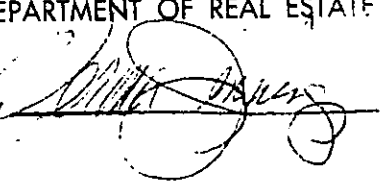


5-20
HAY

320 West 4th Street, Suite 350
Los Angeles, CA 90013-1105
California Bar #49351

(213) 576-6982 General

FILED
SEP 13 2000
DEPARTMENT OF REAL ESTATE

By 

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
COMPARISON SHOP HOME LOANS, INC.,)	H-28474 LA
a California corporate broker;)	
and MICHAEL RAY HARPER,)	
individually, doing business as)	
Harpers Realty Services and as)	
the designated officer of)	
Comparison Shop Home Loans, Inc.,)	
Respondents.)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On May 22, 2000, a First Amended Accusation was filed in this matter against Respondent COMPARISON SHOP HOME LOAN, INC.

On August 11, 2000, Respondent COMPARISON SHOP HOME LOAN, INC petitioned the Commissioner to voluntarily surrender its corporate real estate broker license and license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent COMPARISON SHOP HOME LOAN, INC.'s petition for voluntary surrender of its real

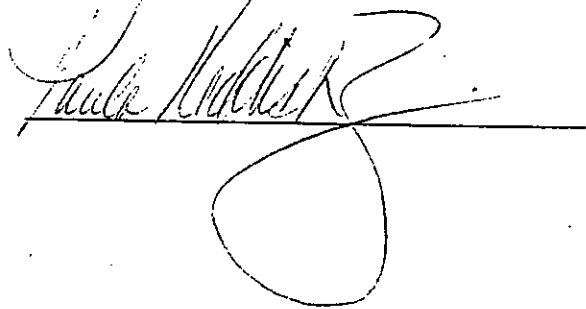
1 estate broker license and all license rights appurtenant thereto
2 is accepted as of the effective date of this Order as set forth
3 below, based upon the understanding and agreement expressed in
4 Respondent's Declaration dated August 11, 2000 (attached as
5 Exhibit "A" hereto).

6 In the event that respondent petitions for
7 reinstatement, payment of the costs of the audit which led up to
8 the filing of the accusation will be a condition of reinstatement,
9 to the extent that that cost has not been paid by Respondent
10 HARPER.

11 This Order shall become effective at 12 o'clock noon on
12 October 3, 2000

13
14 DATED: September 12, 2000.

16 PAULA REDDISH ZINNEMANN
17 Real Estate Commissioner

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320 West 4th Street, Suite 350
Los Angeles CA 90013-1105
California Bar #49351
(213) 576-6982 General

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of) Case No.: H-28474 LA
)
COMPARISON SHOP HOME LOANS,)
INC., a California corporate broker ; and)
MICHAEL RAY HARPER, individually,)
dba Harper's Realty Services and as the)
designated officer of Comparison Shop)
Home Loans, Inc.,)
)
Respondents.)

Declaration

My name is Linda Diane Campbell.

I am the Secretary of Corporation of COMPARISON SHOP HOME LOAN, INC. and have authority to surrender the real estate license of COMPARISON SHOP HOME LOAN, INC. COMPARISON SHOP HOME LOAN, INC. is represented by Herman Thordsen, Esq. of the Law Offices of Herman Thordsen.

Pursuant to Business and Professions Code Section 10100.2, I wish to voluntarily surrender the corporate real estate broker licenses and license rights, issued by the Department.

I, on behalf of COMPARISON SHOP HOME LOAN, INC., understand that by so voluntarily surrendering its real estate licenses and license rights, we agree to the following:

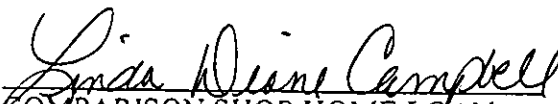
The filing of a petition by COMPARISON SHOP HOME LOAN, INC. shall be deemed to be an understanding and agreement by us that upon acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant evidence obtained in the investigation prior to the

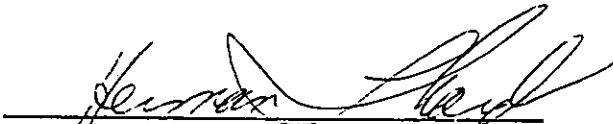
Exhibit "A"

1 acceptance and all allegations contained in the First Amended Accusation filed in Department of Real
2 Estate Case No. H-28474 LA may be considered by the Department to be true and correct for the
3 purpose of deciding whether or not to grant reinstatement of COMPARISON SHOP HOME LOAN,
4 INC.'s license.

