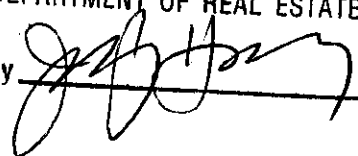


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FILED
AUG 19 2002
DEPARTMENT OF REAL ESTATE
By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-27943 LA
)
ERIK FREEMAN BRYANT,)
)
Respondent.)

ORDER GRANTING REINSTATEMENT OF LICENSE

On March 23, 1999, a Decision was rendered herein revoking the real estate salesperson license of Respondent, but granting Respondent the right to apply for and be issued a restricted real estate salesperson license. Respondent did not apply for the restricted real estate salesperson license within the required time period.

On September 5, 2000, Respondent petitioned for reinstatement of said real estate salesperson license. Respondent withdrew his petition after he realized that the Decision mandated a two-year waiting period.

///

1 On August 1, 2001, Respondent again petitioned for
2 reinstatement of his real estate salesperson license and
3 the Attorney General of the State of California has been
4 given notice of the filing of said petition.
5

6 I have considered the petition of Respondent and
7 the evidence and arguments in support thereof. Respondent
8 has demonstrated to my satisfaction that Respondent meets the
9 requirements of law for the issuance to Respondent of an
10 unrestricted real estate salesperson license and that it would
11 not be against the public interest to issue said license to
12 Respondent ERIK FREEMAN BRYANT.

13 NOW, THEREFORE, IT IS ORDERED that Respondent's
14 petition for reinstatement is granted and that a real estate
15 salesperson license be issued to Respondent if Respondent
16 satisfies the following conditions within nine (9) months
17 from the date of this Order:

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

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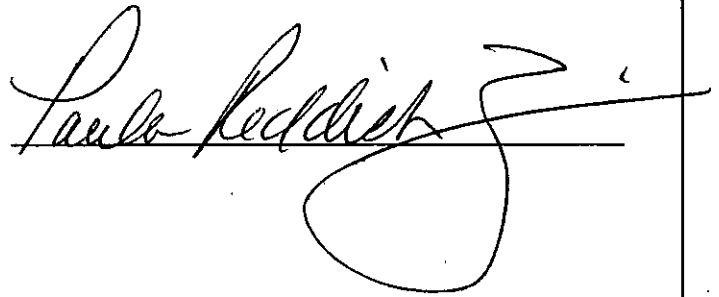
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2. Submittal of evidence of having, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal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

This Order shall become effective immediately.

DATED: August 13, 2002.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



cc: Erik Freeman Bryant
127 W. Palmyra
Orange, CA 92866

facts
Jan

FILED
APR 19 1999
DEPARTMENT OF REAL ESTATE

By Laura B. Dine

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) NO. H-27943 LA
)
NEVADA RESOURCE FINANCIAL SERVICES,) L-1998120224
)
INC.; WILLIAM LOPEZ, KEITH ROGER)
FLANIGAN; and ERIK FREEMAN BRYANT,)
)
Respondents.)
_____)

ORDER STAYING EFFECTIVE DATE

On March 23, 1999, a Decision was rendered in the above-entitled matter to become effective April 20, 1999.

IT IS HEREBY ORDERED that the effective date of the Decision of March 23, 1999, is stayed for a period of 30 days as to Respondent WILLIAM LOPEZ only.

The Decision of March 23, 1999, shall become effective at 12 o'clock noon on May 20, 1999 as to Respondent WILLIAM LOPEZ only.

