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FILED
APR 06 2007

DEPARTMENT OF REAL ESTATE

By *Juan Luis*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-1539 FR
)	
RODNEY VIRGIL JARMIN,)	
)	
Respondent.)	
)	

ORDER GRANTING REINSTATEMENT OF LICENSE

On May 3, 2002, in Case No. H-1539 FR, a Decision was rendered revoking the real estate broker license of Respondent effective June 20, 2003, but granting Respondent the right to the issuance of a restricted real estate broker license. A restricted real estate broker license was issued to Respondent on June 20, 2003, and Respondent has operated as a restricted licensee since that time.

On June 7, 2005, Respondent petitioned for reinstatement of said real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

1 I have considered the petition of Respondent and the
2 evidence and arguments in support thereof. Respondent has
3 demonstrated to my satisfaction that Respondent meets the
4 requirements of law for the issuance to Respondent of an
5 unrestricted real estate broker license and that it would not be
6 against the public interest to issue said license to Respondent.

7 NOW, THEREFORE, IT IS ORDERED that Respondent's
8 petition for reinstatement is granted and that a real estate
9 broker license be issued to Respondent if Respondent satisfies
10 the following conditions within nine (9) months from the date of
11 this Order:

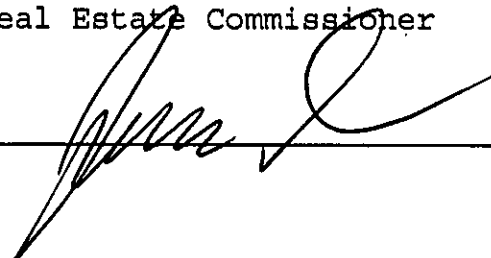
12 1. Submittal of a completed application and payment of
13 the fee for a real estate broker license.

14 2. Submittal of evidence of having, since the most
15 recent issuance of an original or renewal real estate license,
16 taken and successfully completed the continuing education
17 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
18 for renewal of a real estate license.

19 This Order shall be effective immediately.

20 DATED: _____

21 JEFF DAVI
22 Real Estate Commissioner

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FILED
APR 06 2007

DEPARTMENT OF REAL ESTATE

By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-1539 FR
REAL PROPERTY LENDERS, INC.,)
Respondent.)

ORDER GRANTING REINSTATEMENT OF LICENSE

On May 5, 2003, in Case No. H-3521 SAC, a Decision was rendered revoking the corporate real estate broker license of Respondent effective June 20, 2003, but granting Respondent the right to the issuance of a restricted corporate real estate broker license. A restricted corporate real estate broker license was issued to Respondent on June 20, 2003, and Respondent has operated as a restricted licensee since that time.

On June 7, 2005, Respondent petitioned for reinstatement of said corporate real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

1 I have considered the petition of Respondent and the
2 evidence and arguments in support thereof. Respondent has
3 demonstrated to my satisfaction that Respondent meets the
4 requirements of law for the issuance to Respondent of an
5 unrestricted corporate real estate broker license and that it
6 would not be against the public interest to issue said license to
7 Respondent.

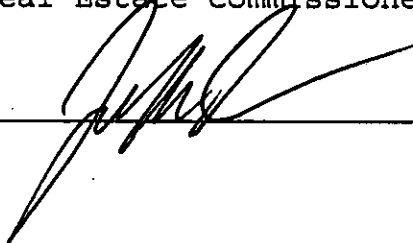
8 NOW, THEREFORE, IT IS ORDERED that Respondent's
9 petition for reinstatement is granted and that a corporate real
10 estate broker license be issued to Respondent if Respondent
11 satisfies the following conditions within nine (9) months from
12 the date of this Order:

13 1. Submittal of a completed application and payment of
14 the fee for a corporate real estate broker license.

15 This Order shall be effective immediately.

16 DATED: _____

17 JEFF DAVI
18 Real Estate Commissioner

19 
20 _____
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1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187000
3 Sacramento, CA 95818-7000
4 Telephone: (916) 227-0789

FILED
MAY 31 2003

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

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BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
REAL PROPERTY LENDERS, INC.) NO. H-1539 FR
and RODNEY VIRGIL JARMIN,) STIPULATION AND AGREEMENT
Respondents.)