5 I declare under penalty of perjury under the laws of the State of California that the above is true
6 and correct.

7
8 Dated: August 11, 2000, at Costa Mesa, California.

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12 
13 COMPARISON SHOP HOME LOAN,
14 INC. by Linda Diane Campbell,
15 Secretary of Corporation.

16
17 
18 HERMAN THORSEN, ESQ.
19 Counsel for Comparison Shop Home Loan,
20 Inc., approved as form.
21
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Department of Real Estate
220 West 4th Street, Suite 350
Los Angeles, CA 90013-1105

(213) 576-6982 General

FILED
SEP 14 2000
DEPARTMENT OF REAL ESTATE

By 

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

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In the Matter of the Accusation of)
)
COMPARISON SHOP HOME LOANS, INC.,)
a California corporate broker;)
and MICHAEL RAY HARPER,)
individually, doing business as)
Harpers Realty Services and as)
the designated officer of)
Comparison Shop Home Loans, Inc.,)
)
Respondents.)

H-28474 LA
L-2000050135

STIPULATION AND AGREEMENT

It is hereby stipulated by and between MICHAEL RAY HARPER
(referred to as Respondent), acting by and through Frank M. Buda,
Esq. and the Complainant, acting by and through Sean Crahan,
Counsel for the Department of Real Estate, as follows for the
purpose of settling and disposing of the Accusation filed on April
10, 2000 and amended on May 22, 2000, in this matter:

1. All issues which were to be contested and all
evidence which was to be presented by Complainant and Respondent at
a formal hearing on the Accusation, which hearing was to be held in
accordance with the provisions of the Administrative Procedure Act

1 (APA), shall instead and in place thereof be submitted solely on
2 the basis of the provisions of this Stipulation And Agreement
3 (hereafter Stipulation).

4 2. Respondent has received, read and understands the
5 Statement to Respondent, the Discovery Provisions of the APA and
6 the Accusation, filed by the Department of Real Estate in this
7 proceeding.

8 3. On April 26, 2000, Respondent filed a Notice of
9 Defense pursuant to Section 11506 of the Government Code for the
10 purpose of requesting a hearing on the allegations in the
11 Accusation. Respondent hereby freely and voluntarily withdraws
12 said Notice of Defense. Respondent acknowledges that he
13 understands that by withdrawing said Notice of Defense, he will
14 thereby waive his right to require the Commissioner to prove the
15 allegations in the Accusation at a contested hearing held in
16 accordance with the provisions of the APA and that he will waive
17 other rights afforded to him in connection with the hearing such as
18 the right to present evidence in defense of the allegations in the
19 Accusation and the right to cross-examine witnesses.

20 4. This Stipulation and Agreement relates to the
21 factual allegations contained in paragraphs one (1) through ten
22 (10) in the First Amended Accusation filed in this proceeding.
23 Respondent chooses not to contest these factual allegations and to
24 remain silent and understands that, as a result thereof, these
25 factual allegations, without being admitted or denied, will serve
26 as a basis for the discipline stipulated to herein. This
27 Stipulation and Agreement and the findings based on Respondent's



1 decision not to contest the Accusation is hereby expressly limited
2 to this proceeding and made for the sole purpose of reaching an
3 agreed disposition of this proceeding, only. Respondent's decision
4 not to contest the factual allegations is made solely for the
5 purpose of effectuating this Stipulation and is intended by
6 Complainant and Respondent to be non-binding upon him in any
7 actions against Respondent by third parties and shall not be
8 deemed, used, or accepted as an acknowledgment or admission. The
9 Real Estate Commissioner shall not be required to provide further
10 evidence to prove such allegations.

11 5. It is understood by the parties that the Real Estate
12 Commissioner may adopt the Stipulation And Agreement as her
13 Decision in this matter, thereby imposing the penalty and sanctions
14 on Respondent's real estate licenses and/or license rights as set
15 forth in the below Order. In the event that the Commissioner in
16 her discretion does not adopt the Stipulation And Agreement, it
17 shall be void and of no effect, and Respondent shall retain the
18 right to a hearing and proceeding on the Accusation under all the
19 provisions of the APA and shall not be bound by any admission or
20 waiver made herein.

