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JUL - 5 2017

BUREAU OF REAL ESTATE

By *Cal Delorio*

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

) CalBRE No. H-40397 LA

) COUNTRY CLUB AND RESORT RENTALS, INC.,

) OAH No. 2016110751

) SANDY L. HANCOCK and OMAR SAUL LOZA,

) individually and as designated officers of

) Country Club and Resort Rentals, Inc.,

) Respondents

DECISION

The Proposed Decision dated May 19, 2017, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision suspends or revokes one or more real estate licenses.

Pursuant to Government Code section 11521, the Bureau of Real Estate may order reconsideration of this Decision on petition of any party. The Bureau's power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first. The right to reinstatement of a revoked real estate license or to the reduction of a penalty is controlled by Section 11522 of the Government Code. A copy of Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on JUL 25 2017.

IT IS SO ORDERED

6/29/2017

WAYNE S BELL
REAL ESTATE COMMISSIONER



BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

COUNTRY CLUB AND RESORT
RENTALS, INC.,
SANDY L. HANCOCK
and OMAR SAUL LOZA,
individually, and as designated officers of
Country Club and Resort Rentals, Inc.,

Respondents.

BRE No. H-40397 LA

OAH No. 2016110751

PROPOSED DECISION

This matter was heard on April 19, 2017, in Los Angeles, California, by Glynda B. Gomez, Administrative Law Judge (ALJ), Office of Administrative Hearings, State of California.

No appearances were made by or on behalf of Respondent Country Club and Resort Rentals, Inc. (Country Club) or Respondent Sandy L. Hancock (Respondent Hancock). Respondent Omar Saul Loza (Respondent Loza) represented himself.

James R. Peel, Counsel for the Bureau of Real Estate (BRE), represented Complainant Veronica Kilpatrick, Supervising Special Investigator.

Oral and documentary evidence was received. The record was closed and the matter was submitted for decision on April 19, 2017.

FACTUAL FINDINGS

1. Complainant brought the Accusation in her official capacity.
2. On May 2, 2014, Country Club, a corporation, was issued real estate broker license number 01948602. The license will expire on May 1, 2018, unless renewed. The license was originally issued with Evelyn Frances Cheeks as the Designated Officer. On March 10, 2015, Ms. Cheek's designation was cancelled and Respondent Hancock became the Designated Officer. Respondent Hancock was the Designated Officer until December

21, 2015 when the designation was cancelled. On December 21, 2015, Respondent Loza became the designated officer for Country Club. A Branch License was issued to Country Club on April 16, 2016 for an office in Palm Desert.

3. Respondent Hancock was originally licensed as a real estate salesperson on July 29, 1987. Respondent Hancock was issued a real estate broker's license by the BRE on April 8, 1991. Her real estate broker's license expired on January 31, 2009 and was later renewed on January 25, 2011. Respondent Hancock's broker license expired again on January 24, 2015, was renewed on January 25, 2015, and will expire on January 24, 2019, unless renewed. Hancock was the Designated Officer of Country Club from March 10, 2015 to December 20, 2015.

4. Respondent Loza was originally licensed as a real estate salesperson on June 27, 1991. The license expired on October 12, 2003 and was re-issued on February 18, 2010, after examination. Respondent Loza was licensed as a real estate broker on October 7, 2013. The real estate broker license will expire on October 6, 2017, unless renewed. Respondent Loza was the designated officer for Country Club from December 21, 2015 until January 18, 2017.

5. Country Club provided property management services for short-term and long-term vacation rental properties including receipt of rents and deposits. In connection with Country Club's activities, it accepted or received funds including funds to be held in trust (trust funds) from parties in connection with property management activities, and deposited or disbursed the trust funds.

6. In March of 2015, Robert Herzog (Herzog) purchased Country Club. Part of the purchase arrangements included a \$70,000 note payable by Herzog to the previous owner no later than January of 2016.

7. In approximately October of 2015, Respondent Loza was approached by Robert Herzog (Herzog) about serving as the Designated Officer for Country Club. Herzog was not licensed by BRE in any capacity. Herzog was a friend and neighbor of Respondent Loza.

8. In December of 2015¹, Maureen Baker, Country Club's bookkeeper, quit her job with Country Club because she was concerned about what she believed to be inappropriate transactions made with Country Club trust funds. She reported her concerns to the BRE.

