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**FILED**

MAY 19 1993

DEPARTMENT OF REAL ESTATE

*Maria Dulal*

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )	
ALAN E. LUDLAM, )	No. H-5399 SF
Respondent. )	

ORDER DENYING REINSTATEMENT OF LICENSE

On September 17, 1984, a Decision was rendered herein revoking the real estate broker license of Respondent, but granting Respondent the right to the issuance of a restricted real estate salesperson license. A restricted real estate salesperson license was issued to Respondent on January 12, 1985 and Respondent has operated as a restricted licensee without cause for disciplinary action against Respondent since that time.

On July 29, 1991, 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  
2 I have considered Respondent's petition and the  
3 evidence and arguments in support thereof. Respondent has failed  
4 to demonstrate to my satisfaction that Respondent has undergone  
5 sufficient rehabilitation to warrant the reinstatement of  
6 Respondent's real estate broker license, in that on or about  
7 October 30, 1985 a judgment in the amount of \$179,018.92 was  
8 rendered against Respondent in Astor, Coplen et al. v. Zervas,  
9 Ludlum et al. Contra Costa Superior Court Case No. 223293.  
10 Respondent made no payments toward satisfaction of said judgment  
11 until January 1993 at which time Respondent entered into an  
12 agreement to pay \$1,500 and give a promissory note for \$20,000 in  
13 satisfaction of the judgment. While Respondent has made some  
14 effort, of late, toward discharging adjudicated debts to others,  
15 the length of time required to initiate said discharge and the  
16 amount remaining unpaid demonstrates that Respondent has not  
17 established rehabilitation sufficient to warrant the  
18 reinstatement of an unsupervised real estate broker license. I  
19 am satisfied, however, that it will not be against the public  
20 interest to issue a real estate salesperson license to  
21 Respondent.

22  
23 NOW, THEREFORE, IT IS ORDERED that Respondent's  
24 petition for reinstatement is denied but that a real estate  
25 salesperson license shall be issued to Respondent if Respondent  
26 satisfies the following conditions within six (6) months from the  
27 date of this Order:

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1. Submittal of a completed application and payment of  
the fee for a real estate salesperson license.

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

This Order shall be effective immediately.

DATED: 5/3/93

CLARK WALLACE  
Real Estate Commissioner



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DEPARTMENT OF REAL ESTATE

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

By Roshni R. Kalidin  
Roshni R. Kalidin

In the Matter of the Accusation of )  
ALAN E. LUDLAM, )  
Respondent. )

No. H-5399 SF  
N 22875

DECISION

The Proposed Decision dated September 4, 1984,  
of the Administrative Law Judge of the Office of  
Administrative Hearings is hereby adopted as the Decision  
of the Real Estate Commissioner in the above-entitled  
matter.

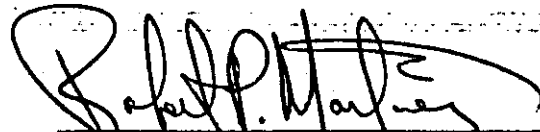
This Decision shall become effective at  
12 o'clock noon on October 15th, 1984.

IT IS SO ORDERED

September 17, 1984

James A. Edmonds, Jr.  
Real Estate Commissioner

BY:



ROBERT P. MARTINEY  
Chief Deputy Commissioner

BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

In the Matter of the Accusation	)	
of:	)	NO. H-5399 SF
	)	
ALAN EDWARD LUDLAM,	)	OAH NO. N 22875
	)	
Respondent.	)	
<hr/>		

PROPOSED DECISION

This matter was heard before Michael C. Cohn, Administrative Law Judge, State of California, Office of Administrative Hearings in San Francisco on September 4, 1984.

Joseph McGovern, Counsel, represented the Department of Real Estate.

Respondent Alan Edward Ludlam represented himself.

The following decision is proposed and recommended for adoption:

FINDINGS OF FACT

I

Edward V. Chiolo made the Accusation in his official capacity as a Deputy Real Estate Commissioner of the State of California.