21 6. The Order or any subsequent Order of the Real Estate
22 Commissioner made pursuant to this Stipulation And Agreement shall
23 not constitute an estoppel, merger or bar to any further
24 administrative or civil proceedings by the Department of Real
25 Estate with respect to any matters which were not specifically
26 alleged to be causes for accusation in this proceeding.

27 /



1 DETERMINATION OF ISSUES

2 By reason of the foregoing stipulations and waivers, made
3 solely for the purpose of settlement of the pending Accusation
4 without a hearing, it is stipulated and agreed that the following
5 Determination of Issues shall be made:

6 The conduct or omissions of Respondent MICHAEL RAY
7 HARPER, as set forth in paragraphs one (1) through ten (10) in the
8 Accusation constitute cause to suspend or revoke his real estate
9 broker license and/or license rights under the provisions of Code
10 Sections 10177(d) for violations of Code Sections 10148 and
11 10159.2, and Regulation 2834.

12 ORDER

13 WHEREFORE, THE FOLLOWING ORDER is hereby made:

14 All licenses and license rights of Respondent MICHAEL RAY
15 HARPER under Part 1 of Division 4 of the Business and Professions
16 Code are revoked; provided, however, a restricted real estate
17 broker license shall be issued to Respondent MICHAEL RAY HARPER
18 pursuant to Section 10156.5 of the Code if Respondent makes
19 application therefor and pays to the Department of Real Estate the
20 appropriate fee for said licenses within ninety (90) days from the
21 effective date of the Decision. The restricted license issued to
22 Respondent MICHAEL RAY HARPER shall be subject to all of the
23 provisions of Section 10156.7 of the Business and Professions Code
24 and to the following limitations, conditions and restrictions
25 imposed under authority of Section 10156.6 of said Code and to the
26 following limitations, conditions and restrictions imposed under
27 authority of Section 10156.6 of said Code:



1 (1) The restricted license may be suspended prior to
2 hearing by order of the Real Estate Commissioner in the event of
3 Respondent HARPER's conviction or plea of nolo contendere to a
4 crime which bears a significant relation to Respondent's fitness or
5 capacity as a real estate licensee.

6 (2) The restricted license may be suspended prior to
7 hearing by Order of the Real Estate Commissioner on evidence
8 satisfactory to the Commissioner that Respondent HARPER has, during
9 the time he holds a restricted license, violated provisions of the
10 California Real Estate Law, the Subdivided Lands Law, Regulations
11 of the Real Estate Commissioner, or the conditions attaching to
12 this restricted license.

13 (3) Respondent HARPER shall not, during the time he
14 holds a restricted license, become an officer or designated officer
15 of a corporate broker, nor become the broker for a business of any
16 form, unless he owns 51 or more percent of such corporation or
17 business.

18 (4) Respondent HARPER shall not be eligible to apply for
19 the issuance of an unrestricted real estate license nor the removal
20 of any of the conditions, limitations or restrictions of a
21 restricted license until two (2) years has elapsed from the date of
22 issuance of the restricted license to Respondent HARPER.

23 (5) Respondent MICHAEL RAY HARPER shall report in
24 writing to the Department of Real Estate as the Real Estate
25 Commissioner shall direct by his Order herein or by separate
26 written order issued while Respondent holds a restricted license,
27 such information concerning Respondent's activities for which a

1 real estate license is required as the Commissioner shall deem to
2 be appropriate to protect the public interest.

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

15 (7) Respondent MICHAEL RAY HARPER shall, within six
16 months from the effective date of this Decision, take and pass the
17 Professional Responsibility Examination administered by the
18 Department including the payment of the appropriate examination
19 fee. If Respondent fails to satisfy this condition, the
20 Commissioner may order suspension of Respondent's license until
21 Respondent passes the examination.

22 (8) Prior to the issuance to Respondent HARPER of the
23 restricted broker license set forth above, Respondent HARPER shall
24 pay \$1,691.58 to the Department for the costs of the audit L-980617
25 which led to the filing of the Accusation herein.

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I have read the Stipulation And Agreement, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

DATED: 8-7-00

Michael Ray Harper
MICHAEL RAY HARPER, Respondent.