9. On December 20, 2015, Respondent Hancock resigned as Designated Officer of Country Club and left the company.

¹ The exact date was not established by the evidence.

10. On December 21, 2015, Respondent Loza agreed to join Herzog at Country Club as the Designated Officer. Country Club notified the BRE on December 21, 2015 that Respondent Loza was its Designated Officer. Respondent Loza expected to begin full time work with Country Club at the beginning of January 2016.

11. As a result of Ms. Baker's complaint to the BRE, an audit was instituted. Intermittently, from April 19, 2016 to June 30, 2016, BRE Auditor Zaky Wanis conducted an audit of Country Club's books and records related to real estate activities. The audit covered activities during the period of April 1, 2015 to March 31, 2016 (audit period). Mr. Wanis reviewed corporate documents, policy and procedures manuals, letters from banks, bank signature cards, bank statements, cancelled checks, control records, receipts, disbursement batches, property owner statements, trial balance reports, bank reconciliations, a broker's fees ledger, invoices and cancelled checks, broker's documentation regarding curing shortages, account analysis statements, property management and rental agreement, lists of owners and properties, and miscellaneous documents provided by the respondents.

12. Country Club had five bank accounts. Bank Account 1 (BA1) was Country Club's trust account held at First Bank in Palm Desert. BA1 was used for multiple beneficiaries and maintained for the receipts and disbursements of trust funds in connection with the property management services for vacation rental properties. Herzog was the only signer on the account until April 15, 2016 when Respondent Loza was added. Herzog was deleted as an authorized signer on BA1 on April 19, 2016. Although BA1 was the trust account for Country Club, the signature card for the account did not designate it as such until April 19, 2016 when Respondent Loza had "trust account" added to the signature card.

13. Bank Account 2 (BA2) held at First Bank in Palm Desert, was one of Country Club's general business accounts. Respondent Hancock, former bookkeeper Maureen Baker, and Herzog were the signers on BA2 until December 9, 2015 when Respondent Hancock and Ms. Baker were removed. Joanne Kambe and Christine Chambers, neither of whom are BRE licensees, were added to the signature card for BA2 on April 4, 2016.

14. Bank Account 3 (BA3) held at California United Bank in Ontario was another Country Club general business account. Herzog was the sole signer on BA3. BA3 was linked to Bank Account 4.

15. Bank Account 4 (BA4) held at California United Bank in Ontario was a general business account which was opened so that Country Club could obtain a \$50,000 business line of credit. BA 4 was used as the funding account for the line of credit and was linked to BA 3.

16. Bank Account 5 (BA5) held at Wells Fargo Bank in Palm Desert was a general business account. Herzog was the sole signer on BA5.

17. On August 27, 2015, while Respondent Hancock was the Designated Officer, Herzog transferred \$100,000 in trust funds from BA1 to BA3. Herzog made the transfer to

establish a banking relationship with California United Bank, to earn interest, and to obtain a \$50,000 credit line.

18. On October 5, 2015, while Respondent Hancock was the Designated Officer, Herzog transferred another \$100,000 in trust funds from BA1 to BA3.

19. On October 22, 2015, while Respondent Hancock was the Designated officer, Herzog transferred \$100,000 in trust funds from BA1 to BA5.

20. On October 30, 2015, while Respondent Hancock was the Designated Officer, a cash withdrawal was made from BA5 in the amount of \$70,000 by Herzog to pay off the note owed to Country Club's previous owner. Although the note was not due until January of 2016, Herzog paid it off early with trust funds in order to obtain a five percent discount.

21. As of December 20, 2015, the day before Respondent Loza became the designated officer, Country Club had a \$236,770 trust fund shortage from BA1. The shortage was a result of \$100,000 that had been moved to BA5, commingled and converted to business and personal use by Herzog, \$130,000 transferred to BA3 and commingled with business funds and an unidentified shortage of \$6,772.

22. As of December 20, 2015, Herzog was the only signor on the Country Club trust account and Respondent Hancock was the Designated Officer. There was no evidence that Respondent Hancock received any of the trust funds, authorized Herzog to transfer funds from the trust account or had knowledge of Herzog's transfers of funds out of the trust account.

23. On December 31, 2015, Herzog, made an online transfer of \$10,000 from BA5 to his personal account to pay for a truck.² Respondent Loza learned of the transfer during the audit.