II

Alan Edward Ludlam ("respondent") is presently licensed and has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code). At all times mentioned, respondent was licensed by the Department of Real Estate of the State of California ("Department") as a real estate broker. Respondent's license is scheduled to expire on August 29, 1986.

### III

On August 19, 1983, in the United States District Court for the Northern District of California, respondent was found guilty of violating Title 18, United States Code, section 1341 (Mail Fraud), a felony involving moral turpitude and which is substantially related to the qualifications, functions and duties of a real estate licensee.

### IV

In late 1979 respondent, as a joint venturer with John Zervas, a real estate salesperson under his supervision, and a third party, purchased a parcel of property in Clayton, California for \$900,000, making a down payment of \$150,000. Thereafter, in an attempt to induce investors to come into the project, respondent and Zervas prepared a false Real Estate Purchase Agreement and Deposit Receipt on which they indicated they had paid \$2,000,000 for the property and had made a down payment of \$1,250,000. On the Purchase Agreement respondent forged the signature of the seller's representative.

The false Purchase Agreement was subsequently used by Zervas to procure a \$300,000 loan. Sending the Purchase Agreement and other documents through the mail resulted in the mail fraud charges. At the time the loan was made the property had been appraised in excess of \$2,000,000. The lender foreclosed on the property in December 1980.

### V

Following his conviction, respondent was sentenced to 179 days in the custody of the Attorney General, which he served at Lompoc Camp, was placed on probation for five years with the special conditions that he make restitution of \$100,000 and that he be prohibited from buying or selling real estate without prior approval of the Court.

Respondent was released from Lompoc in March 1984. Since May 1984 respondent has been employed, with the approval of the United States District Court, as a real estate salesperson with Professional Investment Realty in Antioch. He has received only one commission since May and has not yet made any restitution.

### VI

Respondent is 45 years old. He is married and has two teenage children living at home. His wife is employed. Respondent has been employed in the real estate field for approximately 15 years. He has been a broker for approximately eight years. Respondent was previously employed in automobile and retail sales.

Respondent readily admits his culpability in the transactions described above and characterizes it as a "foolish mistake". He was found to be open, candid and forthcoming in describing the circumstances surrounding his conviction.

During his career in real estate respondent developed a reputation in the community as an honest, straightforward and capable agent with the highest standards and integrity.

#### DETERMINATION OF ISSUES

##### I

By reason of the matters set forth in Finding III, cause for disciplinary action against respondent exists pursuant to Business and Professions Code sections 490, 10177(b) and 10177(f).

##### II

The evidence presented established that it would not be against the public interest to allow respondent to act as a real estate salesperson upon appropriate terms and conditions. Such an action would also facilitate respondent's ability to pay Court-ordered restitution.

#### ORDER

1. All licenses and license rights of respondent Alan Edward Ludlam under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked.

2. A restricted real estate salesperson license shall be issued to respondent pursuant to section 10156.5 of the Business and Professions Code if he makes application therefor and pays to the Department of Real Estate the appropriate fee for said license within ninety (90) days from the effective date of this Decision.

3. The restricted license issued to respondent shall be subject to all of the provisions of section 10156.7 of the Business and Professions Code and to the following limitations imposed under authority of section 10156.6 of said Code:

- a) The restricted license may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of respondent's conviction or plea of nolo contendere to a crime which bears a significant relation to respondent's fitness or capacity as a real estate licensee;

- b) The restricted license may be suspended prior to hearing by order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent has violated the provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner and conditions attaching to the restricted license;
- c) Respondent shall report in writing to the Department of Real Estate as the Real Estate Commissioner may direct by a separate written Order issued while the restricted license is in effect, such information concerning respondent's activities for which a real estate license is required as the Commissioner shall deem appropriate to protect the public interest.
- d) Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor the removal of any of the conditions, limitations or restrictions of a restricted license until four (4) years have elapsed from the date of issuance of the restricted license to respondent or until his criminal probation is terminated, whichever is longer;
- e) Respondent shall submit with his application for license under an employing broker--or his application for transfer to a new employing broker--a statement signed by the prospective employing broker which shall certify:
- (1) That he has read the Decision of the Commissioner which granted the right to a restricted license; and
  - (2) That he will exercise close supervision over the performance by the restricted licensee of activities for which a real estate license is required.

