⓢ Add/change employing broker
- Ⓢ Change mailing address
- Ⓢ Renew license

### Examination Services:

- Ⓢ Apply for salesperson exam
- Ⓢ Reschedule exam date
- Ⓢ Apply to re-take an exam
- Ⓢ Change exam mailing address
- Ⓢ View exam records
- Ⓢ Check scheduled exam date, time and location
- Ⓢ Request duplicate schedule notice
- Ⓢ View exam results
- Ⓢ Request duplicate results notice
- Ⓢ See if license has been issued

PLEASE NOTE: Unless you are a first-time salesperson examination applicant, you must have an existing examination record or license on file with the DRE to use eLicensing.

and conditions; Suspended  
Indefinitely

#### First United Home Loans (REC)

2301 N. Glassell St., Ste. 200,  
Orange  
Effective: 9/18/06  
Violation: 2831, 2831.1, 2831.2,  
2832(e), 2840,  
2950(d), 10145,  
10177(d)(g), 10240  
Suspended for 90 days-stayed for  
2 years on terms and conditions

#### Gold Value California Realty, Inc. (REC)

17404 Ventura Blvd., Ste. 100,  
Encino  
Effective: 9/19/06  
Violation: 10137  
Suspended for 60 days-stayed for  
1 year on terms and conditions

#### Holborn, Ronald (REB, REO)

151 E. Commonwealth Ave.,  
Fullerton  
Effective: 11/15/06  
Violation: 10177(g)

Suspended for 60 days-stayed  
for 2 years on terms and condi-  
tions

#### Imperial Lending Corp. (REC)

9690 Telstar Ave., Ste. 226,  
El Monte  
Effective: 9/25/06  
Violation: 2840, 10177(d)(g),  
10240, 10241  
Suspended for 30 days-stayed  
for 2 years on terms and condi-  
tions

#### Jeynson, Richard Christopher (REB, REO)

6310 San Vicente Blvd., #290,  
Los Angeles  
Effective: 10/23/06  
Violation: 2725, 2752, 2840,  
10137, 10161.8,  
10177(d)(g)(h),  
10240  
Suspended for 90 days-stayed  
for 2 years on terms and condi-  
tions

#### King, Grant Walker (REB, REO)

468 Camden, #200, Beverly Hills  
Effective: 10/23/06  
Officer of: New American Real  
Estate Management  
Group, Inc.  
Violation: 10159.2, 10177(h)  
Suspended for 90 days-stayed for 2  
years on terms and conditions

#### Lee, Rich S. (REB, REO)

6105 Rosemead Blvd., Pico Rivera  
Effective: 10/2/06  
Violation: 2831, 2832(d), 2840,  
10145, 10159.2,  
10177(d)(g)(h),  
10240  
Suspended for 90 days-stayed for 2  
years on terms and conditions

#### Lipar, Dougals Allen (REB, REO)

909 W. Laurel St., Ste. 250,  
San Diego  
Effective: 11/20/06  
Officer of: Capital Plus  
Financial Corp.  
Violation: 10177(g)  
Suspended for 60 days-stayed for 2  
years on terms and conditions

#### Loannow Financial Corp. (REC)

2010 Main St., Ste. 500, Irvine  
Effective: 9/20/06  
Violation: 2726, 2831, 2831.2,  
2840, 2950(d),  
2951, 10145,  
10177(d)(g), 10240  
Suspended for 120 days-90 days  
stayed for 2 years on terms and  
conditions

#### Mortgage Solutions Network, Inc. (REC)

8598 Utica Ave., #100,  
Rancho Cucamonga  
Effective: 10/24/06  
Violation: 2831.1, 2831.2,  
2832, 2832.1,  
10145(a), 10177(d),  
10240  
Suspended for 90 days-all but 30  
days stayed for 2 years on terms and  
conditions

#### Samtim, Inc. (REC)

151 E. Commonwealth Ave.,  
Ste. A, Fullerton  
Effective: 11/15/06  
Violation: 10177(g)  
Suspended for 60 days-stayed for 2  
years on terms and conditions