24. By March 31, 2016, the trust fund shortage had been reduced to \$205,600.28. \$100,000 had been commingled with other funds, another \$100,000 had been commingled and then converted and \$5,600.28 in trust funds were not accounted for.

25. On April 12, 2016, Country Club transferred \$100,000 from BA 5 to BA1 to reduce the trust account shortage.

26. Respondent Loza became a signer for the trust account on April 15, 2016 during the course of the BRE audit. He attempted to locate the missing funds and bring the trust account into balance.

27. On April 18, 2016, Respondent Loza transferred \$100,000 from BA 3 to BA1 to further reduce the shortage.

² It was not established whether the truck was for personal or business purposes.

28. On May 20, 2016, the BRE completed its audit examination of the books and records pertaining to Country Club's real estate activities and Mr. Wanis held an audit conference with Herzog and Respondent Loza in which he disclosed the following findings made in his audit report:

(A). During the audit period, Country Club and Respondents Hancock and Loza permitted, allowed or caused the disbursement of trust funds in an amount which, on December 20, 2015, was \$236,772 and on March 31, 2016, \$205,600, less than the existing aggregate trust fund liability to the owners of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Business and Professions Code (Code) section 10145 and California Code of Regulations, title 10 (Regulation), section 2832.1.

(B). During the audit period, Country Club, Respondent Hancock and Respondent Loza failed to maintain an accurate and complete control record for each trust account. The control record for BA 1 did not reflect the correct dates funds were deposited and the daily balance was therefore not accurate, as required by Code section 10145 and Regulation 2831.

(C). During the audit period, Country Club and Respondents Hancock and Loza failed to maintain accurate and complete separate records for each beneficiary or property, as required by Code section 10145 and Regulation 2831.1.

(D). During the audit period, Country Club and Respondents Hancock and Loza failed to perform and maintain a monthly reconciliation of all separate records to the control record, as required by Code section 10145 and Regulation 2831.2.

(E). During the audit period, Country Club and Respondents Hancock and Loza failed to designate the bank account used to hold trust funds as a trust account in violation of Regulation 2832.

(F). During the audit period, Country Club and Respondents Hancock and Loza allowed unlicensed and unbonded trust account signatories. Respondents Hancock and Loza were not designated as trust account signatories in violation of Regulation 2834.

(G). During the audit period, Country Club commingled trust funds with non-trust funds, in violation of Code sections 10145 and 10176, subdivisions (e).

(H). During the audit period, Country Club commingled trust funds with non-trust funds, in violation of Code sections 10145 and 10176, subdivisions (i).

(I). During the audit period, Country commingled trust funds with non-trust funds, in violation of Code sections 10145 and 10176, subdivisions (i).

(J). Country Club used the unlicensed fictitious business name "Country Club and Resort Rentals" instead of "Country Club and Resort Rentals, Inc.," the name on its license, in violation of Regulation 2731.

(K). During the audit, Country Club and Respondents Hancock and Loza failed to retain records and provide them upon request to the auditor, in violation of Code section 10148.

(L). During the audit period, Respondents Hancock and Loza failed to exercise reasonable supervision over the activities of Herzog, to ensure compliance with the Real Estate Laws and the Commissioner's Regulations, in violation of Code sections 10159.2 and 10177, subdivision (h), and Regulation 2725.

29. On May 26, 2016, Respondent Loza transferred \$5,600.28 from BA2 to BA1 to balance the trust account and eliminate the remaining shortage in BA1.

30. On May 31, 2016, Herzog committed suicide leaving behind his young family, a business in shambles, and leaving Respondent Loza to cope with the audit and the legal and financial affairs of Country Club. Under difficult and emotional circumstances, Respondent Loza stayed on at Country Club to finalize the audit and organize the affairs of Country Club.

31(a). Respondent Loza testified credibly to the relevant events. Respondent Loza had never served as a Designated Officer for a corporation before his tenure with Country Club.

31(b). He trusted his friend Herzog and did not immediately take over the trust account operations, which he now knows was a huge mistake. He was unaware that Herzog had moved trust funds from BA1 to other accounts or converted trust funds until the auditor brought these issues to his attention.

