

Sachs

1 Department of Real Estate
2 320 W. 4TH Street, Suite 350
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982 (Office)

FILED

SEP 28 2007

DEPARTMENT OF REAL ESTATE

BY: *Daly*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

11 * * *

11 In the Matter of the Accusation of)	No. H-33514 LA
)	L-2007040726
12 EMERALD HOME LOAN, INC., and JASON)	
13 GROSE BRINGHAM, individually and)	
as designated broker-officer of)	<u>STIPULATON</u>
14 Emerald Home Loan, Inc., also)	<u>AND</u>
designated broker officer of)	<u>AGREEMENT</u>
15 American Guardian Financial Group,)	
Inc., Newport Coast Funding, Inc.,)	
16 Tandis Homes, Inc., Tandis Homes)	
Real Estate, Inc., and of)	
17 First Funding Plus,)	
)	
18 Respondents.)	
)	

19
20 It is hereby stipulated by and between Respondents
21 EMERALD HOME LOAN INC., a corporate real estate broker, and
22 JAYSON GROSE BRINGHAM, individually and as designated officer of
23 Emerald Home Loan, Inc., of American Guardian Financial Group,
24 Inc., Newport Coast Funding, Inc., Tandis Homes, Inc., Tandis
25 Homes Real Estate, Inc., and of First Funding Plus (sometimes
26 collectively referred to as "Respondents"), represented by Frank
27

1 M. Buda, Esq. and the Complainant, acting by and through Elliott
2 Mac Lennan, Counsel for the Department of Real Estate, as follows
3 for the purpose of settling and disposing of the Accusation
4 ("Accusation") filed on December 7, 2006, in this matter:

5 1. All issues which were to be contested and all
6 evidence which was to be presented by Complainant and Respondents
7 at a formal hearing on the Accusation, which hearing was to be
8 held in accordance with the provisions of the Administrative
9 Procedure Act ("APA"), shall instead and in place thereof be
10 submitted solely on the basis of the provisions of this
11 Stipulation and Agreement ("Stipulation").

12 2. Respondents have received, read and understand the
13 Statement to Respondent, the Discovery Provisions of the APA and
14 the Accusation filed by the Department of Real Estate in this
15 proceeding.

16 3. Respondents timely filed a Notice of Defense
17 pursuant to Section 11506 of the Government Code for the purpose
18 of requesting a hearing on the allegations in the Accusation.
19 Respondents hereby freely and voluntarily withdraw said Notice of
20 Defense. Respondents acknowledge that they understand that by
21 withdrawing said Notice of Defense they thereby waive their right
22 to require the Commissioner to prove the allegations in the
23 Accusation at a contested hearing held in accordance with the
24 provisions of the APA and that they will waive other rights
25 afforded to them in connection with the hearing such as the right
26
27

1 to present evidence in their defense and the right to cross-
2 examine witnesses.

3 4. This Stipulation is based on the factual
4 allegations contained in the Accusation. In the interest of
5 expedience and economy, Respondents choose not to contest these
6 allegations, but to remain silent and understand that, as a
7 result thereof, these factual allegations, without being admitted
8 or denied, will serve as a prima facie basis for the disciplinary
9 action stipulated to herein. The Real Estate Commissioner shall
10 not be required to provide further evidence to prove said factual
11 allegations.

12 5. This Stipulation and Respondents decision not to
13 contest the Accusation is made for the purpose of reaching an
14 agreed disposition of this proceeding and is expressly limited to
15 this proceeding and any other proceeding or case in which the
16 Department of Real Estate ("Department"), the state or federal
17 government, or any agency of this state, another state or federal
18 government is involved.

19 6. It is understood by the parties that the Real
20 Estate Commissioner may adopt this Stipulation as his Decision in
21 this matter thereby imposing the penalty and sanctions on
22 Respondents' real estate licenses and license rights as set forth
23 in the "Order" herein below. In the event that the Commissioner
24 in his discretion does not adopt the Stipulation, it shall be
25 void and of no effect and Respondents shall retain the right to a
26
27

1 hearing and proceeding on the Accusation under the provisions of
2 the APA and shall not be bound by any stipulation or waiver made
3 herein.

