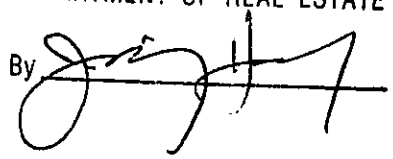


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FILED
DEC 21 2000
DEPARTMENT OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	NO. H-26581 LA
WESTERN REGION MORTGAGE CORP.)	
and <u>SPENCER SMITH</u> , individually)	
and as designated officer of)	
Western Region Mortgage Corp.)	
Respondent.)	

ORDER DENYING REINSTATEMENT OF LICENSE

On March 26, 1998, a Decision was rendered herein revoking the real estate broker license of Respondent, SPENCER SMITH ("Respondent"), effective April 21, 1998. In said Decision, Respondent was given the right to apply for and receive a restricted real estate salesperson license which was issued to him on or about May 14, 1998, and then suspended until June 12, 1998.

On April 12, 2000, 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 Respondent's petition and the
2 evidence and arguments in support thereof. Respondent has
3 failed to demonstrate to my satisfaction that Respondent
4 has undergone sufficient rehabilitation to warrant the
5 reinstatement of Respondent's real estate broker license. This
6 determination has been made in light of Respondent's history of
7 acts and conduct which are substantially related to the
8 qualifications, functions and duties of a real estate licensee.
9 That history includes:

10 I

11 From approximately June 13, 1998 through
12 January 3, 1999, Respondent was employed by Mark I Mortgage, a
13 licensed real estate corporation. Respondent's employer sent an
14 Employment Verification Form to the Department. In response to
15 questions on said form, "Is the petitioner still employed by
16 you?" and "If no longer employed, would petitioner be rehired?",
17 Respondent's employer marked the boxes denoting the answer "no"
18 to both questions.

19 In addition, in response to the questions on said
20 form, "In your opinion, is the petitioner honest and
21 trustworthy?" and "Do you believe the petitioner should be
22 granted his/her request for removal of license restrictions or
23 reinstatement of real estate license"?, Respondent's employer
24 did not mark either the "Yes" or "No" box, instead he indicated
25 a question mark to both questions.

26 ///

27 ///

1 unwillingness of Respondent's former employer to
2 rehire him, and to answer questions regarding Respondent's
3 honesty and trustworthiness, indicates that Respondent does not
4 have a sound employment history since, he has been licensed as a
5 restricted real estate salesperson.

6 Additional time is needed to access Respondent's
7 employment performance history.

8 II

9 In the Decision which revoked Respondent's real estate
10 broker license, there was a Determination of Issues made that
11 there was cause to revoke Respondent's license for numerous
12 violations of the Real Estate Law while Respondent was the
13 designated officer of a licensed real estate corporation.
14 Respondent was found to have violated Business and Professions
15 Code Section 10145 and Sections 2725, 2741, 2830, 2831, 2831.1,
16 2831.2, 2832, 2832.1, 2833 and 2834(b) of Title 10, Chapter
17 6, California Code of Regulations.

18 III

19 The serious nature of the conduct which led to the
20 revocation of Respondent's real estate broker license combined
21 with the facts set forth in Paragraph I, evidence that not
22 enough time has passed to determine that Respondent is
23 completely rehabilitated. This is cause to deny Respondent's
24 petition pursuant to Section 2911(j) and 2911(m)(2) of Chapter
25 6, Title 10, California Code of Regulations.

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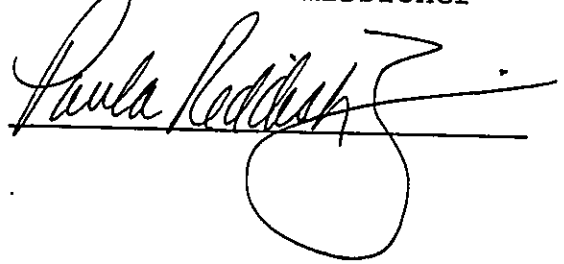
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Therefore, IT IS ORDERED that Respondent's
petition for reinstatement of Respondent's real estate broker
license is denied.

