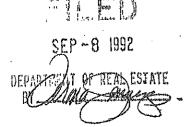
Department of Real Estate 107 South Broadway, Room 8107 Los Angeles, California 90012

(213) 897-3937



DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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SCARLETT ENTERPRISES LTD.,

a corporation; and ROBERT FRANCIS LESH, individually and as designated officer of Scarlett Enterprises Ltd. No. H-1432 SA

ORDER TO DESIST

AND REFRAIN

The Real Estate Commissioner of the State of California (hereinafter Commissioner) has caused an investigation to be made of your activities requiring a real estate license and, based upon the findings of that investigation, as set forth below, is of the opinion that you have violated Section 10145 of the California Business and Professions Code (hereinafter the Code) and Sections 2715, 2731, 2752, 2831.2 and 2832.1 of Title 10, Chapter 6, California Code of Regulations (hereinafter Regulations).

At all times mentioned herein, you, SCARLETT ENTERPRISES LTD. (hereinafter SCARLETT), a California corporation, were and now are licensed by the Department of Real Estate of the State of

California (hereinafter Department) as a real estate broker through ROBERT FRANCIS LESH (hereinafter LESH) as designated officer.

At all times mentioned, you, LESH, were and now are licensed by the Department as a real estate broker, individually and as designated officer of SCARLETT.

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

IV

At all times mentioned herein, you engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers in the State of California, within the meaning of Section 10131(a) of the Code, wherein you sold or offered to sell, solicited prospective sellers or purchasers of, or negotiated the purchase, sale or exchange of real property, for another or others, for compensation or in expectation of compensation. You also handled your own escrows.

On or about April 2, 1992, the Department completed an examination of your books and records pertaining to the real

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property activities described in Paragraph IV covering a six-month period ending February 28, 1992, which examination revealed . violations of the Code and Regulations as set forth below.

As of February 28, 1992, you used the following account as the depository of earnest money deposit trust funds received and held in trust in connection with your real estate activities, and from September 1, 1991, to November 1, 1991, this account was also used for your first four (4) escrows.

NAME OF ACCOUNT AND BANK

Scarlett Enterprises Itd. dba ReMax Orange Empire Trust Account C/O B, E.N. Account No. Security Pacific National Bank 17769 Santiago Blvd. Villa Park, CA 92667 (hereinafter TA # 1)

As of November, 1991, you used the following account as the depository of trust funds received and held in connection with your escrow activities.

NAME OF ACCOUNT AND BANK

Scarlett Enterprises Ltd. dba ReMax Orange Empire dba Scarlett Escrow Trust Account/c/o B.E.N. Account No.

California United Bank 16030 Ventura Blvd. Encino, CA 91436 (hereinafter TA # 2)

The authorized signatory for the two (2) accounts mentioned above was LESH.

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As of February 28, 1992, TA # 1 and TA # 2 revealed deficits of Nine Hundred and Eighty-five Dollars and Thirty-one Cents (\$985.31) and Five Hundred and Nine Dollars and Twenty-four Cents (\$509.24), respectively. You disbursed or allowed the disbursements of funds from your trust accounts without the prior written consent of every principal, who then was an owner of funds in said accounts, where the disbursement of said funds reduced the balance of funds in the accounts to an amount which was less than the existing aggregate trust fund liability to all owners of said funds in said accounts, in violation of Section 10145 of the Code and Section 2832.1 of the Regulations.

VIII

You kept no reconciliation of records of trust funds received and disbursed as required by Section 2831 of the Regulations with the balance of all separate beneficiary or transaction records maintained pursuant to the provisions of Section 2831.1 of the Regulations in violation of Section 2831.2 of the Regulations.

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In or about April, 1991, you changed your main office for the conduct of activities requiring a real estate license to 2592 N. Santiago Blvd., Orange, California, but failed to notify the Commissioner thereof not later than the next business day following the opening of said main office, in violation of Section 2715 of the Regulations.

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You used the fictitious business name, "ReMax Orange Empire" (hereinafter ReMax) in the conduct of activities requiring a real estate license without holding a license bearing said fictitious business name, in violation of Section 2731 of the Regulations.

You employed five (5) real estate salespersons at your main office at 2592 N. Santiago Blvd., Orange, California, without notifying the Commissioner of said employment within five (5) days, in violation of Section 2752 of the Regulations.

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NOW, THEREFORE, YOU, SCARLETT ENTERPRISES LTD., AND YOUR SUCCESSORS IN INTEREST AND YOU, ROBERT FRANCIS LESH, ARE ORDERED TO DESIST AND REFRAIN from carrying on activities for which a real estate license is required unless and until you comply with Section 10145 of the Code and Sections 2715, 2731, 2752, 2831.2, and 2832.1 of the Regulations.

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FURTHER, YOU, ROBERT FRANCIS LESH, ARE ORDERED TO DESIST AND REFRAIN from activities requiring a real estate license as the designated officer of any corporate real estate broker unless and until that corporation is also in compliance with Section 10145 of the Code and Sections 2715, 2731 and 2752, 2831.2, and 2832.1 of the Regulations.

DATED:

DATED:

CLARK WALLACE Real Estate Commissioner

July Day

cc: Scarlett Enterprises Ltd.
Robert Francis Lesh
2592 N. Santiago Blvd.
Orange, California 92667

DA: MCL GOURT PAPER STATE OF CALIFORNIA STD. 112 (REV. 8-72)

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