#### Talai-Shahir, Mohammad R. (REB, REO)

17404 Ventura Blvd., Ste. 100,  
Encino  
Effective: 9/19/06  
Officer of: Gold Value  
California Realty,  
Inc.  
Violation: 10159.2, 10177(d)  
Suspended for 60 days-stayed for 1  
year on terms and conditions

#### Top One Financial Group, Inc. (REC)

9080 Telstar Ave., #326,  
El Monte  
Effective: 9/25/06  
Violation: 2840, 10177(d)(g),  
10240, 10241  
Suspended for 30 days-stayed for 2  
years on terms and conditions

#### Top-Hon Financial Group, Inc. (REC)

615 Las Tunas Dr., #C, Arcadia  
Effective: 9/25/06  
Violation: 2840, 10177(d)(g),  
10240, 10241  
Suspended for 30 days-stayed for  
2 years on terms and conditions

### OAKLAND REGION

#### Simmons, Margaret Glenys (RES)

620 Watson Rd., Ukiah  
Effective: 10/31/06  
Violation: 2801.5, 10177(d),  
11018.2  
Suspended for 30 days-stayed for  
2 years on terms and conditions

### SACRAMENTO REGION

#### Ryan, Leslie Eugene (REB)

495A East Perkins St., Ukiah  
Effective: 10/31/06  
Violation: 2801.5, 10177(d),  
11018.2  
Suspended for 45 days-stayed for  
2 years on terms and conditions

### SAN DIEGO REGION

#### Bradley, Frederick Charles (REB, REO)

9906 Carmel Mountain Rd.,  
San Diego  
Effective: 10/25/06  
Officer of: Eagle Estates, Inc.  
Violation: 2752, 2831, 2831.2,  
2832, 2950(h),  
10145,  
10161.8, 10163,  
10165, 10176(e),  
10177(d)(g)(h)  
Suspended for 150 days-stayed  
for 2 years on terms and condi-  
tions

#### Cal-Prop Management, Inc. (REC)

4406 Bayard St., San Diego  
Effective: 11/15/06  
Violation: 2731, 2831, 2831.1,  
2831.2, 2832.1,  
2834, 2835, 10145,  
10145(d), 10177(d)  
Suspended for 30 days-stayed for  
2 years on terms and conditions

#### Eagle Estates, Inc. (REC)

9906 Carmel Mountain Rd.,  
San Diego  
Effective: 10/25/06  
Violation: 2752, 2831, 2831.2,  
2832, 2950(h),  
10145, 10161.8,  
10163, 10165,  
10176(e), 10177(d)  
Suspended for 150 days-stayed  
for 2 years on terms and condi-  
tions

#### Edelmuth, Peter Leslie (REB, REO)

6120 Paseo Del Norte, #A-2,  
Carlsbad  
Effective: 9/19/06  
Officer of: Pacific Invest. Prop.  
Violation: 2731, 2831, 2831.1,  
2831.2, 2832,  
2832.1, 10145,  
10159.2, 10176(g),  
10177(d)(h)

Suspended for 90 days-stayed for 2 years on terms and conditions

**Harris, Edgar A. (REB)**

804 Muirwood Dr., Oceanside  
Effective: 9/19/06  
Violation: 10177(g)

Suspended for 40 days-20 days stayed for 2 years on terms and conditions

**Holbrook, Daniel Robert (REB, REO)**

5050 Avenida Encinitas, Ste. 160, Carlsbad  
Effective: 10/30/06  
Violation: 2715, 2831, 2831.1, 2831.2, 2832, 2834, 10145, 10159.2, 10161.8, 10177(d)(h), 10229(i), 10240

Suspended for 60 days-stayed for 2 years on terms and conditions

**Kahn, Sydney Eric (REB, REO)**

9245 Regents Rd., #M208, La Jolla  
Effective: 11/20/06  
Violation: 2831, 2832.1, 10145, 10176(a)(g), 10177(d), 10232.4, 10240