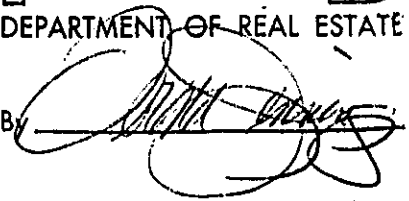
This Order shall become effective at 12 o'clock noon
on December 18, 2000.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



FILED
APR 31 1998
DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

By 

* * * * *

In the Matter of the Accusation of)	No. H-26581 LA
)	
)	L-9610017
WESTERN REGION MORTGAGE CORP.)	
and SPENCER SMITH, individually)	
and as designated officer of)	
Western Region Mortgage Corp.,)	
)	
)	
Respondents.)	

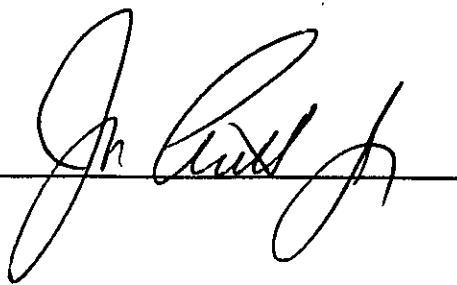
DECISION

The Proposed Decision dated March 3, 1998, 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 as to respondent SPENCER SMITH.

This Decision shall become effective at 12 o'clock noon on April 21, 1998.

IT IS SO ORDERED 3/26, 1998.

JIM ANTT, JR.
Real Estate Commissioner



BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation)	
Against:)	No. H-26581
)	
WESTERN REGION MORTGAGE CORP.)	OAH No. L-9610017
and SPENCER SMITH, individually)	
and as designated officer of)	
Western Region Mortgage Corp.,)	
)	
Respondents.)	

PROPOSED DECISION

On February 10, 1998, in Los Angeles, California, Keith A. Levy, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter.

Darlene Averetta, Staff Counsel, represented the Department of Real Estate.

Vincent K. Carroll, Attorney at Law, represented respondent Spencer Smith.

Evidence was received, the record was closed and the matter was submitted.

FINDINGS OF FACT

I

Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, made and filed the Accusation in his official capacity and not otherwise.

II

Spencer Smith (hereinafter "respondent") is licensed by the Department of Real Estate (hereinafter "Department") as a real estate broker and at all times material herein, as designated officer of Western Region Mortgage Corp. (hereinafter "Western"). Respondent was responsible for the supervision and control of the activities requiring a real estate license

conducted on behalf of Western by Western's officers, agents and employees as necessary to secure full compliance with Real Estate Law.

III

Western and respondent 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 Business and Professions Code section 10131(d), including the operation of and conduct of a mortgage loan brokerage with the public, wherein Western and respondent solicited prospective borrowers, lenders or investors for, and/or negotiated, serviced or arranged loans secured by a lien on real property for another or others, for or in expectation of compensation.

IV

Respondent and Western accepted or received funds, including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to mortgage loan transactions handled by Western and respondent, and thereafter made deposits and/or disbursement of such funds. From time to time said trust funds were deposited and/or maintained by Western and respondent in bank accounts, including Account Number 600-6-03491, "Western Region Mortgage Corp. (Trust)" at Bank of America, 525 S. Flower Street, Los Angeles, California (hereinafter "Trust Account 1"), and Account Number 014-214976, "Western Region Mortgage Corp. (Title One)", at City National Bank, P.O. Box 3619, Torrance, California (hereinafter "Trust Account 2").

V

On December 29, 1995, the Department completed an audit examination of Respondents' books and records pertaining to their activities as real estate brokers covering a period from October 1, 1994 to September 30, 1995.

VI

Trust Account 1, as of September 29, 1995, contained \$388.49 less than the aggregate trust fund liability to all owners of the trust funds. Respondent, as the responsible broker, did not have prior written consent of every principal who then was an owner of funds in the account to reduce the account below the aggregate trust fund liability.

VII

Trust Account 2 had an unidentified overage of \$277.79.