4 7. The Order or any subsequent Order of the Real
5 Estate Commissioner made pursuant to this Stipulation shall not
6 constitute an estoppel, merger or bar to any further
7 administrative or civil proceedings by the Department of Real
8 Estate with respect to any matters which were not specifically
9 alleged to be causes for Accusation in this proceeding but do
10 constitute a bar, estoppel and merger as to any allegations
11 actually contained in the Accusations against Respondent herein.

12 8. Respondents understand that by agreeing to this
13 Stipulation, Respondents agree to pay, pursuant to Business and
14 Professions Code Section 10148, the cost of the audit (LA 040163
15 & LA 040200) which led to this disciplinary action. The amount
16 of said cost for the audit is \$5,470.97.

17 9. Respondents have received, read, and understand the
18 "Notice Concerning Costs of Subsequent Audit". Respondents
19 further understand that by agreeing to this Stipulation, the
20 findings set forth below in the Determination of Issues become
21 final, and the Commissioner may charge Respondents for the cost
22 of any subsequent audit conducted pursuant to Business and
23 Professions Code Section 10148 to determine if the violations
24 have been corrected. The maximum cost of the subsequent audit
25 will not exceed \$5,470.97.
26
27

DETERMINATION OF ISSUES

1 By reason of the foregoing, it is stipulated and agreed
2 that the following determination of issues shall be made:
3

I.

4
5 The conduct, acts or omissions of EMERALD HOME LOAN
6 INC., as described in Paragraph 4, above, is in violation of
7 Section 10145 of the Business and Professions Code ("Code") and
8 Section 2834 of Title 10, Chapter 6 of the California Code of
9 Regulations ("Regulations") and is a basis for the suspension or
10 revocation of Respondent's license and license rights as a
11 violation of the Real Estate Law pursuant to Code Section
12 10177(d).

II.

13
14 The conduct, acts or omissions of JAYSON GROSE
15 BRINGHAM, as described in Paragraph 4, constitutes a failure to
16 keep EMERALD HOME LOAN INC. in compliance with the Real Estate
17 Law during the time that he was the officer designated by a
18 corporate broker licensee in violation of Section 10159.2 of the
19 Code. This conduct is a basis for the suspension or revocation
20 of Respondent's license pursuant to Code Section 10177(d).
21

22 ///

23 ///

24 ///

25 ///

26

27

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents

EMERALD HOME LOAN INC. and JAYSON GROSE BRINGHAM under the Real Estate Law are suspended for a period of ninety (90) days from the effective date of this Decision; provided, however, that sixty (60) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

1. Respondents shall obey all laws, rules and regulations governing the rights, duties and responsibilities of a real estate licensee in the State of California.

2. That no final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action occurred within two (2) years of the effective date of this Decision. Should such determination be made, the Commissioner may, in his discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should no such determination be made, the stay imposed herein shall become permanent.

B. The initial thirty (30) day portion of said ninety (90) day suspension shall commence on the effective date of this Decision; provided, however, that if Respondents petition, said suspension shall be stayed upon condition that:

///

1 1. Pursuant to Section 10175.2 of the Business and
2 Professions Code, Respondents pay a monetary penalty of fifty
3 dollars (\$50.00) per day each or One Thousand Five Hundred
4 Dollars (\$1,500), totaling Three Thousand Dollars (\$3,000) for
5 both Respondents.

6 2. Said payment shall be in the form of a cashier's
7 check or certified check made payable to the Recovery
8 Account of the Real Estate Fund. Said check must be received
9 by the Department prior to the effective date of the Decision.

10 3. No further cause for disciplinary action against
11 the real estate license of Respondents occur within two (2) years
12 from the effective date of the Decision in this matter.

13 4. If Respondents fail to pay the monetary penalty in
14 accordance with the terms and conditions of the Decision, the
15 Commissioner may, without a hearing, order the immediate
16 execution of all or any part of the stayed suspension in which
17 event Respondents shall not be entitled to any repayment nor
18 credit, prorated or otherwise, for money paid to the Department
19 under the terms of this Decision.

20 5. If Respondents pay the monetary penalty and
21 provides evidence as required by Paragraph 5, above, and if no
22 further cause for disciplinary action against the real estate
23 licenses of Respondents occurs within two (2) years from the
24 effective date of the Decision, the stay hereby granted shall
25 become permanent.
26
27

III.