DATED: 8-7-00

Frank M. Buda
FRANK M. BUDA, ESQ. Counsel for Michael Ray Harper, Respondent, approved as to form

DATED: 8-15-00

Sean Crahan
SEAN CRAHAN, Counsel for Complainant.

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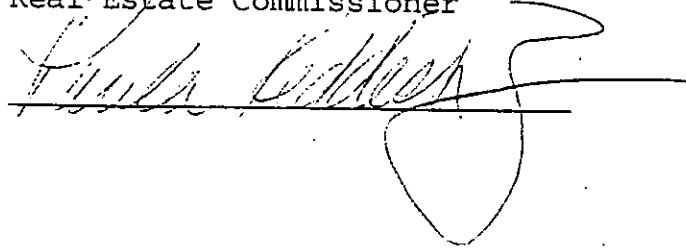
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The foregoing Stipulation And Agreement In Settlement is
hereby adopted as my Decision as to Respondent MICHAEL RAY HARPER
and shall become effective at 12 o'clock noon on
October 4, 2000.

IT IS SO ORDERED September 14, 2000.

PAULA REDDISH ZINNE MANN
Real Estate Commissioner

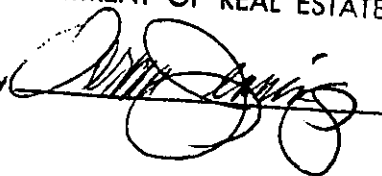


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Flan

1 Sean Crahan, Counsel
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, CA 90013-1105
5 California Bar #49351

6 (213) 576-6982 General
7 (213) 576-6907 Direct

FILED
MAY 22 2000
DEPARTMENT OF REAL ESTATE

By 

8
9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * *

12	In the Matter of the Accusation of)	L-_____
13	COMPARISON SHOP HOME LOANS, INC.,)	H-28474 LA
14	a California corporate broker;)	F I R S T A M E N D E D
15	and MICHAEL RAY HARPER,)	A C C U S A T I O N
16	individually, doing business as)	
17	Harpers Realty Services and as)	
18	the designated officer of)	
19	Comparison Shop Home Loans, Inc.,)	
20	Respondents.)	

21 The Complainant, Thomas Mc Crady, a Deputy Real Estate
22 Commissioner of the State of California. for cause of accusation
23 against COMPARISON SHOP HOME LOANS, INC., a California corporate
24 broker and MICHAEL RAY HARPER, individually, doing business as
25 Harpers Realty Services and as the designated officer of
26 Comparison Shop Home Loans, Inc., alleges as follows:

27 1.

The Complainant, Thomas Mc Crady, a Deputy Real Estate
Commissioner of the State of California, makes this Accusation in

1 his official capacity.

2 2.

3 At all times mentioned herein, COMPARISON SHOP HOME
4 LOANS, INC., a California corporation (hereafter Respondent CSHL),
5 is presently licensed and/or has license rights under the Real
6 Estate Law (Part 1 of Division 4 of the California Business and
7 Professions Code, hereinafter referred to as the "Code"). At all
8 times herein mentioned, Respondent CSHL was and still is licensed
9 by the Department of Real Estate (hereafter the Department) as a
10 corporate real estate broker.

11 3.

12 (a) MICHAEL RAY HARPER (hereafter Respondent HARPER) is
13 presently licensed and/or has license rights under the Real Estate
14 Law (Part 1 of Division 4 of the California Business and
15 Professions Code, hereinafter referred to as the "Code").

16 (b) At all times mentioned herein, Respondent HARPER
17 was and still is licensed by the Department as a real estate
18 broker both individually, doing business as Harpers Realty
19 Services and as the designated officer of Respondent CSHL until
20 May 24, 1999.

21 (c) Pursuant to Code Section 10159.2, Respondent HARPER
22 was responsible for the supervision of the officers, agents and
23 employees of Respondent CSHL for which a real estate license was
24 required.

25 4.

26 (a) Suzanne Foster was not licensed by the Department
27 as a salesperson or broker between September 9, 1995 and May 4,



1 1999.

2 (b) At no time herein mentioned were Dan McCarville and
3 Wanda Crabill licensed by the Department as real estate brokers or
4 salespersons, nor were they bonded.

5 (c) At no time herein mentioned were Raquel Magana,
6 Renee Wiginton and Suzanne Foster licensed by the Department as
7 real estate brokers or salespersons.