VIII

Respondent failed to place all trust funds received into a neutral escrow depository, or into the hands of the principal on whose behalf the funds were received, or into a trust account in the name of the broker as trustee in a bank or other financial institution, in that respondent deposited, allowed, permitted or caused the deposit of trust funds into Trust Account, which were not designated as trust account.

IX

Respondent failed to deposit all funds received in trust into the hands of the owner of the funds, into a neutral escrow depository or into a trust fund account maintained pursuant to California Code of Regulations section 2830 not later than the next business day following receipt of the trust funds, in that trust funds were held longer than allowed, and some trust funds were deposited directly into Western's general account.

X

Respondent failed to maintain complete columnar records of all trust funds received and disbursed by respondent for Trust Account 1.

XI

Respondent failed to maintain separate records for each beneficiary of Trust Account 1 and Trust Account 2.

XII

Respondent failed to maintain a reconciliation of the columnar record for all trust funds received and disbursed with the separate records for each beneficiary or transaction for Trust Account 1 and Trust Account 2.

XIII

Respondent was not a signatory on Trust Account 1 and Trust Account 2.

XIV

Respondent was not an officer and director of Western.

XV

Respondent failed to review, initial and date every instrument prepared or signed by a real estate salesperson in

connection with transactions for which a real estate license is required, which may have had a material effect upon the rights or obligations of a party to the transaction; or, if respondent delegated said acts to a broker or a salesperson, he failed to make certain that said review was properly completed.

XVI

Respondent has been in the real estate business since 1984. He was licensed as a broker in 1992 or 1993. In 1993 he became a broker for Western Regional Mortgage Corporation at the request of the new one hundred percent stockholder of the Corporation, Richard Thomas. In exchange for being the broker for the corporation respondent received an extra salary in an amount less than \$600 per month. In addition to his usual duties of soliciting first deed mortgages he was to supervise agents, perform training duties, review loan applications and any other job Mr. Thomas wanted him to perform. He had no ability to write checks into or out of the trust accounts. Mr. Thomas did not want respondent as a signatory on the trust accounts.

Respondent was the broker in name only for this corporation. He did not perform the responsibilities of a broker and he has very little knowledge of trust fund requirements despite the fact that he is licensed as a broker and should have this knowledge. He was honest and cooperative with the Department of Real Estate in this investigation and hearing. He has no prior discipline against his license. Respondent is currently a loan officer with no broker or supervisory responsibilities. It is the kind of work he has performed since becoming licensed. He is the father of two children, ages 7 and 13.

DETERMINATION OF ISSUES

I

Cause for discipline of respondent's license for violation of Business and Professions Code section 10145 and California Code of Regulations, Title 10, section 2832.1 was established by Finding VI.

II

Cause for discipline of respondent's license for violation of Business and Professions Code section 10145 and California Code of Regulations, Title 10, section 2833 was established by Finding VII.

III

Cause for discipline of respondent's license for violation of Business and Professions Code section 10145 and California Code of Regulations, Title 10, section 2830 was established by Finding VIII.

IV

Cause for discipline of respondent's license for violation of Business and Professions Code section 10145 and California Code of Regulations, Title 10, section 2832 was established by Finding IX.

V

Cause for discipline of respondent's license for violation of California Code of Regulations, Title 10, section 2831 was established by Finding X.

VI

Cause for discipline of respondent's license for violation of California Code of Regulations, Title 10, section 2831.1 was established by Finding XI.

VII

Cause for discipline of respondent's license for violation of California Code of Regulations, Title 10, section 2831.2 was established by Finding XII.

VIII

Cause for discipline of respondent's license for violation of California Code of Regulations, Title 10, section 2834(b) was established by Finding XIII.

IX

Cause for discipline of respondent's license for violation of California Code of Regulations, Title 10, section 2741 was established by Finding XIV.

X

Cause for discipline of respondent's license for violation of California Code of Regulations, Title 10, section 2725 was established by Finding XV.