Pursuant to Section 10148 of the Business and

1
2
3 Professions Code, Respondents EMERALD HOME LOAN INC. and JAYSON
4 GROSE BRINGHAM shall pay the Commissioner's reasonable cost for
5 (a) the audit which led to this disciplinary action (b) a
6 subsequent audit to determine if Respondents are now in
7 compliance with the Real Estate Law. The cost of the audit which
8 led to this disciplinary action is \$5,470.97 (LA 040163/LA
9 040200). In calculating the amount of the Commissioner's
10 reasonable cost, the Commissioner may use the estimated average
11 hourly salary for all persons performing audits of real estate
12 brokers, and shall include an allocation for travel time to and
13 from the auditor's place of work. Said amount for the prior and
14 subsequent audits shall not exceed \$10,941.94.

15
16 Respondents shall pay such cost within 60 days of
17 receiving an invoice from the Commissioner detailing the
18 activities performed during the audit and the amount of time
19 spent performing those activities.

20 The Commissioner may suspend the license of Respondents
21 pending a hearing held in accordance with Section 11500, et seq.,
22 of the Government Code, if payment is not timely made as provided
23 for herein, or as provided for in a subsequent agreement between
24 the Respondent and the Commissioner. The suspension shall remain
25 in effect until payment is made in full or until Respondents
26 enter into an agreement satisfactory to the Commissioner to
27

1 provide for payment, or until a decision providing otherwise is
2 adopted following a hearing held pursuant to this condition.

3 IV.

4 All licenses and licensing rights of Respondent JAYSON
5 GROSE BRINGHAM are indefinitely suspended unless or until
6 Respondent provides proof satisfactory to the Commissioner, of
7 having taken and successfully completed the continuing education
8 course on trust fund accounting and handling specified in
9 paragraph (3) of subdivision (a) of Section 10170.5 of the
10 Business and Professions Code. Proof of satisfaction of this
11 requirement includes evidence that respondent has successfully
12 completed the trust fund account and handling continuing
13 education course within 120 days prior to the effective date of
14 the Decision in this matter.

15
16
17 DATED: 8-10-07

EL
18 ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

19 * * *

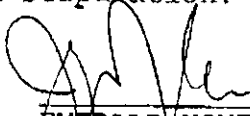
20 EXECUTION OF THE STIPULATION

21 We have read the Stipulation and discussed it with our
22 counsel. Its terms are understood by us and are agreeable and
23 acceptable to us. We understand that we are waiving rights given
24 to us by the California Administrative Procedure Act (including
25 but not limited to Sections 11506, 11508, 11509 and 11513 of the
26 Government Code), and we willingly, intelligently and voluntarily
27


1 waive those rights, including the right of requiring the
 2 Commissioner to prove the allegations in the Accusation at a
 3 hearing at which we would have the right to cross-examine
 4 witnesses against us and to present evidence in defense and
 5 mitigation of the charges.

6 Respondents can signify acceptance and approval of the
 7 terms and conditions of this Stipulation by faxing a copy of its
 8 signature page, as actually signed by Respondents, to the
 9 Department at the following telephone/fax number: Elliott Mac
 10 Lennan at (213) 576-6917. Respondents agree, acknowledge and
 11 understand that by electronically sending to the Department a fax
 12 copy of Respondents' actual signature as they appear on the
 13 Stipulation, that receipt of the faxed copy by the Department
 14 shall be as binding on Respondents as if the Department had
 15 received the original signed Stipulation.


17 DATED: 8/10/07


 EMERALD HOME LOAN INC., a corporate
 real estate broker,
 BY: JAYSON GROSE BRINGHAM, D.O.,
 Respondent

21 DATED: 8/10/07


 JAYSON GROSE BRINGHAM individually
 and as designated officer of
 Emerald Home Loan Inc., Respondent

25 DATED: 8-10-07

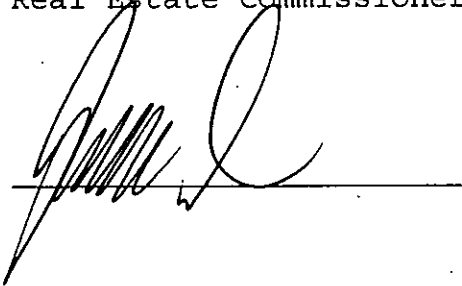

 FRANK M. BUDA, ESO,
 Attorney for Respondents
 Approved as to form

* * *

1 The foregoing Stipulation and Agreement is hereby
2
3 adopted as my Decision as to Respondents EMERALD HOME LOAN INC.
4 and JAYSON GROSE BRINGHAM, individually and as designated officer
5 of Emerald Home Loan Inc., and shall become effective at 12
6 o'clock noon on October 29 , 2007.

