Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
(213) 897-3937

Laura B. Orona

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of TEJAI FINANCIAL SERVICES, INC, a California corporation; KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial Services, Inc.; and TOM JOHNSON, Respondents.	NO. H-24569 LA STIPULATION IN SETTLEMENT AND ORDER

It is hereby stipulated by and between TEJAI FINANCIAL SERVICES, INC, (TFS), a California corporation, KENNETH JAMES PELTZ (PELTZ), individually and as designated officer of Tejai Financial Services, Inc.; and TOM JOHNSON (JOHNSON), (sometimes referred to as respondents) and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on July 8, 1991 in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and

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respondents at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation.

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

3. On July 12, 1991, respondents filed a Notice of Defense pursuant to Section 11505 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents acknowledge that they understand that by withdrawing said Notice of Defense they thereby waive their right to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA and that they will waive other rights afforded to them in connection with the hearing such as the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

4. Respondents, pursuant to the limitations set forth below, hereby admit that the factual allegations in Paragraphs I through X of the Amended Accusation filed in this proceeding are true and correct and the Real Estate Commissioner shall not be required to provide further evidence of such allegations.

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5. This Stipulation is based on respondents' decision not to contest the allegations set forth in the Accusation as a result of the Proposed Decision and Order negotiated between the parties. This Stipulation and the finding, express or implied, based on respondents' decision not to contest the Accusation, are made expressly limited to this proceeding and any further proceeding initiated by or brought before the Department of Real Estate based upon the facts and circumstances alleged in the Accusation, and made for the sole purpose of reaching an agreed disposition of this proceeding. The decision of respondents not to contest the factual statements alleged, and as contained in the stipulated Order, are made solely for the purpose of effectuating this Stipulation. It is the intent and understanding of the parties that this Stipulation and Order shall not be binding or admissible against respondents in any actions against respondents by third parties.

6. It is understood by the parties that the Real Estate Commissioner may adopt the Stipulation and Agreement as his decision in this matter thereby imposing the penalty and sanctions on respondents' real estate licenses and license rights as set forth in the "Order" hereinbelow. In the event that the Commissioner in his discretion does not adopt the Stipulation and the Agreement, the Agreement shall be void and of no effect, and respondents shall retain the right to a hearing and proceeding on the Accusation under the provisions of the APA and shall not be bound by any admission or waiver made herein.

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

DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions and waivers and solely for the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the following determination of issues shall be made:

I

The conduct of respondent TOM JOHNSON in performing acts which require a real estate license at a time when said respondent was not licensed by the Department constitutes a violation of Section 10130 of the Code and is cause to suspend or revoke the real estate license and license rights of respondent TOM JOHNSON under the provisions of Section 10177(d) of the Code.

II

The conduct of respondent TFS and PELTZ, in compensating JOHNSON, an unlicensed salesperson, constitutes a violation of Section 10137 of the Code and said conduct and violations are cause to suspend or revoke their real estate licenses and license rights.

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ORDER

WHEREFORE THE FOLLOWING ORDER IS MADE PURSUANT TO THE WRITTEN STIPULATION OF THE PARTIES:

I

The corporate real estate broker license and license rights of respondent TEJAI FINANCIAL SERVICES, INC. are suspended for a period of thirty (30) days from the effective date of this Decision; provided, however, that twenty (20) days of said suspension shall be stayed automatically and respondent has the right to receive a stay of the remaining ten (10) days of said suspension on the condition that:

(A) Respondent TEJAI FINANCIAL SERVICES, INC. petitions the Commissioner in writing to pay a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code in the amount of two thousand dollars ($2000) to stay ten (10) days of said suspension;

(B) The Commissioner, in exercising his discretion under Section 10175.2 agrees by signing this Order, that it would not be against the public interest to permit respondent to pay a monetary penalty; and

(C) The payment of the monetary penalty shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Payment must be made prior to the effective date of the Decision in this matter.

If no further cause for disciplinary action occurs against respondent TEJAI FINANCIAL SERVICES, INC. corporate real estate broker license within one (1) year from the effective

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date of this Decision, the automatic stay hereby granted and the stay granted upon the payment of the monetary penalty shall become permanent. If it is determined pursuant to the Administrative Procedure Act that further cause for disciplinary action against the real estate license or license rights of respondent has occurred within one (1) year from the effective date of this Decision, the stay of suspension hereby granted, or such portion thereof, as the Real Estate Commissioner shall deem to be appropriate, shall be vacated.

II

The real estate broker license and license rights of respondent KENNETH JAMES PELTZ are suspended for a period of thirty (30) days from the effective date of this Decision; provided, however, that twenty (20) days of said suspension shall be stayed automatically and respondent has the right to receive a stay of the remaining ten (10) days of said suspension on the condition that:

(A) Respondent KENNETH JAMES PELTZ petitions the Commissioner in writing to pay a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code in the amount of two thousand dollars ($2000) to stay ten (10) days of said suspension;

(B) The Commissioner, in exercising his discretion under Section 10175.2 agrees by signing this Order, that it would not be against the public interest to permit respondent to pay a monetary penalty; and

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(C) The payment of the monetary penalty shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Payment must be made prior to the effective date of the Decision in this matter.