ORDER

The real estate broker's license (License No. 00863025) and license rights previously issued to Respondent Spencer Smith by the Department of Real Estate under the Real Estate Law are revoked; provided, however, Respondent shall be entitled to apply for and shall be issued a restricted real estate salesperson license pursuant to Business and Professions Code §§10156.5, 10156.6 and 10156.7 if he makes application therefor and pays to the Department the appropriate fee for said license within thirty (30) days from the effective date of the Decision herein. The restricted license issued to him shall be subject to all of the provisions of section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of section 10156.6 of that code:

- A. The restricted license shall be suspended for thirty (30) days following its issuance. If respondent petitions, said suspension (or a portion thereof) shall be stayed upon condition that respondent pay a monetary penalty pursuant to section 10175.2 of the Business and Professions Code at a rate of \$100.00 for each day of the suspension. Said monetary penalty payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be delivered to the Department prior to the effective date of the Decision in this matter.
- B. The restricted license issued to him may be revoked following hearing by order of the Real Estate Commissioner (hereinafter "the Commissioner") in the event of his conviction or plea of nolo contendere to a crime which is substantially related to his fitness or capacity as a real estate licensee.
- C. Respondent shall, within one year from the effective date of this Decision, successfully complete a college level course, at an accredited institution in:
1. Real Estate Practice as provided in Business and Professions Code §10153.2(a)(1)(A).
 2. Real Estate Office Administration as provided in Business and Professions Code §10153.2(a)(2)(H).

D. Respondent shall, within six months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If he fails to satisfy this condition, the Commissioner shall order suspension of his license until he passes the examination.

E. Respondent shall obey all laws, including provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner or conditions attaching to the restricted license.

F. The restricted license issued to him may be suspended following hearing by order of the Commissioner on evidence satisfactory to the Commissioner that he has violated provisions of the California Real Estate Law, the Subdivided Lands Law, the Regulations of the Commissioner or conditions attaching to the restricted license.

G. Respondent shall, within twelve months from the effective date of this Decision, present evidence satisfactory to the Commissioner that he has, since the most recent issuance of a 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.

H. Respondent shall, at his own expense, report in writing to the Department as the Commissioner shall direct such information concerning his activities for which a real estate license is required as the Commissioner shall deem to be appropriate to protect the public interest.

I. Respondent shall neither open, maintain nor be a signatory on any trust fund account for which a license issued by the Department is required.

J. Respondent shall submit with any application for license or employment under any employing real estate broker, or any application for transfer to a new employing broker, a statement, signed by the prospective employing real estate broker, on a form approved by the Department which shall certify:

1. That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and

2. That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

K. Respondent shall, within 90 days of the effective date of this Decision, submit a copy of this Decision to his local board of realtors.

Dated:

March 3, 1998



KEITH A. LEVY
Administrative Law Judge
Office of Administrative Hearings

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FILED
FEB 09 1998

DEPARTMENT OF REAL ESTATE

Laurel Zain

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
WESTERN REGION MORTGAGE CORP.)	NO. H-26581 LA
and SPENCER SMITH, individually)	L-9610017
and as designated officer of)	
Western Region Mortgage Corp.,)	
Respondents.)	

DISMISSAL

The Accusation herein filed on September 4, 1996,
against Respondent, WESTERN REGION MORTGAGE CORP., is DISMISSED.

IT IS SO ORDERED this 6TH day of FEBRUARY, 1998.

JIM ANTT, JR.
Real Estate Commissioner

J. Antt Jr.

SACCO.
Plan

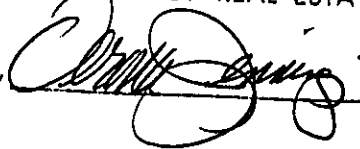
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

FILED
NOV - 5 1997
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
WESTERN REGION MORTGAGE)
CORP., et al.,)
)
Respondents.)

Case No. H-26581 LA
OAH No. L-9610017

By 

NOTICE OF CONTINUED HEARING ON ACCUSATION

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 107 South Broadway, 2nd Floor, Los Angeles, California, on **February 10 and 11, 1998**, at the hour of **9:00 a.m.**, 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.

