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FILED
AUG 25 1995
DEPARTMENT OF REAL ESTATE

By CBg

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
PAR FUNDING CORPORATION,)	No. H-1655 SA
a corporation, dba Americorp and)	
Americorp Mortgage Services;)	
AMERICORP MORTGAGE SERVICES,)	
a corporation; and)	
PAUL TAKESHI MORINISHI,)	
individually and as designated)	
officer of Par Funding Corporation)	
and Americorp Mortgage Services,)	
Respondents.)	

DISMISSAL

The Accusation herein filed on September 14, 1993,
against Respondent AMERICORP MORTGAGE SERVICES, only, is
DISMISSED.

IT IS SO ORDERED this 21ST day of AUGUST
1995.

JIM ANTT, JR.
Real Estate Commissioner

[Signature]

See

1 CHRISTOPHER K.D. LEONG, Counsel
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, CA 90012
5 (213) 897-3937

SEP 14 1953

DEPARTMENT OF REAL ESTATE
S. Berry

8 DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of) No. H-1655 SA
12 PAR FUNDING CORPORATION,)
13 a corporation, dba Americorp and) ACCUSATION
14 Americorp Mortgage Services;)
15 AMERICORP MORTGAGE SERVICES,)
16 a corporation and)
17 PAUL TAKESHI MORINISHI,)
18 individually and as designated)
19 officer of Par Funding Corporation)
20 and Americorp Mortgage Services,)
21 Respondents.)

22 The Complainant, Thomas McCrady, a Deputy Real Estate
23 Commissioner of the State of California, for cause of Accusation
24 against PAR FUNDING CORPORATION, a corporation, dba Americorp
25 and Americorp Mortgage Services (hereinafter "PAR FUNDING");
26 AMERICORP MORTGAGE SERVICES, a corporation (hereinafter
27 "AMERICORP") and PAUL TAKESHI MORINISHI, individually and as
designated officer of PAR FUNDING and AMERICORP (hereinafter
"MORINISHI") (hereinafter sometimes referred to as
"Respondents"), is informed and alleges as follows:

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1.

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondents in his official capacity.

2.

All Sections of Title 10, Chapter 6, California Code of Regulations, are hereinafter referred to as "Regulations".

3.

At all times herein mentioned, PAR FUNDING was and still is licensed by the Department as a corporate real estate broker.

4.

At all times herein mentioned, AMERICORP was licensed by the Department as a corporate real estate broker from about 1987 until its license expired on April 14, 1991.

5.

At all times herein mentioned, MORINISHI was and still is licensed by the Department of Real Estate of the State of California (hereinafter "Department") as a real estate broker and in his individual capacity and/or as the designated officer of PAR FUNDING. MORINISHI was also the designated officer of AMERICORP.

6.

At all times material herein, Respondent MORINISHI, was and still is licensed by the Department as the designated officer of PAR FUNDING and was the designated officer of AMERICORP, and was responsible for the supervision and control of the activities

1 conducted on behalf of the corporation by its officers and
2 employees as necessary to secure full compliance with the Real
3 Estate Law, as set forth in Section 10159.2 of the Code.

4 7.

5 All further references to PAR FUNDING and AMERICORP
6 shall be deemed to refer to, in addition to PAR FUNDING and
7 AMERICORP, the officers, directors, employees, agents and real
8 estate licensees employed by or associated with PAR FUNDING and
9 AMERICORP, who at all times herein mentioned were engaged in the
10 furtherance of the business or operations of said parties and who
11 were acting within the course and scope of their corporate
12 authority and employment.

13 8.

14 At all times mentioned herein, in Los Angeles County,
15 California, PAR FUNDING, AMERICORP and MORINISHI, engaged in the
16 business of, acted in the capacity of, advertised or assumed to
17 act as real estate brokers in the State of California, within the
18 meaning of Section 10131(d) of the Code, wherein they arranged,
19 negotiated, processed, and consummated, on behalf of others,
20 loans secured by interest in real property for compensation or in
21 expectation of compensation.

22 9.