31(c). As soon as Respondent Loza learned of the situation, he had Herzog removed from BA1 and replaced him as the signatory for the account. He traced the trust funds through the various bank accounts and transferred sufficient funds from the various corporate bank accounts to BA1 to reduce and eliminate the shortage in BA1.

31(d). Respondent Loza attempted to provide access to all records for Mr. Wanis to review. However, due to some issues with outdated computer software, Respondent Loza was not able to provide some of the reports and documentation requested by Mr. Wanis. Respondent Loza also consulted an attorney for assistance in drafting a response to questions raised by auditor Wanis.

31(e). Respondent Loza expressed remorse for his failure to properly supervise Herzog and the activities of Country Club. Clearly, Respondent Loza had no understanding of the financial irregularities at Country Club until the auditor made him aware of his

conclusions as the audit progressed. Respondent Loza trusted Herzog who was known to him as a friend and a neighbor.

31(f). All of Herzog's improper transfers from BA1 occurred before Respondent Loza was affiliated with Country Club and all were completed without Respondent Loza's knowledge. Respondent Loza took immediate action to remedy all irregularities and insufficiencies. Respondent Loza took full responsibility for his lack of supervision and has learned from his experience.

32. Respondent Loza is a licensed real estate appraiser and makes his living as a self-employed real estate appraiser. He is married and the father of three children and supports his family. Respondent Loza has no history of license discipline. He understands the seriousness of the trust fund violations and supervision lapse at Country Club and understands why the BRE is concerned about the situation and its potential impact on the public. Respondent Loza expressed extreme remorse for the deficits in his corporate supervision. He was not a signatory on BA1 until April of 2016 and never personally commingled or converted trust funds.

33. Complainant failed to establish by clear and convincing evidence that Respondent Hancock had any involvement in the commingling or conversion of trust funds. However, it was established that Respondent Hancock failed to properly supervise the activities of Country Club. Respondent Hancock provided no mitigation evidence.

34. Complainant established by clear and convincing evidence that Country Club commingled and converted trust funds. Country Club provided no mitigation evidence.

35. Complainant submitted evidence of the costs of investigation and enforcement of this matter, comprised of the costs for audit of \$9,403, investigation of \$1,496.80 and legal costs of \$623 for a grand total of \$11,522.80 (exhibit 4, 5, and 6). The costs of investigation and enforcement are reasonable.

LEGAL CONCLUSIONS AND DISCUSSION

Based upon the foregoing factual findings, the Administrative Law Judge makes the following legal conclusions:

1. The standard of proof for the Bureau to prevail on the Accusation is clear and convincing evidence to a reasonable certainty. (*Borrer v. Dept. of Real Estate* (1971) 15 Cal.App.3d 531.)

2. Code section 10145 provides that a real estate broker is required to deposit, into a trust account, funds belonging to another that are received while performing acts requiring a real estate license.

3. Regulation section 2831, provides that the broker must record receipt and disbursement of trust funds, with details as to date, amount received and from whom, date of deposit, daily balance, and other required information.
4. Regulation section 2831.1, provides that the broker must keep a separate record of each beneficiary or transaction, and must record deposit of trust funds, with detail as to date, amount received, and other required information.
5. Regulation section 2831.2, provides that at least once per month the broker must reconcile the separate beneficiary records maintained under Regulation section 2831.1 with the records of trust funds received and disbursed that are required to be maintained under Regulation section 2831.
6. Regulation section 2832, requires that the broker place trust funds in the hands of the owner of the funds, into a neutral escrow depository or into a trust fund account in the name of the broker or fictitious name as a trustee, at a bank or financial institution not later than three business days following receipt of the funds by the broker or salesperson. The account the funds are placed in may not be an interest-bearing account
7. Regulation section 2832.1, requires the written consent of all owners of trust funds must be obtained before any disbursement is made that will reduce the balance of the account to an amount less than the aggregate trust fund liability.
8. Regulation section 2834, provides that withdrawals from a trust account of a corporate broker may only be made upon the signature of the Designated Officer or a licensed real estate salesperson or real estate broker licensed to the corporate broker upon written authorization, a bonded unlicensed employee, with specific written authority of the Designated Officer.
9. Regulation section 2731, provides that a licensee may not use a fictitious name for any licensed activity unless the licensee is the holder of a license bearing the fictitious name.
10. Code section 10176, subdivision (e), provides that the commingling of a licensee's own money or property with trust funds or property held for others in the course of licensed activity is grounds for suspension or revocation of a real estate license.
11. Code section 10176, subdivision (i), provides that fraud or dishonest dealings is grounds for suspension or revocation of a real estate license.
12. There is cause to suspend or revoke the estate broker licenses of Country Club, Respondent Hancock and Respondent Loza, pursuant to Code section 10145, and Regulation sections 2832.1, 2831, 2831.1 and 2831.2, because Country Club, Respondent Hancock and Respondent Loza accepted trust funds and did not maintain the required records or perform the required reconciliations. (Factual Findings 2-34.)