Suspended for 120 days-stayed for 2 years on terms and conditions

**Pacific Investment Properties (REC)**

6120 Paseo Del Norte, #A-2, Carlsbad  
Effective: 9/19/06  
Violation: 2731, 2831, 2831.1, 2831.2, 2832, 2832.1, 10145, 10176(g), 10177(d)

Suspended for 90 days-stayed for 2 years on terms and conditions

**Sanders, David Alan (REB)**

7317 El Cajon Blvd., Ste. 201, La Mesa  
Effective: 11/20/06  
Violation: 2715, 2731, 2832, 2832.1, 2834, 10145, 10176(e), 10177(d)

Suspended for 60 days-stayed for 2 years on terms and conditions

**The Advantage Group, Inc. (REC)**

5050 Avenida Encinitas, Ste. 160, Carlsbad  
Effective: 10/30/06  
Violation: 2715, 2831, 2831.1, 2831.2, 2832, 2834, 10145, 10161.8, 10177(d), 10229(i), 10240

Suspended for 60 days-stayed for 2 years on terms and conditions

**Thornton, Richard Neil (REO)**

4406 Bayard St., San Diego  
Effective: 11/15/06  
Violation: 2731, 2831, 2831.1, 2831.2, 2832.1, 2834, 2835, 10145, 10145(d), 10159.2, 10177(d)(h)

Suspended for 30 days-stayed for 2 years on terms and conditions

**Wilson, Dwight Wesley (REB)**

193 Sir Bedivere Dr., Riverside  
Effective: 10/25/06  
Violation: 2831, 2831.1, 2831.2, 2832, 2832.1, 10145, 10177(d), 10240

Suspended for 90 days-stayed for 2 years on terms and conditions

**LICENSE SURRENDERED**

*(Licenses voluntarily surrendered per B&P Code §10100.2 during an administrative action/investigation)*

**LOS ANGELES REGION****Beltran, Abe Edward (RES)**

1010 North 12<sup>th</sup> St., Colton  
Effective: 9/18/06

**Crane, Gabe F. (RES)**

PO Box 5342, Santa Barbara  
Effective: 10/11/06

**Fernandez, Sergio Vazquez (RES)**

13821 Philadelphia, Whittier  
Effective: 11/6/06

**FS Funding Corp. (REC)**

732 S. Bonnie Brae St., #113, Los Angeles  
Effective: 9/11/06

**Giglio, Marcelo (REB, REO)**

315 Villanova Rd., Costa Mesa  
Effective: 9/18/06

**Lloyd, Terry (RES)**

3045 Hollycrest Dr., Los Angeles  
Effective: 9/14/06

**Moore, Michelle (REB)**

15790 Wyandot Rd., Apple Valley  
Effective: 11/6/06

**New American Real Estate**

**Management Group, Inc. (REC)**  
695 Town Center Dr., Ste. 120, Costa Mesa  
Effective: 10/11/06

**Sahakian, Anoush (RES)**

1432 Barrington Way, #101, Glendale  
Effective: 11/6/06

**Carmela Bergantino (RES)**

2471 Loy Ln., Los Angeles  
Effective: 11/20/06

**SAN DIEGO REGION****Arizona, Christina (REB, REO)**

27315 Jefferson Ave., Ste. J212, Temecula  
Effective: 11/22/06

**Compton, Donna Marie (RES)**

4558 Hancock Cir., Oceanside  
Effective: 9/11/06

**Compton, Matthew Todd (REB, REO)**

4558 Hancock Cir., Oceanside  
Effective: 9/11/06

**Lyles, Neal Ray (RES)**

1168 La Tortuga Dr., Vista  
Effective: 9/12/06

**Martens, Norvel Henry Jr. (RES)**

720 Calle Regal, Encinitas  
Effective: 10/26/06



## Extra money in the pocket for new home buyers

from California Housing Finance Agency

Qualified homebuyers can receive grant money—currently averaging \$3,600 per grant—to be used for down payment, closing costs, upgrades, or any costs associated with their first mortgage loans, courtesy of the California Housing Finance Agency's (CalHFA) **School Facility Fee Down Payment Assistance Program**.