7 IT IS SO ORDERED 9-19 , 2007.

8
9 JEFF DAVI
10 Real Estate Commissioner

11
12 
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Handwritten initials/signature

1 ELLIOTT MAC LENNAN, Counsel (SBN 66674)
2 Department of Real Estate
3 320 West Fourth St., #350
4 Los Angeles, CA 90013

4 (213) 576-6982
5 (213) 576-6911

FILED
DEC - 7 2006
DEPARTMENT OF REAL ESTATE

By *Mederholt*

6
7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11	In the Matter of the Accusation of)	No. H-33514 LA
12	EMERALD HOME LOAN, INC., and JAYSON)	
13	GROSE BRINGHAM, individually and)	
14	as designated broker-officer of)	<u>A C C U S A T I O N</u>
15	Emerald Home Loan, Inc., also)	
16	designated broker officer of)	
17	American Guardian Financial Group,)	
18	Inc., Newport Coast Funding, Inc.,)	
19	Tandis Homes, Inc., Tandis Homes)	
20	Real Estate, Inc., and of)	
21	First Funding Plus,)	
22)	
23	Respondents.)	

20 The Complainant, Janice Waddell, a Deputy Real Estate
21 Commissioner, for cause of Accusation against EMERALD HOME LOAN,
22 INC. a California corporate broker and JAYSON GROSE BRINGHAM,
23 individually and as designated broker-officer of Emerald Home
24 Loan, Inc., of American Guardian Financial Group, Inc., Newport
25 Coast Funding, Inc., Tandis Homes, Inc., Tandis Homes Real
26 Estate, Inc., and of First Funding Plus, is informed and alleges
27

as follows:

1.
1
2

3 The Complainant, Janice Waddell, a Deputy Real Estate
4 Commissioner of the State of California, makes this Accusation in
5 her official capacity.

6 LICENSING

7 2.

8 Respondent EMERALD HOME LOAN, INC., (hereinafter
9 "EHLI"), is presently licensed and at all times relevant herein
10 was licensed under the Real Estate Law, Part 1 of Division 4 of
11 the California Business and Professions Code (hereinafter "Code")
12 as a corporate real estate broker. Respondent EHLI has been and
13 is licensed by the Department of Real Estate of the State of
14 California (hereinafter "Department") as a corporate real estate
15 broker since May 21, 2001.

16 (a) Respondent EHLI was and is authorized to act by
17 and through Respondent JAYSON BRINGHAM, from on or before May 21,
18 2001 through the present, pursuant to the provisions of Code
19 Section 10159.2, who was and is responsible for the supervision
20 and control of the activities requiring a real estate license
21 conducted on behalf of Respondent EHLI by its officers and
22 employees.

23 3.

24 Respondent JAYSON GROSE BRINGHAM (hereinafter
25 "BRINGHAM") is presently licensed and at all times relevant
26 herein was licensed under the Code as a real estate broker.
27

1 Respondent BRINGHAM has been licensed since on or before October
2 28, 1982. Since on or before May 21, 2001 and continuing to the
3 present, Respondent BRINGHAM was and is the broker-officer of
4 Respondent EHLI designated pursuant to Code Section 10159.2 to be
5 responsible for the supervision and control of the activities
6 conducted on behalf of EHLI by its officers and employees as
7 necessary to secure full compliance with the Real Estate Law.
8 Respondent BRINGHAM is also the designated broker officer of
9 American Guardian Financial Group, Inc., Newport Coast Funding,
10 Inc., Tandis Homes, Inc., Tandis Homes Real Estate, Inc., and of
11 First Funding Plus.

12 4.

13 All further references to "Respondents" include all
14 Respondents and also include the employees, agents and real
15 estate licensees employed by or associated with Respondents, who
16 at all times material herein were engaged in the furtherance of
17 the business or operations of said Respondents and who were
18 acting within the course and scope of their authority, agency or
19 employment.

20 5.