23 On or about August 21, 1992, the Department completed
24 an audit of the activities of PAR FUNDING, AMERICORP and
25 MORINISHI for the period from April 1, 1990 through April 14,
26 1991. The results of these audits are set forth in Paragraphs 10
27 through 21.

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AMERICORP

10.

During 1991 and 1992, in connection with their real estate business activities AMERICORP and MORINISHI accepted or received funds in trust (hereinafter "trust funds") from or on behalf of borrowers and thereafter made disbursements of such funds. These trust funds were maintained by AMERICORP and MORINISHI in a bank account. The bank account was at Orange National Bank, 1201 E. Katella Orange, CA 92667, Account No. [REDACTED] known as Americorp Mortgage Services Trust Account (hereinafter "TA#1").

11.

In connection with those trust funds described in Paragraph 10, AMERICORP and MORINISHI violated Section 10145 of the Code and Regulation 2833 of the Code by disbursing or allowing the disbursement of funds from TA#1 without prior written consent of every principal who then was an owner of trust funds in said account wherein the disbursement reduced the balance of funds in the account as of May 30, 1992 to an amount which was approximately \$301.00 less than the existing aggregate trust fund liability to all owners of said trust funds.

DISCLOSURE STATEMENTS

12.

Respondents AMERICORP and MORINISHI did not provide mortgage loan disclosure statements to the borrower when required including but not limited to: B. Serina, K. & K. Hamada, W. & M. Vosseler and C. & L. Sales. This constitutes a violation of

1 Section 10240 of the Code and Section 2840 of the Regulations and
2 is cause to suspend or revoke the real estate license and license
3 rights of Respondents AMERICORP and MORINISHI.

4 REVIEW OF DOCUMENTS

5 13.

6 MORINISHI failed to date and initial all material
7 documents prepared by licensees within five (5) days of
8 preparation. This includes services performed for: B. Serina,
9 K. & K. Hamada and W. & M. Vosseler. Said omission constitutes a
10 violation of Section 2725 of the Regulations.

11 RETENTION OF RECORDS

12 14.

13 Beginning February 1990, and continuing through the
14 present, Respondents AMERICORP and MORINISHI have failed to
15 retain and make available for examination and inspection by a
16 designated representative of the Commissioner, all documents
17 executed or obtained by Respondents in connection with
18 transactions for which a real estate license is required,
19 including, but not limited to transactions for the following
20 persons: S. Wale, J. Fenned, V. Smith, G. Brookman and D. Endo.
21 This constitutes a violation of Section 10148 of the Code and is
22 cause to suspend or revoke the real estate licenses and license
23 rights of Respondents under Section 10177(d) of the Code.

24 PAR FUNDING CORPORATION

25 15.

26 During 1991 and 1992, in connection with their real
27 estate business activities PAR FUNDING and MORINISHI accepted or

1 received funds in trust (hereinafter "trust funds") from or on
2 behalf of borrowers and thereafter made disbursements of such
3 funds. These trust funds were maintained by PAR FUNDING and
4 MORINISHI in a bank account. The bank account was at Orange
5 National Bank, 1201 E. Katella, Orange County, CA 92667, Account
6 No. [REDACTED] known as Par Funding Corporation, dba
7 Americorp Trust Account (hereinafter "TA#2").

8 16.

9 In connection with those trust funds described in
10 Paragraph 15, PAR FUNDING and MORINISHI:

11 (a) failed to reconcile the records of the balance for
12 trust funds received and disbursed for each beneficiary with the
13 separate cash record, in violation of Section 2831.2 of the
14 Regulations.

15 (b) failed to notify the Department of all licensees
16 leaving their employment including: D. Baker, V. Canzoneri, O.
17 Gonzalez, G. Hendon, R. Hooker, R. Ketchem, V. Lain, R. Morgan,
18 L. Parker, D. Peskie, E. Robles, L. Sivils, and J. Zegarra; and
19 failed to notify the Department of licensees joining their
20 employment including: M. O'Brien, in violation of Section 2752
21 of the Regulations.