If no further cause for disciplinary action occurs against respondent KENNETH JAMES PELTZ corporate real estate broker license within one (1) year from the effective date of this Decision, the automatic stay hereby granted and the stay granted upon the payment of the monetary penalty shall become permanent. If it is determined pursuant to the Administrative Procedure Act that further cause for disciplinary action against the real estate license or license rights of respondent has occurred within one (1) year from the effective date of this Decision, the stay of suspension hereby granted, or such portion thereof, as the Real Estate Commissioner shall deem to be appropriate, shall be vacated.

III

The real estate salesperson license and license rights of respondent TOM JOHNSON are suspended for a period of thirty (30) days from the effective date of this Decision; provided, however, that twenty (20) days of said suspension shall be stayed automatically and respondent has the right to receive a stay of the remaining ten (10) days of said suspension on the condition that:

(A) Respondent TOM JOHNSON petitions the Commissioner in writing to pay a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code in the amount of two

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thousand dollars ($2000) to stay ten (10) days of said suspension;

(B) The Commissioner, in exercising his discretion under Section 10175.2 agrees by signing this Order, that it would not be against the public interest to permit respondent to pay a monetary penalty; and

(C) The payment of the monetary penalty shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Payment must be made prior to the effective date of the Decision in this matter.

If no further cause for disciplinary action occurs against respondent TOM JOHNSON's real estate salesperson license within one (1) year from the effective date of this Decision, the automatic stay hereby granted and the stay granted upon the payment of the monetary penalty shall become permanent. If it is determined pursuant to the Administrative Procedure Act that further cause for disciplinary action against the real estate license or license rights of respondent has occurred within one (1) year from the effective date of this Decision, the stay of suspension hereby granted, or such portion thereof, as the Real Estate Commissioner shall deem to be appropriate, shall be vacated.

DATED: 9-16-91

ELLIOTT MAC LENNAN
Counsel for Complainant

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* * * *

I have read the Stipulation In Settlement and Order, have discussed it with my counsel, 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: 9-10-91

TEJAI FINANCIAL SERVICES, INC.
By: KENNETH JAMES PELTZ
Respondent

DATED: 9-10-91

KENNETH JAMES PELTZ, DC
Respondent

DATED: Sept 10, 1991

TOM JOHNSON
Respondent

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The foregoing Stipulation and Agreement for Settlement and Order is hereby adopted by the Commissioner and shall become effective at 12 o' clock noon on October 24, 1991.

IT IS SO ORDERED September 27, 1991.

CLARK WALLACE
Real Estate Commissioner

By: JOHN R. LIBERATOR
Chief Deputy Commissioner

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Sacto. Staff

ELLIOTT MAC LENNAN, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California, 90012

(213) 620-4790

SEP -5 1991

Laura B. Orona

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of TEJAI FINANCIAL SERVICES, INC., a corporation; and KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial Services, Inc.; and TOM JOHNSON, Respondents.	No. H-24569 LA A M E N D M E N T T O A C C U S A T I O N

The Accusation heretofore filed on July 8, 1991, in the above-captioned matter is hereby amended as follows:

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against TEJAI FINANCIAL SERVICES, INC., a corporation; KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial Services, Inc.; and TOM JOHNSON, is informed and alleges in his official capacity as follows:

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I

TEJAI FINANCIAL SERVICES, INC., (TFS) a corporation, KENNETH JAMES PELTZ (PELTZ) and TOM JOHNSON (JOHNSON), sometimes collectively referred to as respondents, are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

II

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

III

At all mentioned times, TFS was licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker by and through PELTZ as designated officer.

IV

At all mentioned times, PELTZ was licensed by the Department as a real estate broker, both individually and as designated officer of TFS to qualify TFS and to act for TFS as a real estate broker and, as provided by Section 10159.2 of the Code, was responsible for the supervision and control of the activities conducted on behalf of TFS by its officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law including the supervision of the salespeople licensed to the corporation in the performance of acts

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for which a real estate license is required by Section 10159.2 of the Code.

V

Whenever reference is made in an allegation in the accusation to an act or omission of TFS, such allegation shall be deemed to mean that the officers, directors, managers, employees, agents and real estate licensees employed by or associated with TFS, including PELTZ and JOHNSON, committed such act or omission while engaged in the furtherance of the business or operation of TFS and while acting within the course and scope of its corporate authority, agency and employment.

VI

At all mentioned times, TFS, PELTZ and JOHNSON were acting as the agent or employee of the other and within the course and scope of such agency or employment.