It is hereby stipulated by and between REAL PROPERTY LENDERS, INC. and RODNEY VIRGIL JARMIN (hereafter Respondents), represented by Glen R. Lewis, Attorney at Law, and the Complainant, acting by and through Deidre L. Johnson, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing the Accusation filed on May 30, 2002 in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to be

1 held in accordance with the provisions of the Administrative
2 Procedure Act (APA), shall instead and in place thereof be
3 submitted solely on the basis of the provisions of this
4 Stipulation and Agreement.

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

8 3. On June 7, 2002, Respondents filed their Notice of
9 Defense pursuant to Section 11505 of the Government Code for the
10 purpose of requesting a hearing on the allegations in the
11 Accusation. Respondents hereby freely and voluntarily withdraw
12 said Notice of Defense. Respondents acknowledge that they each
13 understand that by withdrawing said Notice of Defense they will
14 thereby waive their rights to require the Commissioner to prove
15 the allegations in the Accusation at a contested hearing held in
16 accordance with the provisions of the APA, and that they will
17 waive other rights afforded to them in connection with the
18 hearing such as the right to present evidence in defense of the
19 allegations in the Accusation and the right to cross-examine
20 witnesses.

21 4. Respondents, pursuant to the limitations set forth
22 below, hereby admit that the factual allegations pertaining to
23 them in Paragraphs I through V of the Accusation filed in this
24 proceeding are true and correct and the Real Estate Commissioner
25 shall not be required to provide further evidence of such
26 allegations.

27

1 5. Without admitting the truth of the allegations
2 contained in the rest of the Accusation as to each Respondent,
3 Respondents stipulate that they will not interpose a defense
4 thereto. This Stipulation is based on the factual allegations
5 contained in the Accusation as found below. In the interests of
6 expedience and economy, Respondents each choose not to contest
7 the allegations that pertain to them, but to remain silent, and
8 understand that, as a result thereof, these factual allegations,
9 without being admitted or denied, will serve as a basis for the
10 disciplinary action stipulated to herein. The Real Estate
11 Commissioner shall not be required to provide further evidence to
12 prove said factual allegations.

13 6. Respondents have received, read and understand the
14 "Notice Concerning Costs of Audits." Respondents REAL PROPERTY
15 LENDERS, INC. and RODNEY VIRGIL JARMIN understand, by agreeing to
16 this Stipulation and Agreement, and after the findings set forth
17 below in the "Determination of Issues" become final, that the
18 Commissioner may charge Respondents REAL PROPERTY LENDERS, INC.
19 and RODNEY VIRGIL JARMIN, jointly and severally, for the costs of
20 the following audits that have been and may be conducted pursuant
21 to Section 10148 of the Business and Professions Code:

- 22 (a) Audit #FR000046 dated June 29, 2001:
23 Not more than \$6,220;
24 (b) Future follow-up audit: Not more than
25 \$6,220.

26 7. It is understood by the parties that the Real
27 Estate Commissioner may adopt the Stipulation and Agreement as

1 her decision in this matter thereby imposing the penalty and
2 sanctions on the real estate licenses and license rights of
3 Respondents as set forth in the below "Order". In the event that
4 the Commissioner in her discretion does not adopt the Stipulation
5 and Agreement, it shall be void and of no effect, and Respondents
6 shall each retain the right to a hearing and proceeding on the
7 Accusation under all the provisions of the APA and shall not be
8 bound by any admission or waiver made herein.

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

16 * * *

17 DETERMINATION OF ISSUES

18 By reason of the foregoing stipulations and waivers and
19 solely for the purpose of settlement of the pending Accusation
20 without a hearing, it is stipulated and agreed that the following
21 determination of issues shall be made:

22 I

23 The acts and/or omissions of Respondent REAL PROPERTY
24 LENDERS, INC. as stipulated above violate Sections 10085, 10145,
25 10146, 10229(e), 10229((g), 10229(j), 10232.2(a), 10232.2(c),
26 10232.25, 10234, and 10240 of the California Business and
27 Professions Code (hereafter the Code), and Sections 2831, 2831.1,

1 2831.2, 2834, and 2970 of Title 10, California Code of
2 Regulations, and constitute grounds for disciplinary action under
3 the provisions of Section 10177(d) of the Code.