8 5.

9 At all times herein mentioned, respondent CSHL was
10 engaged in the mortgage loan brokerage business, as defined by
11 Code Section 10131(d), in that respondent CSHL, for or in
12 expectation of compensation, solicited and negotiated with
13 borrowers for loans from third-party lenders secured by real
14 property (secured loans).

15 6.

16 On or about May 3, 1999, an auditor from the Department
17 attempted to examine the books and records of respondent CSHL
18 covering a period of time from October 19, 1998 through March 31,
19 1999 (hereafter the "audit period"). Respondents provided to the
20 Department the licenses, employee agreements, corporate documents,
21 trust account signature card, bank statements and reconciliations
22 from October 1998 through March 1999, letters from the designated
23 officer to non licensed loan officers and loan log. On or about
24 May 3, 1999, respondent HARPER asked the Department's auditor to
25 postpone the examination for a week and an appointment was set for
26 May 12, 1999. The Department's auditor returned to respondent
27 CSHL's office on May 12, 1999 and respondent HARPER was not at the



1 office. An employee handed to the Department's auditor a letter
2 signed by Suzanne Foster, corporate secretary and a vice president
3 of Respondent CSHL, informing the Department that CSHL's auditor
4 would not be available to continue the audit.

5 7.

6 On or about May 14, 1999, members of the department
7 subpoenaed Respondent CSHL, by personal service on Foster, to
8 provide the following records by June 9, 1999:

9 (a) Trust funds records which Respondents were required
10 to establish and maintain, pursuant to Code Section 10145 and
11 Regulations 2831, 2831.1, and 2831.2., covering a period of time
12 from May 1, 1998 to May 1, 1999.

13 (b) Employment and compensation agreements with Renee
14 Wiginton, Jim Kelly, Robert Snowden, Raquel A. Magana and Suzanne
15 R. Foster.

16 (c) Approximately 40 individual loan files.

17 (d) Respondent CSHL failed to produce said records in
18 willful violation of Code Section 10148.

19 8.

20 (a) Based on the documents provided to the Department's
21 auditor, Respondent CSHL maintained a trust account at Commercial
22 Bank - California, account number 1890504499. This trust account
23 was used for the receipt and disposition of credit and appraisal
24 fees collected from borrowers. Signatories on said trust accounts
25 were Cameron Merage, a real estate broker, Suzanne Foster, Dan
26 McCarville and Wanda Crabill. Two signatures of any of the above
27 signatories were required per check.



1 (b) Neither Suzanne Foster, Dan McCarville and Wanda
2 Crabill were licensed during the relevant periods of time nor were
3 they bonded.

4 (c) The signatory structure of the trust account was in
5 willful violation of Regulation 2834 from Title 10, Chapter 6 of
6 the California Code of Regulations.

7 9.

8 (a) Respondents CSHL and HARPER, caused, allowed or
9 permitted the employment or compensation of persons not licensed
10 by the Department as real estate brokers or salespersons to
11 solicit and negotiate with borrowers for loans secured by real
12 property from third party lenders. The unlicensed persons were
13 Raquel Magana, Renee Wiginton and Suzanne Foster. The borrowers
14 solicited and negotiated with by Raquel Magana, Renee Wiginton and
15 Suzanne Foster include but are not limited to:

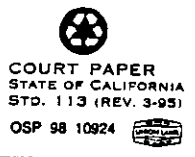
16 Borrower	Loan No.	Applied	Loan Officer
17 Candice Denault	0199RARA10	4-27-99	Magana
18 Alfonso & Susan Galvez	0499JS04	4-29-99	Wiginton
19 George & Eliz. Kovacs	0499RW03	4-16-99	Wiginton
20 Brian and Tracey Folkman.	0499J805106	4-21-99.	Wiginton
21 Alissa Allen	0499SF02	4-22-99	Foster
22 Frederick Rosenthall	0499RW02	4-7-99	Wiginton
23 Rafael & Lulette Navares	0399RW20	4-2-99	Wiginton
24 Ludinila Hayes	0499RA02	4-13-99	Magana
25 Donald Selby	0399SF02	4-1-99	Foster
26 Hamid Rastegan et. al.	0399RA08	4-1-99	Magana
27			