21 LICENSED ACTIVITIES

22 (a) At all times material herein, Respondent EHLI was
23 engaged in the business of, acted in the capacity of, advertised
24 or assumed to act as a real estate broker in the State of
25 California within the meaning of Code Sections 10131(d). Said
26 activity included soliciting borrowers and lenders for, and
27 negotiating the terms of loans secured by real property between

1 borrowers and third party lenders for or in expectation of
2 compensation (hereafter "mortgage loan brokerage").

3 (b) In the course of its mortgage loan brokerage,
4 Respondent EHLI engaged in the business of conducting escrows
5 under the exemption provided by Financial Code Section
6 17006(a)(4).

7 6.

8 ESCOBAR TRANSACTION

9 (a) Between on or about December 23, 2003 through on
10 or about February 23, 2004, Respondents, jointly and severally,
11 for or in expectation of compensation, solicited and negotiated a
12 loan between World Savings, lender, to Jose A. and Margarita
13 Escobar, borrowers, (hereafter Escobars) secured by real property
14 at 8240 Summer Falls Circle, Sacramento, California. World
15 Savings funded the loan on or about February 23, 2004 at which
16 time Respondent EHLI received a loan origination fee of \$1,656.75
17 and a yield spread premium (YSP) of \$2,485.14.

18 (b) On or about December 23, 2006, one Sandy Ishan
19 Jones, on behalf of Respondent EHLI, solicited the Escobars to
20 become borrowers on a loan secured by the Summer Falls Circle
21 property, representing a loan would be at 1.95% CODI (certificate
22 of deposit variable interest rate loan) with a lifetime cap of
23 4.8%. In response, the Escobars applied for a loan through
24 Respondent EHLI.

25 (c) Sandy Ishan Jones is not licensed by the
26 Department as a broker or salesperson.

27

1 (d) Respondent EHLI delivered to the Escobars three
2 Mortgage Loan Disclosure Statements/Good Faith Estimates
3 (MLDS/GFEs) for their loan transaction, their forms approved
4 pursuant to Regulations 2840 and 2840.1. The first MLDS/GFE,
5 dated December 23, 2003, disclosed that the loan would be at
6 3.95% with a lifetime cap of 12.5% and that respondent EHLI would
7 receive a loan origination fee of \$1,680 with a total loan cost
8 of \$6,747.00. Because the interest rates were higher than Escobar
9 had been led to believe would be the case, Respondent EHLI agreed
10 to waive the loan origination fee. Thus, the second MLDS/GFE
11 dated December 23, 2003 and the third dated February 7, 2004
12 omitted the loan origination fee. A GFE prepared by World
13 Savings on January 21, 2004 indicated that the broker would
14 receive a commission of \$2,485.14 but no loan origination fee.
15 The MLDS/GFE dated February 7, 2004 failed to show any
16 compensation to Respondent EHLI in the column "Paid to Broker"
17 giving a "Total Initial Fees Costs and Expenses" as \$3,362.67.
18 However, at the close of the loan, Respondents received the loan
19 origination fee of \$1,680.00, with total loan costs of \$7,089.90.
20 In addition to the loan origination fee, Respondent EHLI received
21 \$2,485.14, previously designed by World Savings as broker's
22 commission and, at funding on February 23, 2004, designated as a
23 Yield Spread Premium (YSP). The MLDS/GFE's which failed to
24 disclose the loan origination fee were, assuming Respondent EHLI
25 intended all along to claim the loan origination fee, were
26 substantial misrepresentations, fraudulent or dishonest dealing
27 and/or failed to comply with the requirements of Code Section

1 10240, 10241 and Regulations 2840 and 2841.1. which required that
2 all compensation to broker be disclosed.

3 (e) Regulation 2840.1 required Respondent EHLI to
4 disclose, on the bottom of page 1 thereof, all "Compensation to
5 Broker (Not Paid Out of Loan Proceeds). . .Any Additional
6 Compensation from Lender. . .() No () Yes \$___(if known)".

7 (f) In the MLDSs provided to the Escobars, including
8 but not limited to that prepared on February 7, 2004, Respondents
9 caused, allowed and permitted those MLDS/GFEs to falsely
10 represent that Respondent EHLI would not receive any such
11 compensation. In fact, Respondent EHLI received \$2,485.14 from
12 the lender as a "yield spread premium" at close of the loan.
13 Respondents well knew or should have known such representations
14 to be false.