13. There is cause to suspend or revoke the real estate broker licenses of Country Club and Respondent Hancock, pursuant to Code section 10176, subdivision (e), because the audit revealed unauthorized commingling of funds, in that the trust account balances were allowed to be reduced to an amount below the proper trust account liabilities. (Factual Findings 2-33.) Cause was not established to suspend or revoke the real estate broker license of Respondent Loza pursuant to Code section 10176, subdivision (e). (Factual Findings 2-34.)

14. It was not established that Respondent Hancock or Respondent Loza took any secret or undisclosed profits or engaged in conduct which constituted fraud or dishonest dealings and therefore cause to suspend or revoke the real estate broker licenses of Respondent Loza and Respondent Hancock was not established pursuant to Code section 10176, subdivisions (g) and (i). (Factual Findings 2-34.)

15. Under other subdivisions of Code section 10177, a licensee can be disciplined for various other reasons. Complainant alleges that the respondents also violated subdivision (d), willful disregard or violation of the Real Estate Law and Regulations, and subdivision (g), demonstrating negligence or incompetence in performing licensed activities.

16. The terms "willful" or "willful disregard" are not defined in the Code. However, they were interpreted in *Milner v. Fox* (1980) 102 Cal.App.3d 567, as not requiring any intent to violate the law but, rather, only the intent to engage in an act. If that act is determined to violate the law, the actor did so willfully.

17. The evidence did not establish that Respondent Hancock or Respondent Loza committed any of the acts that resulted in commingling or conversion of Country Club's trust funds and, therefore, Complainant failed to establish by clear and convincing evidence that Respondent Hancock and Respondent Loza committed willful violations of the law or willful disregard of the law. (Factual Findings 2-34.)

18. Under Code section 10177, subdivision (h), a broker is required to exercise reasonable supervision over the activities of his salespersons, including the handling of trust funds, and the broker's license can be disciplined for any failure to exercise reasonable supervision. It is clear that neither Respondent Hancock nor Respondent Loza exercised reasonable supervision over Country Club's activities. Specifically, Herzog was allowed unfettered access to trust accounts and neither Respondent Hancock nor Respondent Loza kept the required trust account records as specified in the regulations. (Factual Findings 2-34.)

19. Under Code section 10148, a real estate broker is required to maintain certain records, including trust records, for at least three years. Pursuant to Code section 10148, subdivision (b), the Real Estate Commissioner may charge a broker for the cost of any audit if the Commissioner finds that the broker has violated the requirements of Code section 10145, or the regulations relating to the records that are required to be kept. Under Code

section 10106, the Commissioner may recover from a licensee the reasonable costs of investigating and prosecuting a disciplinary matter.

20(a). In *Zuckerman v. State Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, the Supreme Court rejected a constitutional challenge to a cost recovery provision similar to Code section 10106. In so doing, however, the Court directed the administrative law judge and the licensing agency to evaluate several factors to ensure that the cost recovery provision did not deter individuals from exercising their right to a hearing. Thus, the BRE must not assess the full costs where it would unfairly penalize a licensee who has committed some misconduct, but who has used the hearing process to obtain the dismissal of some charges or a reduction in the severity of the penalty. The Bureau must consider a licensee's subjective good faith belief in the merits of his or her position and whether the licensee has raised a colorable challenge. The Bureau must consider a licensee's ability to pay, and the Bureau may not assess disproportionately large investigation and prosecution costs when it has conducted a disproportionately large investigation to prove that a licensee engaged in relatively innocuous misconduct. (*Id.* at p. 45.)

20(b). In this case, the reasonable costs of investigation and enforcement are \$11,522.80 and it is appropriate to assign an equal proportionate share of the costs to each of the respondents.