DATED: 4-19-99

JOHN R. LIBERATOR
Acting Real Estate Commissioner

By: Randolph Brendia
RANDOLPH BRENDIA
Regional Manager

lbo

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation against:)	DRE No. H-27943 LA
)	OAH No. L1998120224
NEVADA RESOURCE FINANCIAL)	
SERVICES, INC.; WILLIAM LOPEZ;)	
KEITH ROGER FLANIGAN; and)	
ERIK FREEMAN BRYANT,)	
Respondents.)	
<hr/>		

PROPOSED DECISION

This matter came on for hearing before David B. Rosenman, Administrative Law Judge, Office of Administrative Hearings, State of California, on January 26, 1999 at Los Angeles, California. Complainant Thomas McCrady, a Deputy Real Estate Commissioner, Department of Real Estate (DRE), was represented by Elliott Mac Lennon, staff attorney. Respondent Nevada Financial Services, Inc. did not appear. Respondents William Lopez, Keith R. Flanigan and Erik F. Bryant were present and represented themselves.

Oral and documentary evidence was received and the matter was submitted for decision.

FINDINGS OF FACT

The Administrative Law Judge finds the following facts:

1. The Accusation and Amended Accusation were brought by Thomas McCrady in his official capacity as a Deputy Real Estate Commissioner, DRE.
2. The Amended Accusation changes the name of the corporate respondent Resource Financial Services, Inc. to Nevada Resource Financial Services, Inc. ("NRFS"). The license certification notes that this license issued as a corporate broker, doing business as Resource Financial Services. This licensee was properly served with the Accusation and a Notice of Hearing at its address of record with DRE, but did not file a Notice of Defense or a request for hearing. This respondent has defaulted.
3. Respondent William Lopez is licensed by DRE as a broker. His license will expire July 14, 2001. He was licensed doing business as Resource Financial Services until April 10, 1998. He was the licensed officer of NRFS from March 4, 1997 to January 12, 1998.

4. Respondent Keith Roger Flannigan is licensed by DRE as a broker. His broker license will expire January 25, 2001. He was the licensed officer of NRFS from January 12, 1998. His licensed officer license will expire March 3, 2001.

5. Respondent Erik Freeman Bryant is licensed by DRE as a salesperson. His conditional salesperson license was issued November 5, 1997 with NRFS as his employing broker. His license will expire November 4, 2001.

6. NRFS operated a mortgage loan brokerage in Anaheim Hills, California and its business activities, in expectation of compensation, subjected its activities to regulation by the DRE. The DRE conducted 2 audits of NRFS and reported several activities which violated applicable statutes and regulations.

7. The first audit covered the period from June 1, 1997 to January 11, 1998.

8. Respondent Bryant negotiated a loan transaction on behalf of Thomas and Tamara McCloy, and the settlement statement was prepared on October 31, 1997. Bryant explained that he performed these services before his license was issued based upon information he received from a DRE prerecorded message which informed him that he had passed the real estate licensing exam and that his license would be issued, including his license number.

9. As the licensed officer of NRFS at the time, respondent Lopez was responsible for Bryant's unlicensed activities.

10. During the period covered by the first audit, in 2 loan transactions, for Kenneth and Cheryl McLaughlin and for Arturo and Nemia Navarro, the files did not contain signed and dated forms entitled Approved Mortgage Loan Disclosure Statement.

11. A second audit covered the period from January 12 through March 31, 1998.

12. NRFS hired licensee James Conley on April 10, 1998. As of May 21, 1998, neither NRFS or its responsible broker at the time, respondent Flanigan, had notified DRE of Conley's employment

13. Respondent Flanigan testified that he always wrote notices to DRE when salespeople were hired or left the company. There was a high volume of turnover of salespeople. He had a copy of Conley's paperwork in his desk and assumed that it had been forwarded to DRE. He would often check the DRE's internet site and it would sometimes take 4 to 6 weeks to be updated with changes, so he was not concerned by the delay with Conley.

14. During the period covered by the second audit, in a loan transaction for Manilena Del Rosario, the file did not contain a signed and dated form entitled Approved Mortgage Loan Disclosure Statement.