15 (g) Respondent EHLI, as a mortgage broker as set forth
16 in Paragraph 5 above, was required by Code Sections 10240 and
17 10241(b) and Regulations 2840 and 2840.1 to provide a Mortgage
18 Loan Disclosure Statement/Good Faith Estimates (MLDS/GFEs) to the
19 Escobars and to disclose to them all brokerage commissions
20 contracted for or to be received. The MLDSes provided to
21 borrowers failed, except in the first MLDS/GFE dated December 23,
22 2003, to comply with Code Sections 10240 and 10241(b) and
23 Regulations 2840 and 2840.1 in the Escobar transaction in that
24 the MLDS/GFEs provided to the Escobars failed to disclose the
25 origination fee. In no MLDS//GFE was the YSP disclosed.

26 (h) During the course of the Escobar transaction,
27 Respondents jointly and severally provided to the Escobars

1 MLDS/GFEs which failed to disclose any compensation expected to
2 be received by Respondent EHLI, in willful violation of Code
3 Section 10241. Respondents, jointly and severally, disclosed to
4 the Escobars estimates of total loan costs ranging from \$3,362.67
5 to \$4,067. It was not until after the close of the loan that
6 Respondents disclosed that Respondent EHLI received a loan
7 origination fee and the YSP, with loan costs which totaled
8 \$7,089.90. Specifically, Respondents, jointly and severally,
9 failed to inform the Escobars that Respondent EHLI would receive
10 a loan origination fee and the YSP.

11 (i) Respondents, jointly and severally, failed to:
12 provide to the Escobars MLDS/GFEs signed by the broker; failed to
13 obtain the signatures of the Escobars to the MLDS/GFEs, and/or,
14 failed to maintain for three years copies of the MLDS/GFEs as
15 signed by the Escobars, all in willful violation of Code Section
16 10240.

17 7.

18 AUDIT

19 (a) Between on or about March 21 through April 8, 2005
20 the Department examined the books and records of Respondent EHLI
21 covering the period of time between December 1, 2003 through
22 January 31, 2005 (hereafter the "audit period"). The results of
23 that examination are partially set forth in Audit Reports dated
24 April 22, and May 12, 2005, audits numbered LA 040163 and LA
25 040200. Those examinations revealed violations of the Code and
26 California Code of Regulations, Title 10, Chapter 6 (hereafter
27 "Regulations"), as more specifically set forth in the Audit

1 Reports and the Exhibits attached to said Audits, and are alleged
2 below.

3
4 (b) In connection with the aforesaid broker
5 activities, EHLI accepted or received and disbursed funds in
6 trust ("trust funds") in the conduct of its escrows. During the
7 audit period, EHLI deposited these funds into two bank accounts,
8 known as the "Emerald Home Loan Inc. Escrow Division Trust
9 Account", account number 402148454, (hereafter TA 1) at City
10 National Bank, Orange County Airport Office, Irvine, California.
11 TA 1 was opened on or about August 2, 2004 and it replaced a
12 prior trust account, number 0023832682 at the same bank in the
13 same account name, (TA 2). TA 2 was closed on or about August 2
14 2004 at which time it was replaced by TA 1.

15 (c) Prior to TA 2's closure, funds could have been and
16 were withdrawn from TA 2 by Angela Stidham and Jeffrey Heritt,
17 neither of whom were licensed by the Department or bonded.
18 Angela Stidham did withdraw funds from TA 2 with approximately
19 five checks signed by her on TA 2 dated February 25, 2004.
20 Withdrawal of funds from TA 2 were in willful violation of Code
21 Section 10145 and Regulation 2834.
22

23 (d) With respect to the trust funds referred to in
24 Paragraph 9(b), Respondents EHLI and BRINGHAM caused or permitted
25 the disbursement of trust funds from the trust accounts without
26 the prior written consent of every principal who was an owner of
27

1 the funds in the above trust account when said disbursements
2 reduced the balance of funds in this account to an amount which
3 was, as of January 31, 2005, \$7,678.84 less than EHLI's existing
4 aggregate trust fund liability to all owners of funds in the
5 accounts in violation of Section 10145 of the Code and Section
6 2832.1 of the Regulations. The shortage was mainly caused by
7 EHLI's disbursing funds of various escrows in excess of their
8 respective balances. Upon discovery by the audit of the
9 shortage, Respondents cured the shortage on or about February 9
10 and March 15, 2005.