The School Facility Fee program is funded by money from the voter-approved Proposition 46, and is intended for California home buyers purchasing newly constructed single-family homes or condominiums. As an added bonus, if the buyer lives in the home for five years or more, the money does not have to be repaid.

Under the program, there are two plans for which applicants may qualify:

- 1) Home buyers purchasing newly constructed homes (that do not exceed the maximum sales price limits) in the program's defined economically distressed areas;
- or*
- 2) First-time home buyers who are deemed to be within the program's moderate income limits, purchasing a new home anywhere in California.

Under either scenario, applicants who qualify receive a partial or full grant of the school facility fees paid by the builder, depending on which program benefits them the most.

In both cases, the amount of assistance given to the qualified buyer is based on the eligible school facility fees paid by the builder. To date, CalHFA has issued more than 8,000 School Facility Fee grants to new home buyers for a total of \$25.9 million.

Although the housing market has recently become more challenging, CalHFA is continuing to develop innovative ways to sustain growth while creating affordable homeownership opportunities for Californians. For specific details about the School Facility Fee Down Payment Assistance Program, as well as CalHFA's entire suite of homebuyer assistance products, please visit our Web site at [www.calhfa.ca.gov](http://www.calhfa.ca.gov), or call CalHFA at 877.9.CalHFA (877.922.5432). 🏠





## Mixed-use subdivisions

Mixed-use subdivisions, combining commercial and residential land uses in one common interest development, are gaining popularity in urban areas. Mitigating discord between commercial and residential mixed-use owners requires proper planning and design and an effective homeowners association.

A subdivider must apply for a subdivision public report for every subdivision of five or more units in which at least one unit is residential. The Department reviews the application and the management documents for legal requirements and fairness.

Since there are different development standards for commercial and residential uses, the design and planning of the subdivision begins with the local government entitlement process. At that time, the local government will determine which commercial uses are appropriate for that development. Often local jurisdictions prefer a retail use rather than a restaurant use because noise and parking problems can be more easily mitigated.

Parking issues will be resolved during the review process. The amount of required commercial parking will be determined by the type of commercial use. Local governments use a parking space formula based on the type of commercial use and the square footage of commercial space to be occupied. Residential parking is calculated on the number of condominium units in the subdivision.

After design, planning and other local

entitlement issues (such as the hours of operation of the commercial use) are resolved, the CCRs and other governing documents of the subdivision can be crafted based on the decisions made during the local review process. Properly designed homeowners associations help facilitate the

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**Mixed-use subdivisions, combining commercial and residential land uses in one common interest development, are gaining popularity in urban areas.**

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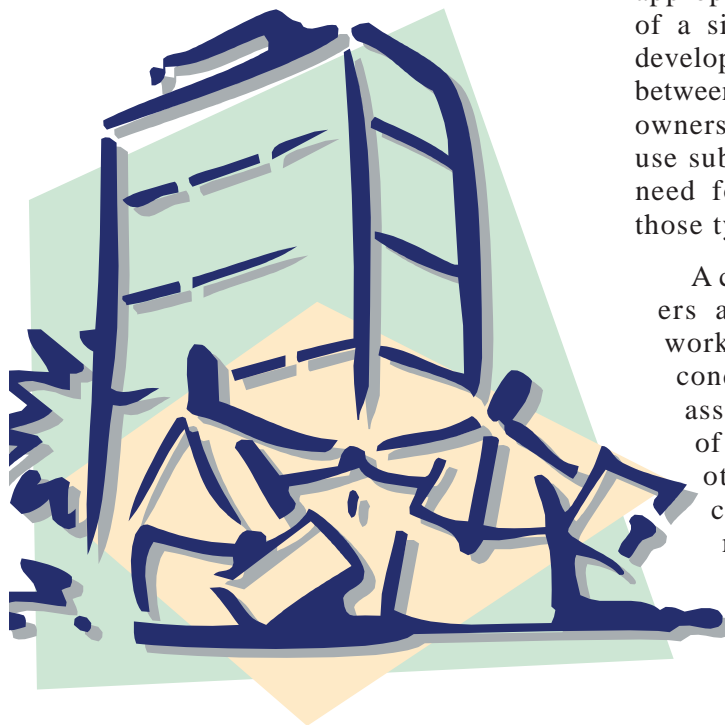
differing interests and goals of both residential and commercial owners. The method selected for structuring the mixed use governing documents should compliment the design of the development. Properly prepared governing documents should allocate voting powers fairly between commercial and residential owners. To avoid domination by one form of land use over the other, the documents