15. Respondents Lopez and Flanigan testified that the office had extremely high loan volume, with 18 to 20 loan officers generating as many as 200 to 350 loan transactions per month. No documents were purposefully missing signatures and, further, it is possible that the documents existed but were not copied for the file. Neither Lopez nor Flanigan were aware of any other complaints related to their license activities.

16. All 3 respondents that appeared for hearing were sincere in their testimony, and their manner and demeanor while testifying indicate a high degree of credibility.

CONCLUSIONS OF LAW

Based upon the foregoing findings of fact, the Administrative Law Judge makes the following conclusions of law:

1. Cause exists to suspend or revoke the license of respondent Bryant under Business and Professions Code sections 10130 and 10177(d) for performing functions which require a license before his license was issued, as set forth in findings 5, 6, 8 and 9.

2. Cause exists to suspend or revoke the license of respondent Lopez under Business and Professions Code sections 10137 and 10177(d) for allowing respondent Bryant to perform functions which require a license before his license was issued, as set forth in findings 3, 5, 6, 8 and 9.

3. Cause exists to suspend or revoke the license of respondent Lopez under Business and Professions Code sections 10240 and 10177(d) and California Code of Regulations, Title 10, section 2840, for failing to provide to buyers a statement in writing containing the information required in Business and Professions Code section 10241, as set forth in findings 3, 6, 10 and 15.

4. Cause exists to suspend or revoke the license of respondent Flanigan under Business and Professions Code sections 10161.8 and 10177(d) and California Code of Regulations, Title 10, section 2752 for failing to report to DRE that James Conley had been employed in a licensed capacity, as set forth in findings 4, 6, 12 and 13.

5. Cause exists to suspend or revoke the license of respondent Flanigan under Business and Professions Code sections 10240 and 10177(d) and California Code of Regulations, Title 10, section 2840, for failing to provide to buyers a statement in writing containing the information required in Business and Professions Code section 10241, as set forth in findings 4, 6, 14 and 15 .

6. Cause exists to suspend or revoke the license of respondents Lopez and Flanigan under Business and Professions Code section 10177(g) for negligence in performing their functions which require a license, as set forth in findings 3, 4, 5, 6, 8, 9, 10, 12, 13, 14 and 15.

7. Cause exists to suspend or revoke the license of respondents Lopez and Flanigan under Business and Professions Code sections 10159.2, 10177(d) and 10177(h) for failure to exercise supervision and control over licensed activities conducted on behalf of NRFS, as set forth in findings 3, 4, 5, 6, 8, 9, 10, 12, 13, 14 and 15.

8. Cause exists to suspend or revoke the license of respondent NRFS under Business and Professions Code sections 10137, 10159.2, 10161.8, 10240, 10177(d), 10177(g) and 10177(h), for the various violations found as occurring by its responsible brokers and employees in Conclusions 1 through 7, above.

9. The violations found above do not require a severe form of license discipline. The period covered by the 2 audits was about 10 months. This high volume loan brokerage closed between 2000 and 3500 loans in that period of time. The audits (of only a selected number of files) found only 3 instances wherein a required disclosure statement was not in the file. The Bryant and Conley incidents were satisfactorily explained as both due to high turnover and reliance upon DRE's own notification systems. No borrowers complained to the DRE and there was no evidence of any losses or claims resulting from respondents' actions. Respondents actions were not purposeful, and each was sincere in expressing remorse and regrets for the violations that occurred.

In view of the entirety of the evidence, the public will be adequately protected by placing each respondent under appropriate license restrictions. Further, although the corporate licensee defaulted, it is not reasonable or logical to mete out a more substantial level of license discipline than that which is being imposed upon the other licensees who were individually and directly liable for their actions.

ORDER

WHEREFORE, THE FOLLOWING ORDERS are hereby made:

As to Respondent Erik F. Bryant:

All licenses and licensing rights of respondent Erik F. Bryant under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson's license shall be issued to respondent pursuant to Business and Professions Code section 10156.5 if respondent makes application therefor and pays to the Department the appropriate fee within 90 days from the effective date of this Decision.