4 II

5 The acts and/or omissions of Respondent RODNEY VIRGIL
6 JARMIN as stipulated above constitute grounds for disciplinary
7 action under the provisions of Section 10177(h) of the Code.

8 * * *

9 ORDER

10 A. All real estate license(s) and license rights of Respondents
11 REAL PROPERTY LENDERS, INC. and RODNEY VIRGIL JARMIN are
12 hereby revoked.

13 B. A restricted real estate broker corporation license shall be
14 issued to Respondent REAL PROPERTY LENDERS, INC., and a
15 restricted real estate broker license and/or designated
16 broker officer license shall be issued to Respondent RODNEY
17 VIRGIL JARMIN pursuant to Section 10156.6 of the Code if they
18 each make application therefor and pay to the Department the
19 appropriate fee for each license within ninety (90) days of
20 the effective date of the Order.

21 C. The restricted licenses issued to Respondents shall be
22 subject to all of the provisions of Section 10156.7 of the
23 Business and Professions Code and to the following conditions
24 and limitations imposed under authority of Section 10156.6 of
25 said Code:

- 26 1) Respondent RODNEY VIRGIL JARMIN shall, prior to and as a
27 condition of the issuance of said restricted license,

1 submit proof satisfactory to the Commissioner of having
2 taken and completed the continuing education course on
3 trust fund accounting and handling specified in
4 paragraph (3) of subdivision (a) of Section 10170.5 of
5 the Business and Professions Code from an approved
6 continuing education course provider. Said course may
7 have been completed within one hundred and twenty (120)
8 days prior to the effective date of the order herein.

9 2) The restricted licenses issued to Respondents may each be
10 suspended prior to hearing by order of the Real Estate
11 Commissioner in the event of each Respondent's conviction
12 or plea of nolo contendere to a crime which bears a
13 substantial relationship to that Respondent's fitness or
14 capacity as a real estate licensee.

15 3) The restricted licenses may be suspended prior to hearing
16 by Order of the Real estate Commissioner on evidence
17 satisfactory to the Commissioner that Respondents have
18 violated provisions of the California Real Estate Law,
19 the Subdivided Lands Law, Regulations of the Real Estate
20 Commissioner or conditions attaching to the restricted
21 license.

22 4) Respondents shall not be eligible to apply for the
23 issuance of an unrestricted real estate license, nor the
24 removal of any of the conditions of the restricted
25 license, until two (2) years have elapsed from the
26 effective date of this Order.

1 5) Pursuant to Section 10148 of the Business and Professions
2 Code, Respondents, jointly and severally, shall pay the
3 Commissioner's reasonable cost for the following audits
4 as a result of the above found violations:

5 (a) Audit #FR000046 dated June 29, 2001:
6 Not more than \$6,220;

7 (b) Future follow-up audit: Not more than
8 \$6,220.

9 In calculating the amount of the Commissioner's
10 reasonable costs for each audit, the Commissioner may use
11 the estimated average hourly salary for all Department
12 Audit Section personnel performing audits of real estate
13 brokers, and shall include an allocation for travel time
14 to and from the auditor's place of work. Respondents
15 REAL PROPERTY LENDERS, INC. and RODNEY VIRGIL JARMIN,
16 jointly and severally, shall pay such costs within sixty
17 (60) days of receiving an invoice from the Commissioner
18 detailing the activities performed during each audit and
19 the amount of time spent performing those activities.
20 The Commissioner may suspend the restricted license
21 issued to Respondents pending a hearing held in
22 accordance with Section 11500, et seq., of the Government
23 Code, if payment is not timely made as provided for
24 herein, or as provided for in a subsequent agreement
25 between Respondent and the Commissioner. The suspensions
26 shall remain in effect until payment is made in full for
27

1 each audit or until Respondents enter into an agreement
2 satisfactory to the Commissioner to provide for payment,
3 or until a decision providing otherwise is adopted
4 following a hearing held pursuant to this condition.

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

19 7) Respondent RODNEY VIRGIL JARMIN shall, within six (6)
20 months from the effective date of this Decision, take and
21 pass the Professional Responsibility Examination
22 administered by the Department including the payment of
23 the appropriate examination fee. If Respondent fails to

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1 satisfy this condition, the Commissioner may order
2 suspension of the restricted license until Respondent
3 passes the examination.