should guarantee that the minority interest would have a proper level of authority and control on the Board of Directors.

There are two methods generally used for structuring governing documents to fairly deal with shared space issues between residential and commercial owners. In the first method, governing documents may establish one homeowners association with CCRs creating rules for joint and separate ownership of commercial and residential property. In the second method, governing documents could provide for separate owners associations, linked by shared use agreements detailing policies and procedures for management and operation of the commercial and residential interests. Issues concerning maintenance, repairs and replacement of common facilities, and for the use of shared spaces would be controlled either by a single set of CCRs or by shared use agreements.

One association could be more appropriate for the management of a single structure mixed use development. Increased interaction between residential and commercial owners in a single structure mixed use subdivision renders a greater need for increased control over those types of developments.

A carefully crafted homeowners association can establish workable rules governing the conduct and operation of the association and avoid many of the problems which could otherwise occur. Properly created mixed-use developments will enable housing consumers to enjoy affordable and convenient dwelling alternatives to more expensive single family homes. 🏠



## Rehabilitation and Petitioning

Continued from page 3

Professions Code may be considered by DRE and the Commissioner when deciding a petition. To illustrate, a petitioner who had his or her license revoked based on dishonest conduct and has been convicted of a crime since the license revocation, could find his or her petition denied, depending on the nature of the crime. In a similar vein, a real estate broker or corporation with a restricted license might have a petition denied if the investigation of the petition reveals new violations of the Real Estate Law.

When a corporation is applying for reinstatement, or an individual petitioner's license was revoked because of trust fund violations and issued a restricted broker license, an audit will generally be ordered to ascertain whether that corporation or petitioner is presently in compliance with the Real Estate Law.

At the end of the investigation, the petitioner will be interviewed by the assigned Deputy Commissioner. This gives the department and the Commissioner the opportunity to find out from the petitioner, in his or her words, past and current views, attitudes (especially toward the prior misconduct), outlooks, corrective actions, and the like. When the investigation is completed, the petition and the Deputy Commissioner's report of investigation containing a recommended course of action, either to grant or to deny the petition, is sent to DRE's Legal section for review. The Legal section will then generally prepare an order for submission to the Commissioner for his or her decision as to whether or not to grant or deny the petition.

If the petition is granted, a copy will be sent to the petitioner. It will set forth the terms and conditions to be met before a license can be issued. Conditions vary, but often include a requirement for the submittal of an application for the new license and payment of the required fee, and for the successful completion of the appropriate continuing education courses. If a substantial period of time has passed since the petitioner had a license revoked, the taking and passing of a salesperson's or broker's examination is also generally required.

Every petitioner for reinstatement or removal of restrictions needs to provide clear, competent, persuasive and unassailable evidence to DRE and the Commissioner that there has been a positive change in his or her life, a lawful lifestyle, and rehabilitative efforts and activities which warrant the granting of his or her petition. By using and meeting the applicable criteria of rehabilitation in the Commissioner's Regulations, a petitioner may make a showing of actual rehabilitation sufficient to receive favorable consideration of his or her petition. 🏠

<sup>1</sup> Much of the material was written several years ago by Robert E. Baker, then the Assistant Chief Counsel of DRE's Los Angeles legal office. It has been edited, modified and updated for this edition of the Real Estate Bulletin.