DATED: September 4, 1984

Michael C. Cohn  
MICHAEL C. COHN  
Administrative Law Judge

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

By Mary A. Morello  
Mary A. Morello

In the Matter of the Accusation of  
ALAN EDWARD LUDLAM

Case No. H-5399 SF  
N 22875

Respondent(s)

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 Office of Administrative Hearings, State Building,  
455 Golden Gate Avenue, Room 2248, San Francisco, California  
on the 4th day of September, 1984, at the hour of 9:00 A.M.,  
<sup>Two Hour Hearing</sup>  
or as soon thereafter as the matter can be heard, upon the charges made in the Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel, but you are neither required to be present at the hearing nor to be represented by counsel. If you are not present in person, nor represented by counsel at the hearing, the Department may take disciplinary action against you upon any express admissions, 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.

DATED: June 4, 1984

DEPARTMENT OF REAL ESTATE

By

Joseph McGovern  
JOSEPH MCGOVERN Counsel

1 JOSEPH McGOVERN, Counsel  
2 DEPARTMENT OF REAL ESTATE  
3 185 Berry Street, Room 5816  
4 San Francisco, CA 94107

(415) 557-3220

FILED  
APR 19 1984

DEPARTMENT OF REAL ESTATE

By *Roshni R. Kalidin*  
Roshni R. Kalidin

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

- - -

11	In the Matter of the Accusation of )	No. H-5399 SF
12	ALAN EDWARD LUDLAM, )	<u>ACCUSATION</u>
13	Respondent. )	
14	_____ )	

15 The complainant, EDWARD V. CHIOLO, a Deputy Real  
16 Estate Commissioner of the State of California, for cause of  
17 accusation against ALAN EDWARD LUDLAM, is informed and alleges  
18 as follows:

19 I

20 That ALAN EDWARD LUDLAM (hereinafter respondent) is  
21 presently licensed and/or has license rights under the Real  
22 Estate Law (Part 1 of Division 4 of the Business and Professions  
23 Code).

24 II

25 That at all times herein mentioned, respondent was  
26 licensed by the Department of Real Estate of the State of  
27 California (hereinafter the Department) as a real estate broker;

1 that said license will expire August 29, 1986.

2 III

3 That the complainant, EDWARD V. CHIOLO, a Deputy Real  
4 Estate Commissioner of the State of California, acting in his  
5 official capacity as such and not otherwise, makes this accusation  
6 against respondent and alleges as follows:

7 IV

8 That on or about August 19, 1983, in the United  
9 States District Court for Northern District of California,  
10 respondent was found guilty of violating Title 18, United States  
11 Code, Section 1341 (MAIL FRAUD).

12 V

13 That the crime of which respondent was convicted as  
14 alleged in Paragraph IV above, is a felony and a crime involving  
15 moral turpitude and a crime which is substantially related to  
16 the qualifications, functions, or duties of a real estate  
17 licensee.

18 VI

19 That the facts as alleged in Paragraphs IV and V above  
20 constitute grounds for disciplinary action under the provisions  
21 of Sections 490, 10177(b) and 10177(f) of the Business and  
22 Professions Code of the State of California.

23 \* \* \* \* \*

24 WHEREFORE, complainant prays that a hearing be  
25 conducted on the allegations of this Accusation and that upon  
26 proof thereof, a decision be rendered imposing disciplinary  
27 action against all licenses and license rights of respondent

1 under the Real Estate Law (Part 1 of Division 4 of the Business  
2 and Professions Code) and for such other and further relief  
3 as may be proper under other applicable provisions of law.

*Edward V. Chio*

EDWARD V. CHIOLO  
Deputy Real Estate Commissioner

10 Dated at San Francisco, California  
11 this 19th day of April, 1984.

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