Dated: **November 5, 1997.**

DEPARTMENT OF REAL ESTATE

cc: Western Region Mortgage Corp.
Spencer Smith
Steven Gourley, Esq.
Sacto.
OAH

By: 
DARLENE AVERETTA, Counsel

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
OCT 18 1996
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
WESTERN REGION MORTGAGE)
CORP., et al.,)
)
Respondents.)

Case No. H-26581 LA
OAH No. L-9610017

By 

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on **October 1 and 2, 1997**, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

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. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: October 18, 1996.

DEPARTMENT OF REAL ESTATE

DARLENE AVERETTA, Counsel

cc: Western Region Mortgage Corp.
Spencer Smith
Herman Thordsen, Esq.
Sacto.
OAH.

1 FIRST CAUSE OF ACCUSATION

2 1.

3 WESTERN REGION MORTGAGE CORP. (hereinafter "WESTERN")
4 and SPENCER SMITH, individually and as designated officer of
5 Western Region Mortgage Corp. (hereinafter "SMITH"), sometimes
6 collectively referred to herein as Respondents, are presently
7 licensed and/or have license rights under the Real Estate Law,
8 Part 1 of Division 4 of the California Business and Professions
9 Code (hereinafter "the Code").

10 2.

11 At all times material herein, WESTERN was licensed
12 by the Department of Real Estate of the State of California
13 (hereinafter the "Department") as a corporate real estate broker
14 by and through SMITH as the designated officer and broker
15 responsible, pursuant to the provisions of Section 10159.2 of
16 the Code for supervising the activities requiring a real estate
17 license conducted on behalf of WESTERN by WESTERN's officers,
18 agents and employees.

19 3.

20 At all times material herein, SMITH was licensed by the
21 Department as a real estate broker, and as designated officer of
22 WESTERN. As the designated broker-officer, SMITH is and at all
23 times material herein, was responsible for the supervision and
24 control of the activities requiring a real estate license
25 conducted on behalf of WESTERN by WESTERN's officers, agents and
26 employees as necessary to secure full compliance with the

27 ///

provisions of the Real Estate Law as required pursuant to the provisions of Section 10159.2 of the Code.

4.

At all times material herein, Richard L. Thomas (hereinafter "Thomas") was licensed by the Department as a real estate salesperson in the employ of Respondents. Thomas was also the President, Chief Financial Officer and 100% stockholder of WESTERN.

5.

All further references to "Respondents" include the parties identified in Paragraphs 1 through 3, above, and also include the officers, directors, managers, employees, agents and/or 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, agency, or employment.

6.

At all times material herein, Respondents 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(d) of the Code, including the operation of and conduct of a mortgage loan brokerage with the public, wherein Respondents solicited prospective borrowers, lenders or investors for, and/or negotiated, serviced or arranged loans secured by a lien on real property for another or others, for or in expectation of compensation.



2 In the course of activities described in Paragraphs 6
3 and 7, above, and during the examination period described in
4 Paragraph 8, Respondents acted in violation of the Code and the
5 Regulations in that:

6 (a) Respondents caused, permitted and/or allowed the
7 withdrawal or disbursement of trust funds from Trust Account 1,
8 thereby reducing the account balance in the Trust Account, as of
9 September 29, 1995, to an amount approximately Three Hundred
10 Eighty-Eight Dollars and Forty-Nine Cents (\$388.49) less than the
11 aggregate trust fund liability to all owners of the trust funds
12 without prior written consent of every principal who then was an
13 owner of funds in the account, in violation of Code Section 10145
14 and Regulation 2832.1;

15 (b) Trust Account 2 had an unidentified overage of Two
16 Hundred Seventy-Seven Dollars and Seven-Nine Cents (\$277.79), in
17 violation of Regulation 2833;

18 (c) Respondents failed to place all trust funds
19 received by Respondents into a neutral escrow depository, or
20 into the hands of the principal on whose behalf the funds were
21 received, or into a trust account in the name of the broker as
22 trustee in a bank or other financial institution, in that
23 Respondents deposited, allowed, permitted or caused the deposit
24 of trust funds into Trust Account, which were not designated as
25 a trust account, in violation of Code Section 10145 and
26 Regulation 2830;