1	Laura Rasmovich	0399RA09	4-7-99	Magana
2	Patricia Anderson	0499RW04	4-7-99	Wiginton
3	James & Linda Dunleavy	0499RW01	4-7-99	Wiginton
4	Shalan Novak	0299RA25	3-31-99	Magana
5	Steven & Julianna Edwards	0399SF01	3-26-99	Foster
6	Chris & Debbie Cooper	0399RW15	3-26-99	Wiginton
7	Arthur & Arlene Dragon	0399RW19	3-31-99	Wiginton
8	Paul Kovacs	0399RW05	3-18-99	Wiginton
9	Frances Seiford	0399RW10	3-24-99	Wiginton
10	Patrick & Diane Waltman	0399RW13	3-24-99	Wiginton
11	Roberta Hirschhoff	0299RA04	3-1-99	Magana
12	David & Nancy Stinson	0399RW11	3-16-99	Wiginton
13	Paul & Cindy Heath	0399RW04	3-8-99	Wiginton
14	Robert & Julie Mattax	0399RW03	3-8-99	Wigginton
15	Don Eggleston	0399RW02	3-9-99	Wiginton
16	Rebecca Goss	0399RA02	3-10-99	Magana
17	Brian Wellnicker	0299RW17	3-1-99	Wiginton
18	Andrew Vivilaqua	0299RW16	3-3-99	Wiginton
19	Monte & Lisa Westfall	0299RA08	3-4-99	Magana
20	Ione Pam Hendry	0299RW13	2-19-99	Wiginton
21	Douglas & Sherry Campbell	0299SF02	2-22-99	Foster
22	Louis A Kridle	0299RW02	2-9-99	Wiginton

10.

24 Respondent HARPER knew or should have known that the
25 above violations occurred or were occurring. Respondent HARPER
26 failed to exercise reasonable supervision over the activities of
27 officers and employees of Respondent CSHL for which a real estate



1 license was required so as to prevent the violations.

2 11.

3 The acts and omissions of Respondent CSHL, as set forth
4 above, are cause for the suspension or revocation of the licenses
5 and license rights of Respondent CSHL pursuant to the following
6 Code sections:

7 (a) Section 10137 for employing or compensating
8 unlicensed persons to perform acts requiring a real estate
9 license, as set forth in paragraph 9, above.

10 (b) Section 10177(d) for willful violations of:

11 (i) Regulation 2834 for the unqualified
12 signatories on its trust account.

13 (ii) Code section 10148 for:

14 (a) Failing to maintain such records for
15 three years.

16 (b) Failing to provide such records for
17 inspection by the Department.

18 11.

19 The acts and omissions of Respondent HARPER, as set
20 forth above, is cause to suspend or revoke his licenses and
21 license rights pursuant Code Section 10177(d) for violation of the
22 following Code Sections and Regulations:

23 (a) Section 10137 for employing or compensating
24 unlicensed persons to perform acts requiring a real estate
25 license, as set forth in paragraph 9, above.

26 (b) Section 10177(d) for willful violations of:

27 (i) Regulation 2834 for the unqualified



1 signatories on CSHL's trust account.

2 (ii) Code section 10148 for:

3 (a) Failing to maintain such records for
4 three years.

5 (b) Failing to provide such records for
6 inspection by the Department.

7 (iii) Code Section 10159.2 for failure to
8 supervise the employees of Respondent CSHL for activities which
9 require a license.

10 WHEREFORE, Complainant prays that a hearing be conducted
11 on the allegations of this accusation and that upon proof thereof,
12 a decision be rendered imposing disciplinary action against all
13 licenses and license rights of respondent COMPARISON SHOP HOME
14 LOANS, INC., a California corporate broker; and MICHAEL RAY
15 HARPER, individually, doing business as Harpers Realty Services
16 and as the designated officer of Comparison Shop Home Loans, Inc.,
17 under the Real Estate Law (Part 1 of Division 4 of the Business
18 and Professions Code) and for such other and further relief as may
19 be proper under other applicable provisions of law, including the
20 imposition of a fine of up to \$10,000 pursuant to the provisions of
21 Section 10139.5 of the Business and Professions Code.

22 Dated at Los Angeles, California.

23 this 22nd day of May, 2000.