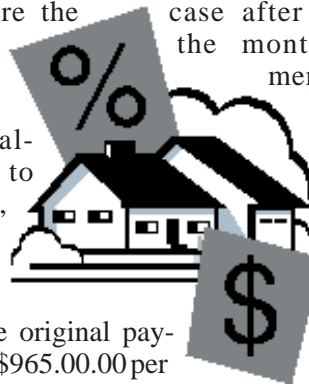
## Option Loans

Continued from page 1

and the life cap is 9.95%. As of the date this article was written, the index value for the Monthly Treasury Average was 4.88 making the fully indexed interest rate 8.0% after rounding. Let's assume that there are no increases in the index for the first 5 years (a very conservative and unrealistic assumption). The loan term is 360 months.

After year one the balance has increased, because of negative amortization, from the original \$300,000 to \$312,814; after year 2, \$325,787; and after year 3, \$338,861. After the 43<sup>rd</sup> month, the deferred interest maximum is met (\$345,328). Since there have been payment increases of 7 1/2% each year, the monthly payment of \$1,199.00 after year 3, would increase to \$2,604.00 per month (the fully amortizing payment over the remaining 317 months) - an increase of \$1,405.00 monthly barring any interest rate increases for the life of the loan. Considering that the one-

year Treasury Security index value has increased almost 400% since January 2004, even though interest rate increases have slowed recently, the likelihood that this loan would achieve its maximum interest rate of 9.95% is very good. If that were the case after 43 months, the monthly payments would have ballooned to \$3,063, a 317% increase from the original payment of \$965.00 per month.



Unless the buyers have planned for the payment increases by either expected increases in income, setting aside all or part of the monthly payment differentials, or some other financial

plan to meet the increased debt service, the financial impact could be severe. Couple that with the slowing of the housing market with values either leveling off or decreasing in some markets, the buyer who failed to plan could be forced into selling the home, possibly using a short sale if the loan balance exceeded the sales price, or even foreclosure. Some of these loans that closed in the last three to four years may soon be reaching their maximum allowed balances.

That is why it is incumbent upon brokers and salespeople to completely detail the terms of these loans both in their advertising and when consulting with consumers and discussing different loan options. That includes an explanation of the rates at which interest can accrue and the effects of deferred interest. Licensees who sell these programs based on their benefits (i.e., low

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# Real estate publications

## Ordering information

DRE publications are available:

**On the Internet** — All DRE publications are available free of charge on the DRE Web site at [www.dre.ca.gov](http://www.dre.ca.gov).

**In person from District Offices** — Complete Parts A, B, and C (if appropriate). Offices are located in Sacramento, Los Angeles, Oakland, Fresno, and San Diego.

**By mail** — Photocopy or remove this page from your *Bulletin*. Complete Parts A, B, and C (if appropriate). Mail it with the proper fee to:

Department of Real Estate  
 Book Orders  
 P.O. Box 187006  
 Sacramento, CA 95818-7006

**By fax** — Complete Parts A, B, and C. Fax form to (916) 227-0361.

**By phone** — Have credit card information ready, then call Book Order desk at (916) 227-0852.

## Acceptable payment methods

- Personal check, cashier's check or money order should be made payable to: Department of Real Estate.
- VISA, MasterCard, and American Express credit cards may be used to purchase DRE publications.
- Cash is acceptable only if purchasing in person and only if it's the exact amount of purchase.

## California sales tax

Use 7.25% tax rate, unless purchase location or delivery address is in the following counties:

Alameda (8.25%), Fresno (7.875%), Los Angeles (8.25%), Marin (7.75%), Sacramento (7.75%), and San Diego (7.75%). Requests and fees will be returned if the appropriate sales tax is not included.

## Miscellaneous information

- **Publications noted as free are limited to one copy;** DRE grants requestor permission to reproduce these publications for complimentary distribution only.
- Prices are subject to change.
- Orders received with incorrect payments will be returned.
- **All sales are final — no refunds.**
- Allow 4–6 weeks for delivery.
- Volume discounts are available. Contact DRE at (916) 227-0852 prior to ordering.