22 (c) failed to notify the Department within 30 days
23 that they had met the threshold criteria. PAR FUNDING
24 negotiated/arranged 25 loans funded by a mortgage banker for an
25 aggregate amount of \$4,511,875 during a period of time from
26 August 27, 1991 through February 7, 1992, and failed to notify
27 the Department, in violation of Section 10232 of the Code.

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17.

In connection with those trust funds described in Paragraph 15, PAR FUNDING and MORINISHI violated Section 10145 of the Code and Regulation 2833 of the Code by maintaining, in TA#2, as of June 30, 1992, an amount which was approximately \$360.00 more than the existing aggregate trust fund liability to all owners of said trust funds.

DISCLOSURE STATEMENTS

18.

Respondents PAR FUNDING and MORINISHI did not provide mortgage loan disclosure statements to the borrower when required including but not limited to: S. and C. Raborn, M. & C. Plank, R. & J. Kellogg, M. & A. Marmol and D. & S. Kim. This constitutes a violation of Section 10240 of the Code and Section 2840 of the Regulations and is cause to suspend or revoke the real estate license and license rights of Respondents PAR FUNDING and MORINISHI.

REVIEW OF DOCUMENTS

19.

MORINISHI failed to date and initial all material documents prepared by licensees within five (5) days of preparation. This includes services performed for: S. and C. Raborn, M. & C. Plank, R. & J. Kellogg, M. & A. Marmol and D. & S. Kim. Said omission constitutes a violation of Section 2725 of the Regulations.

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1 RETENTION OF RECORDS

2 20.

3 Beginning July 1992, and continuing through the
4 present, Respondents AMERICORP, PAR FUNDING and MORINISHI have
5 failed to retain and make available for examination and
6 inspection by a designated representative of the Commissioner,
7 all documents executed or obtained by Respondents in connection
8 with transactions for which a real estate license is required,
9 including, but not limited to the following for PAR FUNDING:
10 certified copy of the bank signature card for TA#2, and the
11 following for AMERICORP: 1) trust account bank statements and
12 canceled checks for June 1990, 2) columnar records and separate
13 records for the trust account for June 1990, 3) certified copy
14 bank signature card for the trust account and 4) loan files.
15 This constitutes a violation of Section 10148 of the Code and is
16 cause to suspend or revoke the real estate licenses and license
17 rights of Respondents under Section 10177(d) of the Code.

18 FAILURE TO SUPERVISE

19 21.

20 By failing to insure that PAR FUNDING and AMERICORP
21 were acting in compliance with Real Estate Law, MORINISHI was in
22 violation of Sections 10159.2 and 10177(h) of the Code, which is
23 cause for the suspension or revocation of all licenses and
24 license rights of Respondent MORINISHI under Real Estate Law,
25 pursuant to Section 10177(d) and 10177(h) of the Code.

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FIRST CAUSE OF ACCUSATION

(Violation by Respondents PAR FUNDING and MORINISHI of Sections 10145 and 10177(d) of the Code and Sections 2725, 2752, 2831.2 and 2833 of the Regulations)

22.

As a First Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs 1 through 21, herein above.

23.

The conduct of Respondents PAR FUNDING and MORINISHI, in handling trust funds, as alleged in Paragraphs 15 through 21, constitutes violations under Sections 10145 and 10177(d) of the Code and Sections 2725, 2752, 2831.2 and 2833 of the Regulations. Said conduct is cause, pursuant to Section 10177(d) of the Code, for the suspension or revocation of all licenses and license rights of Respondents PAR FUNDING and MORINISHI under Real Estate Law.

SECOND CAUSE OF ACCUSATION

(Violation by Respondents AMERICORP and MORINISHI of Sections 10145 and 10177(d) of the Code and Sections 2725 and 2831.1 of the Regulations)

24.

As a Second Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs 1 through 21, herein above.

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25.

The conduct of Respondents AMERICORP and MORINISHI in handling trust funds, as alleged in Paragraphs 10 through 14, constitutes violations under Sections 10145 and 10177(d) of the Code and Sections 2725 and 2831.1 of the Regulations. Said conduct is cause, pursuant to Section 10177(d) of the Code, for the suspension or revocation of all licenses and license rights of Respondents AMERICORP and MORINISHI under Real Estate Law.