VII

At all mentioned times, in the City of Van Nuys, Los Angeles County, respondent TFS engaged in the business of a corporate real estate broker and respondent PELTZ, a real estate broker, within the meaning of Sections 10131(d) of the Code, including the operation of a mortgage loan brokerage business with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed, and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

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VIII

On February 14, 1990, authorized personnel of the Department completed an Office Survey including an examination of TFS' books and records pertaining to its activities as a real estate broker engaged in the mortgage loan brokerage business.

IX

The office survey revealed that TFS and PELTZ, employed and compensated Lisa Glogow (Glogow), Chief Executive Officer of TFS, and TOM JOHNSON, owner and Secretary of TFS, from 1986 to February 14, 1990, to solicit borrowers and lenders for and negotiate loans secured directly or collaterally by liens on real property as the agent of others.

X

Although Glogow and JOHNSON were not licensed by the Department in any capacity, their conduct, as described in Paragraph IX, is that of a real estate licensee, as described in Section 10131(d) of the Code.

XI

The conduct of TFS and PELTZ in employing and compensating Glogow and JOHNSON as salespersons to originate loans, solicit borrowers and lenders, and negotiate loans secured by liens on real property, as described in Paragraph IX, when neither of them were licensed by the Department is cause to suspend or revoke their respective real estate licenses and license rights under Section 10137 of the Code.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations made by the accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of respondents TEJAI FINANCIAL SERVICES, INC., a corporation; KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial Services, Inc.; and TOM JOHNSON, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California
this 5th day of September, 1991.

STEVEN J. ELLIS
Deputy Real Estate Commissioner

cc: Kenneth James Peltz, DO
Tom Johnson
Tejai Financial Services, Inc.
Sacto.
WJH

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ELLIOTT MAC LENNAN, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

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In the Matter of the Accusation of TEJAI FINANCIAL SERVICES, INC., a corporation; and KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial Services, Inc., Respondents.	No. H-24569 LA A C C U S A T I O N

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against TEJAI FINANCIAL SERVICES, INC., a corporation; KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial Services, Inc., is informed and alleges in his official capacity as follows:

I

TEJAI FINANCIAL SERVICES, INC., (TFS) a corporation, and KENNETH JAMES PELTZ (PELTZ), sometimes collectively referred to as respondents, are presently licensed and/or have license rights

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under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

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III

At all mentioned times, TFS was licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker by and through PELTZ as designated officer.

IV

At all mentioned times, PELTZ was licensed by the Department as a real estate broker, both individually and as designated officer of TFS to qualify TFS and to act for TFS as a real estate broker and, as provided by Section 10159.2 of the Code, was responsible for the supervision and control of the activities conducted on behalf of TFS by its officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law including the supervision of the salespeople licensed to the corporation in the performance of acts for which a real estate license is required by Section 10159.2 of the Code.

V

Whenever reference is made in an allegation in the accusation to an act or omission of TFS, such allegation shall be deemed to mean that the officers, directors, managers, employees,

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agents and real estate licensees employed by or associated with TFS, including PELTZ, committed such act or omission while engaged in the furtherance of the business or operation of TFS and while acting within the course and scope of its corporate authority, agency and employment.

VI

At all mentioned times, TFS and PELTZ were acting as the agent or employee of the other and within the course and scope of such agency or employment.

VII

At all mentioned times, in the City of Van Nuys, Los Angeles County, respondent TFS engaged in the business of a corporate real estate broker and respondent PELTZ, a real estate broker, within the meaning of Section 10131(d) of the Code, including the operation of a mortgage loan brokerage business with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed, and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

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The office survey revealed that TFS and PELTZ, employed and compensated Lisa Glogow (Glogow), Chief Executive Officer of TFS, and Tom Johnson (Johnson), owner and Secretary of TFS, from 1986 to February 14, 1990, to solicit borrowers and lenders for and negotiate loans secured directly or collaterally by liens on real property as the agent of others.

X

Although Glogow and Johnson were not licensed by the Department in any capacity, their conduct, as described in Paragraph IX, is that of a real estate licensee, as described in Section 10131(d) of the Code.

XI

The conduct of TFS and PELTZ in employing and compensating GLOGOW and JOHNSON as salespersons to originate loans, solicit borrowers and lenders, and negotiate loans secured by liens on real property, as described in Pargraph IX, when neither of them were licensed by the Department is cause to suspend or revoke their respective real estate licenses and license rights under Section 10137 of the Code.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations made by the accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of respondents TEJAI FINANCIAL SERVICES, INC., a corporation; and KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial

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Services, 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 other applicable provisions of law.

Dated at Los Angeles, California

this 8th day of July, 1991.

Deputy Real Estate Commissioner

cc: Kenneth James Peltz
Tejai Financial Services, Inc..
Sacto.
CS

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