## PART A PUBLICATIONS

DRE	RE#	Title of Publication	Cost	Quantity	Your Cost
	1	Reference Book — A Real Estate Guide (Rev. 2000)	\$20		
	2	2007 Real Estate Law Book & CD set	\$25		
	6	Disclosures in Real Property Transactions	\$10		
	8	Operating Cost Manual for Homeowner Associations	\$10		
	25	Reserve Study Guidelines for Homeowner Association Budgets	\$10		
	4	Instructions to License Applicants	free		
	13	Trust Funds	free		
	34	A Guide for Residents Purchasing Their Mobile Home Park	free		
	35	Trust Deed Investments — What You Should Know!!	free		
	35A	Using the Services of a Mortgage Broker	free		
	39	Living in a California Common Interest Development	free		
	51	A Consumer Guide to Filing Real Estate Complaints	free		
	52	Reverse Mortgages — Is One Right for You?	free		

## PART B SHIPPING INFORMATION

SHIPPING NAME	LICENSE OR EXAM ID#	
SHIPPING ADDRESS		SUBTOTAL \$ _____
CITY	STATE	CA SALES TAX* \$ _____
	ZIP CODE	(Tax rate used* _____ %)
		<b>TOTAL ENCLOSED \$ _____</b>

\* See tax information above.

## PART C CREDIT CARD PURCHASE

**To purchase publication by credit card, complete the following:**

METHOD OF PAYMENT	ACCOUNT NUMBER	EXPIRATION DATE OF CARD
<input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD <input type="checkbox"/> AMERICAN EXPRESS	_____	____/____
AMOUNT AUTHORIZED	SIGNATURE OF CARDHOLDER	DATE
_____	_____	____/____
	PRINTED NAME OF CARDHOLDER	TELEPHONE NUMBER
	_____	_____



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 Sacramento, California 95818-7000

Real Estate Bulletin — Spring 2007

## Hints

Continued from page 2

➤ **Employing broker signature on salesperson applications**

Employing brokers must sign salesperson renewal applications even if the salesperson is not new to their organization. Signatures other than the employing broker or missing signatures cause application deficiencies and delays.

➤ **Proper authorized signatures —Corporations**

The only individuals who can sign applications of any sort, on behalf of a corporation, are the licensed broker/officers.

➤ **Contact numbers**

Provide DRE with your telephone numbers. Many times a call to the licensee will resolve the issue quickly.

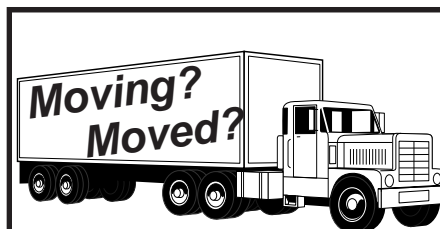
Additional application review tips are posted on our Web site at [www.dre.ca.gov/tips.htm](http://www.dre.ca.gov/tips.htm). 🏠

## Option Loans

Continued from page 12

payment options), must also explain the risks involved and help their clients determine if such a program is right for them or not. Payment option, interest only and other such ARM loan products may not be right for everyone, especially first-time buyers and those who are trying to afford a home for which they may not otherwise qualify. An agent or broker representing a buyer should be aware of the type of loan being used to finance the purchase. If the buyer has been offered a payment option ARM or similar loan product, the licensee should confirm that all of the terms and possible effects (both positive and negative) have been explained by the mortgage broker or lender.

The terms of these loans are laid out in the adjustable rate note, addendums and disclosures. While it is incumbent on all buyers to read and understand these documents, the details can be daunting. There are many variations of these loans on the market today. It is the fiduciary duty of each licensee to completely explain the terms and discuss the relative merits and risks of these loan products well before the point of signing loan documents. 🏠



If yes, please change your license mailing address. Use the eLicensing online system at [www.dre.ca.gov](http://www.dre.ca.gov) to make the change or submit the appropriate "change" form: RE 214 for salespersons; RE 204 for brokers; RE 204A for corporations.