11 (e) In the course of receiving escrow trust funds,
12 Respondents EHLI and BRINGHAM failed indicate on the escrow
13 receipts the correct day the funds were received which made the
14 receipts inconsistent with the control records kept by
15 Respondents which were consistent with the account bank
16 statements. The inaccurate receipts created a break in the audit
17 time sequence of accounting and thus constituted a failure to
18 maintain records in accordance with accepted principles of
19 accounting and good business practice, in violation of Regulation
20 2950(d). Examples include but are not limited to the following
21 funds received from First American Title Company:
22

23 EHLI Escrow:	Amount:	Date Received:	Date on Receipt:
24 040908	\$10,438.98	10-26-04	11-02-04
25 041061	36,746.36	11-01-04	3-18-05
26 041142	70,818.68	12-29-04	3-18-05

27

041189

12,356.02

1-3-05

3-18-05

1
2 (f) Respondents employed salespersons licensed by the
3 Department, Eloise Nungary on or about May 5, 2004 and Kathleen
4 Byrne on or about November 5, 2001. Respondents reported to the
5 Department the employment of Nungary and Byrne on or about
6 February 14, 2005. Respondents thus failed to notify the
7 Department of the employment of Eloise Nungaray and Kathleen
8 Byrne, within five days of employment, in willful violations of
9 Regulation 2752.

10 (g) Respondent EHLI failed to obtain the signatures of
11 borrowers to, or failed to retain for three years copies as
12 signed by the borrowers, of MLDS/GFE's in two additional
13 transactions, in addition to the Escobar transaction. The
14 MLDS/GFEs not signed by the borrowers are:

Borrower:	Date of MLDS/GFE not signed:
15 Elvira Morales	16 May 22, 2004.
17 Douglas and Tiffany Wright	18 June 9, 2004.

19 8.

20 Respondent BRINGHAM failed to supervise the activities
21 conducted on behalf of EHLI by its officers and employees as
22 necessary to secure full compliance with Real Estate Law in
23 violation of Section 10159.2 of the Code.

24 9.

25 The conduct or omissions of Respondent EHLI as set
26 forth above subject EHLI's real estate licenses and license
27

rights to suspension or revocation under the following Code

Sections:

(a) Section 10137 for employing unlicensed Sandy Ishan Jones to solicit borrowers for loans secured by real property.

(b) Section 10176(a) for substantial misrepresentations as to the receipt of the YSP.

(c) Section 10177(d) for willful violations of Code Sections 10145 and Regulations 2752, 2832.1 and 2834 from Title 10, Chapter 6 of the California Code of Regulations, as set forth above.

(d) Section 10176(i) for fraud or dishonest dealing.

(e) Section 10177(d) for willful violation of Code Sections 10240 for failure by EHLI to sign the MLDS/GFEs, to obtain borrowers' signatures to, or to maintain for three years copies of MLDS/GFEs as signed by broker and borrowers Escobar, Morales and Wright.

(f) Section 10177(d), as to Respondent BRINGHAM, for violation of Code Section 10159.2 for failure to exercise reasonable supervision, as set forth in Paragraph 9, above.

(g) 10177(g) for negligence in transactions for which a license is required.

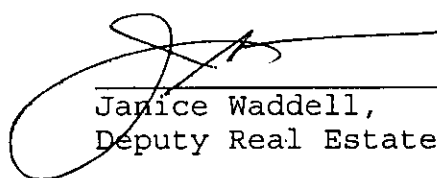
(h) 10177(h) for failure to supervise as required by Code Section 10159.2.

//

//

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondent
5 EMERALD HOME LOAN, INC., Respondent JAYSON GROSE BRINGHAM,
6 individually and as designated officer of Emerald Home Loan, Inc.
7 and also of American Guardian Financial Group, Inc., Newport
8 Coast Funding, Inc., Tandis Homes, Inc., Tandis Homes Real
9 Estate, Inc. and of First Funding Plus, under the Real Estate Law
10 and for such other and further relief as may be proper under
11 applicable provisions of law.

12 Dated at Los Angeles, California
13 this 29 day of November, 2006

14
15
16 
17 _____
18 Janice Waddell,
19 Deputy Real Estate Commissioner
20

21 cc: Emerald Home Loan, Inc.
22 Jayson Grose Bringham
23 Sacto.
24 Janice Waddell
25 Audits, Elenita Morales
26
27