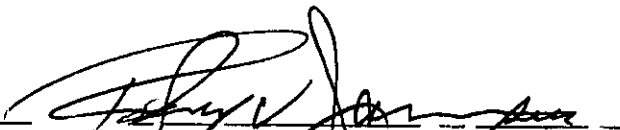
4 April 2, 2003
5 DATED


6 DEIDRE L. JOHNSON
7 Counsel for Complainant

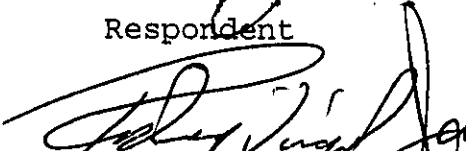
8 * * *

9 I have read the Stipulation and Agreement, have
10 discussed it with my counsel, and its terms are understood by me
11 and are agreeable and acceptable to me. I understand that I am
12 waiving rights given to me by the California Administrative
13 Procedure Act, and I willingly, intelligently and voluntarily
14 waive those rights, including the right of requiring the
15 Commissioner to prove the allegations in the Accusation at a
16 hearing at which I would have the right to cross-examine
17 witnesses against me and to present evidence in defense and
18 mitigation of the charges.

19 3/31/03
20 DATED

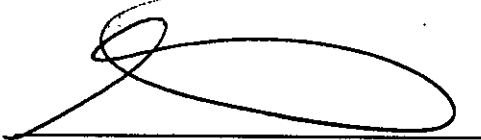

21 REAL PROPERTY LENDERS, INC.
22 Respondent

23 3/31/03
24 DATED


25 RODNEY VIRGILE JARMIN
26 Respondent

27 APPROVED AS TO FORM:

3/31/03
DATED


GLEN R. LEWIS
Attorney for Respondents

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The foregoing Stipulation and Agreement is hereby
adopted as my Decision and shall become effective at 12 o'clock
noon on June 20, 2003.

IT IS SO ORDERED May 5, 2003.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

Paula Reddish Zinnemann

FILED
SEP 20 2002

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

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

In the Matter of the Accusation of

REAL PROPERTY LENDERS, INC.,
and RODNEY VIRGIL JARMIN,

}
}

Case No. H-1539 FRESNO

OAH No. L-2002080141

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at

**THE OFFICE OF ADMINISTRATIVE HEARINGS
320 W. FOURTH STREET, SUITE 630
LOS ANGELES, CA 90013**

on **APRIL 8, 2003, and APRIL 9, 2003**, at the hour of **9:00 AM**, or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

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

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: SEPTEMBER 18, 2002

By Deidre L. Johnson
DEIDRE L. JOHNSON, Counsel

flag

1 DEIDRE L. JOHNSON, Counsel
State Bar No. 66322
2 Department of Real Estate
P. O. Box 187000
3 Sacramento, CA 95818-7000
4 Telephone: (916) 227-0789

FILED
MAY 30 2002

DEPARTMENT OF REAL ESTATE

By Jean C. ...

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BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
REAL PROPERTY LENDERS, INC.,) NO. H-1539 FRESNO
and RODNEY VIRGIL JARMIN,)
Respondents.) ACCUSATION

The Complainant, JOHN SWEENEY, a Deputy Real Estate
Commissioner of the State of California, for causes of Accusation
against REAL PROPERTY LENDERS, INC., and RODNEY VIRGIL JARMIN, is
informed and alleges as follows:

PRELIMINARY ALLEGATIONS

I

Respondents REAL PROPERTY LENDERS, INC., and RODNEY
VIRGIL JARMIN are presently licensed and/or have license rights
under the Real Estate Law, Part 1 of Division 4 of the California
Business and Professions Code (hereafter the Code).

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II

The Complainant, JOHN SWEENEY, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondents in his official capacity and not otherwise.

III

At all times herein mentioned, Respondent REAL PROPERTY LENDERS, INC. (hereafter RPL) was and is licensed by the State of California Department of Real Estate (hereafter Department) as a real estate broker corporation.