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

1. The restricted license issued to respondent may be suspended prior to hearing by order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner or conditions attaching to the restricted license, or in the event of the conviction of respondent (including a plea of nolo

contendere) of a crime which is substantially related to respondent's fitness or capacity as a real estate licensee.

2. Respondent shall, within six months from the effective date of the restricted license, take and pass the Professional Responsibility Examination administered by the Department, and pay the appropriate examination fee. If respondent fails to satisfy this condition, the Commissioner may order the suspension of respondent's license until respondent passes the examination.

3. Respondent shall, within 1 year of the effective date of this Decision, present evidence satisfactory to the Commissioner that respondent has, 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. If respondent fails to satisfy this condition, the Commissioner may order suspension of the restricted license until respondent presents such evidence. The Commissioner shall afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

4. Respondent's original real estate salesperson license was issued subject to the provisions of Business and Professions Code section 10153.4, and the restricted real estate salesperson license issued to respondent shall be similarly limited, to wit: respondent shall, within eighteen (18) months of the issuance of his original real estate salesperson license under Business and Professions Code section 10153.4, present evidence satisfactory to the Commissioner of successful completion, at an accredited institution, of two of the courses listed in section 10153.2, other than real estate principles, advanced legal aspects of real estate, advanced real estate finance or advanced real estate appraisal. If respondent fails to satisfy this condition, the restricted license shall be automatically suspended effective eighteen (18) months after issuance of respondent's original real estate salesperson license. Said suspension shall not be lifted until respondent has presented the required evidence of course completion and the Commissioner has given written notice to respondent of lifting of the suspension.

5. Respondent shall submit with his application for a restricted license under an employing broker, or any application for or notification of transfer to a new employing broker, under California Code of Regulations, Title 10, section 2752, a statement signed by the prospective employing broker on a form approved by DRE which shall certify:

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

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

6. Respondent shall not be eligible to apply for the issuance of an unrestricted license, nor for the removal of any conditions, limitations or restrictions attaching to the

restricted license, until two (2) years have elapsed from the date of issuance of the restricted license pursuant to this Decision.

As to Respondent William Lopez

All licenses and licensing rights of respondent William Lopez under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to respondent pursuant to Business and Professions Code section 10156.5 if respondent makes application therefor and pays the appropriate fee within 90 days from the effective date of this Decision.

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

1. The restricted license issued to respondent may be suspended prior to hearing by order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner or conditions attaching to the restricted license, or in the event of the conviction of respondent (including a plea of nolo contendere) of a crime which is substantially related to respondent's fitness or capacity as a real estate licensee.

2. Respondent shall, within six months from the effective date of the restricted license, take and pass the Professional Responsibility Examination administered by the Department, and pay the appropriate examination fee. If respondent fails to satisfy this condition, the Commissioner may order the suspension of respondent's license until respondent passes the examination.

3. Respondent shall, within 1 year of the effective date of this Decision, present evidence satisfactory to the Commissioner that respondent has, 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. If respondent fails to satisfy this condition, the Commissioner may order suspension of the restricted license until respondent presents such evidence. The Commissioner shall afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

4. Respondent shall not be eligible to apply for the issuance of an unrestricted license, nor for the removal of any conditions, limitations or restrictions attaching to the restricted license, until two (2) years have elapsed from the date of issuance of the restricted license pursuant to this Decision.

As to Respondent Keith R. Flanigan

All licenses and licensing rights of respondent Keith R. Flanigan under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to respondent pursuant to Business and Professions Code section 10156.5 if respondent makes application therefor and pays the appropriate fee within 90 days from the effective date of this Decision.

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

1. The restricted license issued to respondent may be suspended prior to hearing by order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner or conditions attaching to the restricted license, or in the event of the conviction of respondent (including a plea of nolo contendere) of a crime which is substantially related to respondent's fitness or capacity as a real estate licensee.