27 ///



1 (d) Respondents failed to deposit all funds received
2 in trust into the hands of the owner of the funds, into a neutral
3 escrow depository or into a trust fund account maintained
4 pursuant to Regulation 2830 not later than the next business day
5 following receipt of the trust funds, in that trust funds where
6 held longer than allowed, and some trust funds were deposited
7 directly into WESTERN's general account, in violation of Code
8 Section 10145 and Regulation 2832;

9 (e) Respondents failed to maintain complete columnar
10 records of all trust funds received and disbursed by Respondents
11 for Trust Account 1, in violation of Regulation 2831;

12 (f) Respondents failed to maintain separate records
13 for each beneficiary of Trust Account 1 and Trust Account 2, in
14 violation of Regulation 2831.1;

15 (g) Respondents failed to maintain a reconciliation of
16 the columnar record for all trust funds received and disbursed
17 with the separate records for each beneficiary or transaction for
18 Trust Account 1 and Trust Account 2, in violation of Regulation
19 2831.2;

20 (h) Respondent SMITH was not a signatory on Trust
21 Account 1 and Trust Account 2, in violation of Regulation
22 2834(b);

23 (i) Thomas was licensed in the employ of Respondent
24 WESTERN, and/or performed acts for which a real estate license is
25 required on behalf of or in the name of Respondent WESTERN, and
26 Respondent SMITH was not an officer and director of Respondent
27 WESTERN, in violation of Regulation 2741;

1 (j) Respondent SMITH failed to review, initial and
2 date every instrument prepared or signed by a real estate
3 salesperson in connection with transactions for which a real
4 estate license is required, which may have had a material effect
5 upon the rights or obligations of a party to the transaction; or,
6 if Respondent SMITH delegated said acts to a broker or a
7 salesperson, he failed to make certain that said review was
8 properly completed, in violation of Regulation 2725.

9 10.

10 The conduct, acts and/or omissions of Respondents as
11 described in Paragraph 9, above, violated the Code and the
12 Regulations as set forth below:

13	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
14	9 (a)	Code Section 10145 and Regulation 2832.1
15	9 (b)	Regulation 2833
16	9 (c)	Code Section 10145 and Regulation 2830
17		
18	9 (d)	Code Section 10145 and Regulation 2832
19	9 (e)	Regulation 2831
20	9 (f)	Regulation 2831.1
21	9 (g)	Regulation 2831.2
22	9 (h)	Regulation 2834
23	9 (i)	Regulation 2741
24	9 (j)	Regulation 2725
25	///	
26	///	
27	///	

1 Each of the foregoing violations constitute cause for the
2 suspension or revocation of all real estate licenses and license
3 rights of Respondents under the provisions of Code Section
4 10177(d) and/or 10176(e).

5 SECOND CAUSE OF ACCUSATION

6 11.

7 Complainant incorporates herein the Preamble and the
8 allegations of Paragraphs 1 through 10, inclusive, herein above.

9 12.

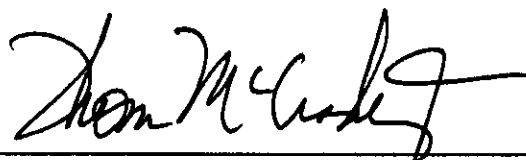
10 The conduct, acts and/or omissions of Respondent SMITH,
11 in causing, allowing, or permitting Respondent WESTERN to violate
12 the Real Estate Law, as described, herein above, constitute
13 failure on the part of Respondent SMITH, as the officer
14 designated by a corporate broker licensee, to exercise the
15 reasonable supervision and control over the licensed activities
16 of Respondent WESTERN, as required by Section 10159.2 of the
17 Code. Said conduct is cause to suspend or revoke the real estate
18 licenses and license rights of Respondent SMITH pursuant to the
19 provisions of Code Section 10177(h).

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations made by the Accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents WESTERN REGION MORTGAGE CORP. and SPENCER SMITH, individually and as designated officer of Western Region Mortgage Corp., under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California
this 4th day of September, 1996.



Deputy Real Estate Commissioner

cc: Western Region Mortgage Corp.
Spencer Smith
Sacto.
SB