IV

At all times herein mentioned, Respondent RODNEY VIRGIL JARMIN (hereafter JARMIN) was and is licensed by the Department as an individual real estate broker and as the designated broker officer of RPL. At all times herein mentioned, JARMIN was and is the President and one hundred percent shareholder of RPL, and directed and controlled its activities for which a real estate license is required.

V

Within the last three years, RPL engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California, including the operation and conduct of a mortgage loan brokerage business with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, and, in particular, construction loans, and wherein such loans were arranged, negotiated, processed, consummated, and serviced on behalf of others, for or in expectation of compensation.

1 FIRST CAUSE OF ACTION

2 VI

3 Beginning in or about April of 2001, the Department
4 conducted an audit of the books and records of Respondent RPL
5 for the time period of April 1, 2000 to March 30, 2001 (hereafter
6 the audit period), as set forth in more detail in Department
7 Audit Report No. FR000046, dated June 29, 2001, and accompanying
8 working papers and exhibits. In acting as a mortgage loan
9 broker as alleged above, Respondent RPL accepted or received
10 funds in trust from or on behalf of lenders and borrowers.

11 VII

12 The trust funds accepted or received by Respondent RPL
13 during the audit period were deposited or caused to be deposited
14 from time to time into bank accounts maintained at Bank of Santa
15 Maria (now Mid State Bank), in Paso Robles, California, as
16 follows:

- 17 (a) Trust #1: Account No. 162501305, entitled "Real
18 Property Lenders, Inc. Mortgage Brokers Escrow
19 Trust Account," used for new loan funds from
20 investors;
- 21 (b) Trust #2: Account No. 1024223111, entitled "Real
22 Property Lenders, Inc. Construction & Interest Trust
23 Account," used for construction draws and interest
24 reserves; and,
- 25 (c) Trust #3: Account No. 162067419 entitled "Real
26 Property Lenders, Inc. Mortgage Brokers Trust
27 Account," used for loan servicing.

1 VIII

2 In connection with the collection and disbursement of
3 trust funds as alleged above, Respondent RPL failed to deposit
4 and maintain the trust funds in a trust account or neutral escrow
5 depository, or to deliver them into the hands of the owners of
6 the funds as required by Section 10145 of the Code, in such a
7 manner that as of March 30, 2001, there was a trust fund shortage
8 allocated to Trust #2 in the approximate sum of \$5,037.98.

9 IX

10 In connection with the receipt and disbursement of
11 trust funds as above alleged, Respondent RPL:

- 12 (a) Failed to maintain a written control record of all
13 trust funds received and disbursed for each and every
14 trust account containing all information required by
15 Section 2831 of Title 10 California Code of
16 Regulations (hereafter the Regulations), including
17 but not limited to accurate and complete dates and
18 daily balances;
- 19 (b) Failed to maintain any separate beneficiary or
20 transaction records for Trust #1 and Trust #3; and
21 failed to maintain separate beneficiary or
22 transaction records for Trust #2 containing all
23 information required by Section 2831.1 of the
24 Regulations, including but not limited to accurate
25 and complete balances;
- 26 (c) Failed to reconcile the balance of separate
27 beneficiary or transaction records with the

1 control records of trust funds received and
2 disbursed for each and every trust account at least
3 once a month, and/or failed to maintain a record
4 of such reconciliations for each and every trust
5 account as required by Section 2831.2 of the
6 Regulations; and

7 (d) Authorized or permitted withdrawals to be made from
8 Trust #1 and Trust #3 upon the sole signature of
9 Jeanette Jarmin, an inactive real estate salesperson,
10 when she was not licensed to RPL, and was not
11 otherwise an employee of RPL duly bonded with the
12 requisite fidelity bond insurance coverage to have
13 such authorization, pursuant to Section 2834 of the
14 Regulations.

15 X

16 During the audit period, Respondent RPL failed to
17 prepare and deliver to borrowers, or cause to be delivered, a
18 written borrower disclosure statement as required by
19 Section 10240 of the Code prior to each borrower becoming
20 obligated to complete the loan, and/or failed to retain executed
21 copies of such statements with the records of the company.