2. Respondent shall, within six months from the effective date of the restricted license, take and pass the Professional Responsibility Examination administered by the Department, and pay the appropriate examination fee. If respondent fails to satisfy this condition, the Commissioner may order the suspension of respondent's license until respondent passes the examination.

3. Respondent shall, within 1 year of the effective date of this Decision, present evidence satisfactory to the Commissioner that respondent has, 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. If respondent fails to satisfy this condition, the Commissioner may order suspension of the restricted license until respondent presents such evidence. The Commissioner shall afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

4. Respondent shall not be eligible to apply for the issuance of an unrestricted license, nor for the removal of any conditions, limitations or restrictions attaching to the restricted license, until two (2) years have elapsed from the date of issuance of the restricted license pursuant to this Decision.

As to Respondent Nevada Resource Financial Services, Inc.

All licenses and licensing rights of respondent Nevada Resource Financial Services, Inc. under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to respondent pursuant to Business and Professions Code section 10156.5 if respondent makes application therefor and pays to the Department

of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to respondent shall be subject to all of the provisions of Business and Professions Code section 10156.7 and to the following limitations, conditions and restrictions imposed under authority of Code section 10156.6:

1. The restricted license issued to Respondent 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 is substantially related to Respondent's fitness or capacity as a real estate licensee.
2. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.
3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two (2) years have elapsed from the effective date of this Decision.
4. Respondent's designated officer shall, within twelve (12) months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent's designated officer has, 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. If Respondent's designated officer fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.
5. Respondent's designated officer 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 Respondent's designated officer fails to satisfy this condition, the Commissioner may order suspension of Respondent's license until Respondent's designated officer passes the examination.

DATED: March 5, 1999.



DAVID B. ROSENMAN
Administrative Law Judge
Office of Administrative Hearings

[Handwritten initials]

1 ELLIOTT MAC LENNAN, Counsel
2 State Bar No. 66674
3 Department of Real Estate
4 107 South Broadway, Room 8107
5 Los Angeles, California 90012

6 (213) 897-3937

FILED
JAN 14 1999
DEPARTMENT OF REAL ESTATE

By *Jana B. Crane*

7
8
9 THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation of)
13 RESOURCE FINANCIAL)
14 SERVICES, INC., a California)
15 corporate broker;)
16 WILLIAM LOPEZ and,)
17 KEITH ROGER FLANNIGAN,)
18 individually and as)
19 designated officers of)
20 Resource Financial)
21 Services, Inc.,)
22 and ERIK FREEMAN BRYANT,)
23 Respondents.)

No. H-27943 LA

AMENDED ACCUSATION

24 The Accusation filed on December 2, 1998, is hereby
25 amended to change the name of RESOURCE FINANCIAL SERVICES INC., a
26 California corporation to NEVADA RESOURCE FINANCIAL SERVICES INC.,
27 a Nevada corporation.

Dated at Los Angeles, California

this 14th day of January, 1999

[Handwritten signature]

Deputy Real Estate Commissioner

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cc: Nevada Resource Financial Services Inc.
c/o William Lopez, former D.O.
Sacto.
SR

cc: Nevada Resource Financial Services Inc.,
Keith Roger Flannigan, former D.O.
Sacto.
SR

cc: Erik Freeman Bryant

*Sacto
May*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JAN 15 1999
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
NEVADA RESOURCES FINANCIAL)
SERVICES, INC., et al.,)
Respondent.)

Case No. H-27943 LA
OAH No. L- 1998120224

By Jama B. Cron

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

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 JANUARY 26, 1999, 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 upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of 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: JAN 15 1999

DEPARTMENT OF REAL ESTATE

By: E. J. W.
ELLIOTT MAC LENNAN, Counsel

cc: Nevada Resources Financial Services, Inc.
William Lopez
Keith Roger Flanigan/Philip Flanigan, Esq.
Eric Freeman Bryant
Sacto., OAH

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RESOURCE FINANCIAL SERVICES, INC. (RFSI), WILLIAM LOPEZ (LOPEZ) and KEITH ROGER FLANNIGAN (FLANNIGAN), individually and as designated officers of Resource Financial Services, Inc., and ERIK FREEMAN BRYANT (BRYANT), sometimes collectively referred to as Respondents, 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).