24 

25 _____
26 Thomas Mc Crady
27 Deputy Real Estate Commissioner

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cc: Comparison Shop Home Loans, Inc.
Michael Ray Harper
Law Offices of Frank Buda, Esq.
Law Offices of Herman Thordsen, Esq.
Thomas McCrady
L. A. Audit Section
Sacto.
CW

SC/sc

Sacto. Plan

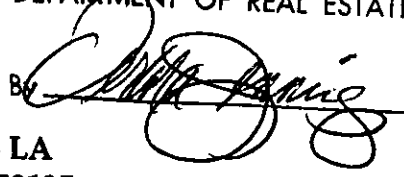
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

FILED
JUL 18 2000
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
COMPARISON SHOP HOME LOANS,)
INC., et al.,)
)
Respondents.)

Case No. H-28474 LA
OAH No. L-2000050135,

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, 320 West Fourth Street, Suite 630, Los Angeles, California, on November 14, 15 and 16, 2000, at the hour of 10:00 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: July 18, 2000.

cc: Comparison Shop Home Loans Inc.
Michael Ray Harper
Herman Thordsen, Esq.
Frank M. Buda, Esq.
Danio Fajardo
Lisa Kwong
Sacto./OAH

DEPARTMENT OF REAL ESTATE

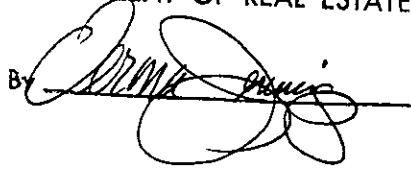
By: 
SEAN CRAHAN, Counsel

SACCO
PLAN

1 Sean Crahan, Counsel
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, CA 90013-1105
5 California Bar #49351

6 (213) 576-6982 General
7 (213) 576-6907 Direct

FILED
APR 10 2000
DEPARTMENT OF REAL ESTATE

By 

9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * *

12	In the Matter of the Accusation of)	H-28474 LA
)	
13	COMPARISON SHOP HOME LOANS, INC.,)	
	a California corporate broker;)	
14	and MICHAEL RAY HARPER,)	
	individually, doing business as)	<u>A C C U S A T I O N</u>
15	Harpers Realty Services and as)	
	the designated officer of)	
16	Comparison Shop Home Loans, Inc.,)	
)	
17	Respondents.)	

18
19 The Complainant, Thomas Mc Crady, a Deputy Real Estate
20 Commissioner of the State of California. for cause of accusation
21 against COMPARISON SHOP HOME LOANS, INC., a California corporate
22 broker and MICHAEL RAY HARPER, individually, doing business as
23 Harpers Realty Services and as the designated officer of
24 Comparison Shop Home Loans, Inc., alleges as follows:

25 1,

26 The Complainant, Thomas Mc Crady, a Deputy Real Estate
27 Commissioner of the State of California, makes this Accusation in

1 his official capacity.

2 2.

3 At all times mentioned herein, COMPARISON SHOP HOME
4 LOANS, INC., a California corporation (hereafter Respondent CSHL),
5 is presently licensed and/or has license rights under the Real
6 Estate Law (Part 1 of Division 4 of the California Business and
7 Professions Code, hereinafter referred to as the "Code"). At all
8 times herein mentioned, Respondent CSHL was and still is licensed
9 by the Department of Real Estate (hereafter the Department) as a
10 corporate real estate broker.

11 3.

12 (a) MICHAEL RAY HARPER (hereafter Respondent HARPER) is
13 presently licensed and/or has license rights under the Real Estate
14 Law (Part 1 of Division 4 of the California Business and
15 Professions Code, hereinafter referred to as the "Code").

16 (b) At all times mentioned herein, Respondent HARPER
17 was and still is licensed by the Department as a real estate
18 broker both individually, doing business as Harpers Realty
19 Services and as the designated officer of Respondent CSHL until
20 May 24, 1999.

21 (c) Pursuant to Code Section 10159.2, Respondent HARPER
22 was responsible for the supervision of the officers, agents and
23 employees of Respondent CSHL for which a real estate license was
24 required.

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1 4.

2 (a) Suzanne Foster was not licensed by the Department
3 as a salesperson or broker between September 9, 1995 and May 4,
4 1999.

5 (b) At no time herein mentioned were Dan McCarville and
6 Wanda Crabill licensed by the Department as real estate brokers or
7 salespersons, nor were they bonded.

8 5.