22 XI

23 During the audit period, Respondent RPL failed to
24 deposit some trust funds into a trust account within three
25 business days after receipt of the funds, and instead deposited
26 and commingled such trust funds with the general operating funds
27 of the company, including but not limited to the following:

DATE RECEIVED	DATE DEPOSITED	AMOUNT	BORROWER
4/9/00	4/13/00	\$375	McCay
10/26/00	10/30/00	\$375	Ruffner
3/15/01	3/28/01	\$375	Wells

XII

The trust funds received by Respondent RPL as referred to in Paragraph XI above were "preparation and document fees" claimed, charged, and collected by Respondent RPL at the outset of certain loan transactions pursuant to a written "authorization to secure a lender" agreement, and constituted advance fees as defined under Sections 10026 and/or 10131.2 of the Code. Respondent RPL failed to obtain approval from the Department for any and all agreements and related materials prior to soliciting or negotiating the advance fee agreements, and prior to claiming, charging, and collecting such advance fees.

XIII

At some times during the audit period, Respondent RPL was a multi-lender broker, and sold undivided interests in secured loans to multiple third party investors per loan. RPL failed to record or cause to be recorded deeds of trust or assignments of deeds of trust naming as the beneficiaries only lenders or lender nominees other than the real estate licensee, as required by Section 10234 of the Code. Instead, as to some multi-lender loans, RPL only partially funded the loans, and

1 recorded deeds of trust evidencing the total loans both in the
2 names of the actual third party investors, and in the name of
3 Respondent RPL as to the unfunded portions of the loans,
4 including but not limited to the following:

5	6	7	8
Loan No.	Total Amount	Unfunded Amount Recorded in RPL's Name	
TC322	\$190,000	\$ 85,000	® 3/16/01
CW323	\$112,000	\$ 27,000	® 3/23/01
GM291	\$240,000	\$165,000	® 8/30/00
BJ321	\$140,000	\$100,000	® 2/23/01

13 XIV

14 During the audit period, Respondent RPL failed to
15 obtain, and/or to retain in its records, signed statements from
16 each investor on multi-lender loans as to each investor's
17 qualifications of income or net worth for the loan, indicating
18 that the investment in each transaction did not exceed either
19 10 percent of his or her net worth, or 10 percent of his or her
20 adjusted gross income, as required by Section 10229(e) of the
21 Code.

22 XV

23 During the audit period, Respondent RPL based the loan-
24 to-value ratio on some multi-lender construction loans on the
25 projected future market value of an improved property following
26 construction, and failed to limit the aggregate principal amount
27 of the loans plus any unpaid principal amount of any encumbrance

1 upon the real property senior thereto, to not more than 65 percent
2 of the then-current market value of the unimproved property, pursuant
3 to Section 10229(g) of the Code, including but not limited to:

4 (a) Loan No. GM291 on Lot 53 Eagle Creek, Paso Robles
5 in the sum of \$270,000.00, representing
6 approximately 70 percent of an estimated future
7 value of the residence upon completion of
8 construction of \$340,000.00; and

9 (b) Loan No. BJ321 on 123 Capital Hill Drive, Paso
10 Robles in the sum of \$140,000.00, representing
11 approximately 74 percent of an estimated future
12 value of the residence upon completion of
13 construction of \$190,000.00.

14 XVI

15 At least for the year 2001, Respondent RPL collected
16 payments due on multi-lender loans in excess of \$905,000.00,
17 qualifying Respondent under Section 10229(j) of the Code as a
18 multi-lender broker required to conduct not less than quarterly
19 trust account inspections by an independent certified public
20 accountant, and to file reports of such an accountant with the
21 Department within thirty days after the close of each period for
22 which an inspection and report were required pursuant to Section
23 10229(j)(3) of the Code.

24 XVII

25 Respondent RPL failed to file with the Department the
26 trust account reports required as alleged in Paragraph XVI above
27 for any three-month period of the year 2001.