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

At all times mentioned, RFSI was licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker. RFSI was originally licensed on March 4, 1997.

At all times mentioned, LOPEZ AND FLANNIGAN were licensed by the Department as designated officer of RFSI to qualify RFSI and to act for RFSI as a real estate broker and, as provided by Section 10159.2 of the Code, were responsible for the supervision and control of the activities conducted on behalf of RFSI by its officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law including the supervision of the salespersons licensed to the corporation in the performance of acts for which a real estate



1 license is required. LOPEZ was licensed as the designated officer
2 of RFSI from March 4, 1997 until January 11, 1998. FLANNIGAN was
3 licensed as the designated officer of RFSI from January 12, 1998
4 and continues in such capacity to date.

5

6 BRYANT was initially licensed by the Department as a
7 real estate salesperson on November 5, 1997.

8

9 At all times mentioned, in the City of Anaheim Hills,
10 Orange County, Respondent RFSI acted as a real estate broker
11 within this meaning of Section 10131(d) of the Code, including the
12 operation of a mortgage loan brokerage with the public wherein
13 lenders and borrowers were solicited for loans secured directly or
14 collaterally by liens on real property, wherein such loans were
15 arranged, negotiated, processed, and consummated on behalf of
16 others for compensation or in expectation of compensation and for
17 fees often collected in advance.

18

19 (Audit No. LA 970462)

20 On June 1, 1998, the Department completed a field audit
21 examination of the books and records of RFSI, during the time that
22 LOPEZ was the designated officer of RFSI, pertaining to its
23 licensed activities described in Paragraph 6, above. The audit
24 examination covered a period of time beginning on June 1, 1997 and
25 ending on January 11, 1998. The audit examination revealed
26 violations of the Code and the Regulations as set forth in the
27 following paragraphs.



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At all times mentioned, in connection with the activities described in Paragraph 6, above, Respondent RFSI did not maintain a trust account.

The audit examination revealed that BRYANT conducted licensed activities prior to the time he was licensed by the Department by negotiating the Thomas and Tamara McCloy loan transaction. This \$60,000 debt payoff loan was handled by BRYANT on or about October 1997, the settlement statement was prepared on October 31, 1997, and the loan application was signed and dated by the borrowers on October 31, 1997 or November 4, 1997. BRYANT was licensed on November 5, 1997. The conduct of BRYANT is in violation of Section 10130 of the Code and is cause to suspend or revoke his license and license rights under Section 10177(d) of the Code.

In course of the mortgage loan brokerage activities described in Paragraph 6, LOPEZ, with full knowledge that BRYANT was not licensed by the Department in any capacity, employed and compensated him to perform acts for which a real estate license is required including negotiating a \$60,000 debt payoff loan secured by liens on real property, for or in expectation of compensation for borrowers Thomas and Tamara McCloy, in violation of Section 10137 of the Code. This conduct and violation are cause to

1 suspend or revoke the licenses and license rights of Respondent
2 LOPEZ under the provisions of Section 10137 of the Code.

3 11

4 The audit examination revealed that LOPEZ failed to
5 provide a statement in writing containing all the information
6 required by Section 10241 of the Code to various borrowers
7 including but not limited to Kenneth and Cheryl McLaughlin and
8 Arturo and Nemia Navarro before these borrowers became obligated
9 to perform under the terms of their loans. This omission is a
10 violation of Section 10240 of the Code and Section 2840 of the
11 Regulations. This omission constitutes cause for the suspension
12 or revocation of the real estate license and license rights of
13 Respondent LOPEZ under Section 10177(d) of the Code.