9 At all times herein mentioned, respondent CSHL was
10 engaged in the mortgage loan brokerage business, as defined by
11 Code Section 10131(d), in that respondent CSHL, for or in
12 expectation of compensation, solicited and negotiated with
13 borrowers for loans from third-party lenders secured by real
14 property (secured loans).

15 6.

16 On or about May 3, 1999, an auditor from the Department
17 attempted to examine the books and records of respondent CSHL
18 covering a period of time from October 19, 1998 through March 31,
19 1999 (hereafter the "audit period"), Respondents provided to the
20 Department the licenses, employee agreements, corporate documents,
21 trust account signature card, bank statements and reconciliations
22 from October 1998 through March 1999, letters from the designated
23 officer to non licensed loan officers and loan log. On or about
24 May 3, 1999, respondent HARPER asked the Department's auditor to
25 postpone the examination for a week and an appointment was set for
26 May 12, 1999. The Department's auditor returned to respondent
27 CSHL's office on May 12, 1999 and respondent HARPER was not at the



1 office. An employee handed to the Department's auditor a letter
2 signed by Suzanne Foster, corporate secretary and a vice president
3 of Respondent CSHL, informing the Department that its auditor
4 would not be available to continue the audit.

5 7.

6 On or about May 14, 1999, members of the department
7 subpoenaed Respondent CSHL, by personal service on Foster, to
8 provide the following records by June 9, 1999:

9 (a) Trust funds records which Respondents were required
10 to establish and maintain, pursuant to Code Section 10145 and
11 Regulations 2831, 2831.1, and 2831.2.

12 (b) Employment and compensation agreements with Renee
13 Wiginton, Jim Kelly, Robert Snowden, Raquel A. Magana and Suzanne
14 R. Foster.

15 (c) Approximately 40 individual loan files.

16 (d) Respondent CSHL failed to produce said records in
17 willful violation of Code Section 10148.

18 8.

19 (a) Based on the documents provided to the Department's
20 auditor, Respondent CSHL maintained a trust account at Commercial
21 Bank - California, account number 1890504499. This trust account
22 was used for the receipt and disposition of credit and appraisal
23 fees collected from borrowers. Signatories on said trust accounts
24 were Cameron Merage, a real estate broker, Suzanne Foster, Dan
25 McCarville and Wanda Crabill. Two signatures of any of the above
26 signatories were required per check.

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(b) Neither Suzanne Foster, Dan McCarville and Wanda Crabill were licensed during the relevant periods of time nor were they bonded.

(c) The signatory structure of the trust account was in willful violation of Regulation 2834 from Title 10, Chapter 6 of the California Code of Regulations.

9.

Respondent HARPER knew or should have known that the above violations occurred or were occurring. Respondent HARPER failed to exercise reasonable supervision over the activities of officers and employees of Respondent CSHL for which a real estate license was required so as to prevent the violations.

10.

The acts and omissions of Respondent CSHL, as set forth above, are cause for the suspension or revocation of the licenses and license rights of Respondent CSHL pursuant to Code section 10177(d) for willful violations of:

(a) Regulation 2834 for the unqualified signatories on its trust account.

(b) Code section 10148 for:

(i) Failing to maintain such records for three years.

(ii) Failing to provide such records for inspection by the Department.

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The acts and omissions of Respondent HARPER, as set forth above, is cause to suspend or revoke his licenses and license rights pursuant Code Section 10177(d) for violation of the following Code Sections and Regulations:

(a) Code Section 10159.2 for failure to supervise the employees of Respondent CSHL for activities which require a license.

(b) Code section 10177(d) for willful violations of Code section 10148 for:

(i) Failing to maintain such records for three years.

(ii) Failing to provide such records for inspection by the Department.

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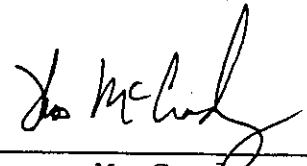
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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights of COMPARISON SHOP HOME LOANS, INC., a California corporate broker; and MICHAEL RAY HARPER, individually, doing business as Harpers Realty Services and as the designated officer of Comparison Shop Home Loans, Inc., 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 applicable provisions of law.

Dated at Los Angeles, California
this 10th day of April, 2000.



Thomas Mc Crady
Deputy Real Estate Commissioner

cc: Comparison Shop Home Loans, Inc.
Michael Ray Harper
Thomas McCrady
L. A. Audit Section
Sacto.
CW