THIRD CAUSE OF ACCUSATION

(Violation by Respondents PAR FUNDING, AMERICORP and MORINISHI of Section 10240 of the Code and Section 2840 of the Regulations)

26.

As a Third Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs 1 through 21, herein above.

27.

The conduct of Respondents PAR FUNDING, AMERICORP and MORINISHI, in handling trust funds as alleged in Paragraphs 12 and 18, constitutes violations under Section 10240 of the Code and Section 2840 of the Regulations. Said conduct is cause for the suspension or revocation of all licenses and license rights of Respondents PAR FUNDING, AMERICORP and MORINISHI under Real Estate Law.

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1 FOURTH CAUSE OF ACCUSATION

2 (Violation by Respondents AMERICORP, PAR FUNDING and MORINISHI of
3 Sections 10148 and 10177(d) of the Code)

4 28.

5 As a Fourth Cause of Accusation, Complainant
6 incorporates herein by this reference the Preamble and each of
7 the allegations in Paragraphs 1 through 21, herein above.

8 29.

9 The conduct of Respondents AMERICORP, PAR FUNDING and
10 MORINISHI in failing to obtain trust fund bank signature cards as
11 alleged in Paragraph 20, constitutes violations under Section
12 10148 of the Code and Section 2840 of the Regulations. Said
13 conduct is cause pursuant to Section 10177(d) of the Code for the
14 suspension or revocation of all licenses and license rights of
15 Respondents AMERICORP, PAR FUNDING and MORINISHI under Real
16 Estate Law.

17 FIFTH CAUSE OF ACCUSATION

18 (Violation by Respondents PAR FUNDING and MORINISHI of Section
19 10232 of the Code)

20 30.

21 As a Fifth Cause of Accusation, Complainant
22 incorporates herein by this reference the Preamble and each of
23 the allegations in Paragraphs 1 through 21, herein above.

24 31.

25 The conduct of Respondents PAR FUNDING and MORINISHI in
26 violating Section 10232 of the Code by not notifying the
27 Department that it met the threshold criteria. Said conduct is

1 cause for the suspension or revocation of all licenses and
2 license rights of Respondents PAR FUNDING and MORINISHI under
3 Real Estate Law, pursuant to Section 10232 of the Code.

4 SIXTH CAUSE OF ACCUSATION

5 (Violation by Respondent MORINISHI of Section 10177(h) of the
6 Code)

7 32.

8 As a Sixth Cause of Accusation, Complainant
9 incorporates herein by this reference the Preamble and each of
10 the allegations in Paragraphs 1 through 21, herein above.

11 33.

12 The conduct of Respondent MORINISHI in allowing
13 Respondent PAR FUNDING to violate Sections 10145, 10148,
14 10177(d), 10232 and 10240 of the Code and Sections 2725, 2752,
15 2831.2 and 2833 of the Regulations, and in allowing Respondent
16 AMERICORP to violate Sections 10145, 10148 10177(d) and 10240 of
17 the Code and Sections 2725 and 2831 of the Regulations, as
18 described herein above, constitutes a failure by Respondent
19 MORINISHI to exercise reasonable supervision of the activities of
20 Respondents PAR FUNDING and AMERICORP which required a real
21 estate license. Said conduct is cause for the suspension or
22 revocation of all licenses and license rights of Respondent
23 MORINISHI under Real Estate Law, pursuant to Section 10177(d) and
24 10177(h) of the Code.

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and license rights of Respondents
5 AMERICORP, PAR FUNDING and MORINISHI, under the Real Estate Law
6 (Part 1 of Division 4 of the Business and Professions Code) and
7 for such other and further relief as may be proper under other
8 applicable provisions of law.

9 Dated at Santa Ana, California
10 this 14th day of September, 1993.

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13 THOMAS McCRADY
14 Deputy Real Estate Commissioner
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23 cc: Americorp Mortgage Services
24 Par Funding Corporation
25 Paul Takeshi Morinishi
26 Sacto.
27 TBG
 Audit Section

ckdl