14 12

15 (Audit No. LA 970395)

16 On May 27, 1998, the Department completed a field audit
17 examination of the books and records of RFSI, during the time that
18 FLANNIGAN was the designated officer of RFSI, pertaining to its
19 licensed activities described in Paragraph 6, above. The audit
20 examination covered a period of time beginning on January 12, 1998
21 and ending on March 31, 1998. The audit examination revealed
22 violations of the Code and the Regulations as set forth in the
23 following paragraphs.

24 13

25 At all times mentioned, in connection with the
26 activities described in Paragraph 6, above, Respondent RFSI did
27 not maintain a trust account.



1
2 The audit examination also revealed that FLANNIGAN
3 failed to notify the Department of the employment of licensee
4 James Conley, as required by Section 10161.8 of the Code and
5 Section 2752 of the Regulations. This conduct is cause to suspend
6 or revoke the license and license rights of the Respondent
7 FLANNIGAN under the provisions of Section 10177(d) of the Code.
8

9
10 The audit examination revealed that FLANNIGAN failed to
11 provide a statement in writing containing all the information
12 required by Section 10241 of the Code to borrower Manilena before
13 said borrowers became obligated to perform under the terms of his
14 loans. This omission is a violation of Section 10240 of the Code
15 and Section 2840 of the Regulations. This omission constitutes
16 cause for the suspension or revocation of the real estate license
17 and license rights of Respondent FLANNIGAN under Section 10177(d)
18 of the Code.

19
20 The overall conduct of Respondents LOPEZ and FLANNIGAN,
21 constitutes negligence and/or incompetence. This conduct and
22 violations are cause to suspend or revoke the real estate license
23 and license rights of said Respondents pursuant to Section
24 10177(g) of the Code.

25
26 The overall conduct of Respondents LOPEZ and FLANNIGAN,
27 constitutes a failure on their part, as officers designated by a

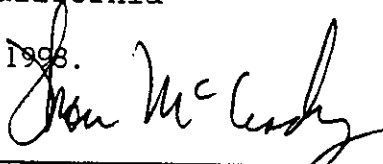


1 corporate broker licensee, responsible for the supervision and
2 control over the activities conducted on behalf of RFSI by its
3 officers, managers and employees as necessary to secure full
4 compliance with the provisions of the Real Estate Law including
5 the supervision of the salespersons licensed to the corporation in
6 the performance of acts for which a real estate license is
7 required. This conduct is cause for the suspension or revocation
8 of the real estate license and license rights of Respondents LOPEZ
9 and FLANNIGAN pursuant to the provisions of Sections 10159.2,
10 10177(d) and 10177(h) of the Code.

11 WHEREFORE, Complainant prays that a hearing be conducted
12 on the allegations made by the Accusation and, that upon proof
13 thereof, a decision be rendered imposing disciplinary action
14 against the license and license rights of RESOURCE FINANCIAL
15 SERVICES, INC., a California corporate broker; and WILLIAM LOPEZ
16 and KEITH ROGER FLANNIGAN, individually and as designated officers
17 of Resource Financial Services, Inc. and ERIK FREEMAN BRYANT,
18 under the Real Estate Law (Part 1 of Division 4 of the Business
19 and Professions Code) and for such other and further relief
20 including the imposition of a fine of up to \$10,000 pursuant to
21 the provisions of Section 10139.5 of the Business and Professions
22 Code, as may be proper under other applicable provisions of law.

23 Dated at Los Angeles, California

24 this 2nd day of December, 1998.



26 Deputy Real Estate Commissioner

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cc: Resource Financial Services, Inc.
c/o William Lopez, former D.O.
Sacto.
SR

Resource Financial Services, Inc.,
Keith Roger Flannigan, D.O.
Sacto.
SR

Erik Freeman Bryant