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XVII

At all times herein mentioned, Respondent RPL was and is a threshold broker, with a calendar fiscal year, subject to the requirements of Section 10232, et seq., of the Code. From approximately October of 2000 to the present, Respondent RPL has failed to timely file certain reports regarding its threshold business and trust account activity with the Department, as follows:

- (a) For the year 2000, the 3rd Quarterly Trust Fund Status Report RE 855, pursuant to Section 10232.25 of the Code, was due not later than October 31, 2000, and was not filed until on or about December 27, 2000;
- (b) For the year 2000, the annual Mortgage Loan/Trust Deed Report RE 881, pursuant to Section 10232.2(c) of the Code (also known as Business Activity Report), was due not later than March 31, 2001, and was not filed until on or about November 27, 2001; and,
- (c) For the year 2000, the annual Trust Account Review Report, pursuant to Section 10232.2(a) of the Code, was due not later than May 31, 2001, and was not filed until on or about January 10, 2002.

XIX

The acts and/or omissions of Respondent RPL as alleged above constitute grounds for disciplinary action under the following provisions:

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- (a) As to Paragraph VIII, under Section 10145 of the Code, in conjunction with Section 10177(d) of the Code.
- (b) As to Paragraph IX(a), under Section 2831 of the Regulations in conjunction with Section 10177(d) of the Code.
- (c) As to Paragraph IX(b), under Section 2831.1 of the Regulations in conjunction with Section 10177(d) of the Code.
- (d) As to Paragraph IX(c), under Section 2831.2 of the Regulations in conjunction with Section 10177(d) of the Code.
- (e) As to Paragraph IX(d), under Section 2834 of the Regulations in conjunction with Section 10177(d) of the Code.
- (f) As to Paragraph X, under Section 10240 of the Code in conjunction with Section 10177(d) of the Code.
- (g) As to Paragraph XI, under Sections 10145 and 10146 of the Code in conjunction with 10177(d) of the Code, and Section 10176(e) of the Code.
- (h) As to Paragraph XII, under Sections 10085 of the Code, and Section 2970 of the Regulations, in conjunction with Section 10177(d) of the Code.
- (i) As to Paragraph XIII, under Section 10234 of the Code in conjunction with Section 10177(d) of the Code.

1 (j) As to Paragraph XIV, under Section 10229(e) of the
2 Code in conjunction with Section 10177(d) of the
3 Code.

4 (k) As to Paragraph XV, under Section 10229(g) of the
5 Code in conjunction with Section 10177(d) of the
6 Code.

7 (l) As to Paragraphs XVI and XVII, under Section
8 10229(j) of the Code in conjunction with Section
9 10177(d) of the Code.

10 (m) As to Paragraph XVIII(a), under Section 10232.25
11 of the Code in conjunction with Section 10177(d)
12 of the Code.

13 (n) As to Paragraph XVIII(b), under Section 10232.2(c)
14 of the Code in conjunction with Section 10177(d)
15 of the Code.

16 (o) As to Paragraph XVIII(c), under Section 10232.2(a)
17 of the Code in conjunction with Section 10177(d)
18 of the Code.

19 SECOND CAUSE OF ACTION

20 XX

21 At all times mentioned herein, Respondent JARMIN failed
22 to exercise reasonable supervision and control of the activities
23 of RPL for which a real estate license is required. In
24 particular, JARMIN caused, permitted, and/or ratified the conduct
25 described above, and/or failed to take reasonable steps to
26 implement effective supervision that would have prevented it,
27 including but not limited to: (a) the establishment of policies,


1 rules, procedures, and systems to review, oversee, inspect and
2 manage matters including but not limited to the handling of
3 advance fees, trust funds, trust fund books and records, borrower
4 disclosures, multi-lender loans, construction loans, and
5 statutory reports; and (b) the establishment of systems for
6 monitoring compliance with such policies, rules, procedures, and
7 systems, to ensure compliance by the company with the Real Estate
8 Law.

9 XXI

10 The acts and/or omissions of JARMIN as alleged above
11 constitute grounds for disciplinary action under the provisions
12 of Section 10177(h) of the Code.

13 WHEREFORE, Complainant prays that a hearing be
14 conducted on the allegations of this Accusation and that upon
15 proof thereof a decision be rendered imposing disciplinary action
16 against all licenses and license rights of Respondents under the
17 Real Estate Law (Part 1 of Division 4 of the Business and
18 Professions Code), and for such other and further relief as may
19 be proper under other provisions of law.

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JOHN SWEENEY
Deputy Real Estate Commissioner

Dated at Fresno, California,
this 16th day of May, 2002.