21. The statutes relating to licensing of professions generally are designed to protect the public from dishonest, untruthful and disreputable licensees. (*Arneson v. Fox* (1980) 28 Cal.3d 440, 451.) Such proceedings are not for the primary purpose of punishing an individual. (*Camacho v. Youde* (1979) 95 Cal.App.3d 161, 165.) Rather, in issuing and disciplining licenses, a state agency is primarily concerned with protection of the public, maintaining the integrity and high standards of the profession, and preserving public confidence in licensure. (*Ibid.*, See also, *Fahmy v. Medical Bd. of California* (1995) 38 Cal.App.4th 810, 817.)

22. The commingling, conversion and disregard for the law and regulations by Country Club requires revocation of the its real estate broker license for public protection. No mitigation evidence was offered on behalf of Country Club.

23. Respondent Hancock committed serious lapses in supervision and failed to abide by the Regulation. She provided no mitigation evidence. Therefore, public protection requires the revocation of her real estate broker license.

24. Respondent Loza, on the other hand, came into the situation without a full understanding of Herzog's business practices and attempted to remedy the errors that he discovered and those that were brought to his attention by the auditor. In addition, even after the death of Herzog, Respondent Loza attempted to organize the records and accounts of Country Club. Respondent was a relatively new broker licensee, had a social relationship with Herzog and let his guard down in dealing with Herzog. Respondent Loza was cooperative with the auditor and candid in his testimony at the administrative hearing. He

expressed remorse for the deficits in his supervision of Herzog and took full responsibility. The public will be adequately protected if Respondent Loza's real estate broker's license is revoked and he is allowed to apply for a restricted salesperson license, as the license requires respondent to be supervised in his performance of activities that require the license, the respondent's supervisor must be notified of the decision in this matter, and the respondent's supervisor must exercise close supervision over respondent.

ORDER

1. All licenses and licensing rights of Respondent Country Club and Resort Rentals, Inc. under the Real Estate Law are revoked.
2. Respondent Country Club and Resort Rentals, Inc. shall pay the Bureau of Real Estate \$3,840.93 in costs within 90 days of this order.
3. All licenses and licensing rights of Respondent Sandy L. Hancock under the Real Estate Law are revoked.
4. Respondent Sandy L. Hancock shall pay the Bureau of Real Estate \$3,840.93 dollars in within 90 days of this order.
5. All licenses and licensing rights of Respondent Omar Saul Loza are revoked; provided however a restricted real estate salesperson license shall be issued to Respondent Omar Saul Loza pursuant to Business and Professions Code section 10156.5, if he makes application therefore and pays to the Bureau 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 Omar Saul Loza 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 Business and Professions Code section 10156.6.
6. Respondent Omar Saul Loza shall obey all laws, rules and regulations governing the rights, duties and responsibilities of a real estate licensee in the State of California.
7. The restricted license issued to Respondent Omar Saul Loza may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of his conviction or plea of nolo contendere to a crime which is substantially related to his fitness or capacity as a real estate licensee.
8. The restricted license issued to Respondent Omar Saul Loza may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent Omar Saul Loza 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.

9. Respondent Omar Saul Loza 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 years have elapsed from the effective date of this Decision.

10. Respondent Omar Saul Loza shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Bureau of Real Estate which shall certify:

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

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

11. Respondent Omar Saul Loza shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate 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 Omar Saul Loza fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until respondent presents such evidence. The Commissioner shall afford Respondent Omar Saul Loza the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

12. Respondent Omar Saul Loza shall, within six months from the effective date of this Decision, submit proof satisfactory to the Commissioner of having taken and successfully completed the continuing education course on trust fund accounting and handling specified in Business and Professions Code section 10170.5, subdivision (a). Such proof may include evidence that respondent successfully completed the course within 120 days prior to the effective date of the final Decision in this matter.

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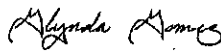
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13. Respondent Omar Saul Loza shall pay costs of \$3,840.93 to the Real Estate Commissioner in the form of a cashier's check or certified check within 90 days of the effective date of this Decision, or on a payment plan by agreement with the Commissioner.

DATED: May 19, 2017

DocuSigned by:

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GLYNDA B. GOMEZ
Administrative Law Judge
Office of Administrative Hearings