Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982

FILED

DEC 14 2009

DEPARTMENT OF REAL ESTATE
BY: [signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of SALOMON MARTIN RIVERA, doing business as Montebello Financial Services, Salomon Mortgage, and Salomon Mortgage and Investments; and BRENDA ANGELICA COTE doing business as Merito Real Estate & Financial Services, Respondent.	No. H-35444 LA L-2009020170 STIPULATION AND AGREEMENT

It is hereby stipulated by and between SALOMON MARTIN RIVERA (sometimes referred to as "Respondent"), 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 November 3, 2008, 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 ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement (Stipulation).

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

3. Respondent filed a Notice of Defense pursuant to Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that he understands that by withdrawing said Notice of Defense he thereby waives his 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 he will waive other rights afforded to him in connection with the hearing such as the right to present evidence in his defense of the allegations in the Accusation and the right to cross-examine witnesses.

4. This Stipulation is based on the factual allegations contained in the Accusation. In the interest of expedience and economy, Respondent chooses not to contest these allegations, but to remain silent and understands that, as a result thereof, these allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Real Estate Commissioner shall

not be required to provide further evidence to prove said allegations.

5. This Stipulation is made for the purpose of reaching an agreed disposition of this proceeding and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate ("Department"), or another licensing agency of this state, another state or if the federal government is involved, and otherwise shall not be admissible in any other civil or criminal proceeding.

6. It is understood by the parties that the Real Estate Commissioner may adopt this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on Respondent's real estate licenses and license rights as set forth in the "Order" herein below. In the event that the Commissioner, in his discretion, does not adopt the Stipulation, it shall be void and of no effect and Respondent 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 stipulation or waiver made herein.

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 but do constitute a bar, estoppel and merger as to any allegations actually contained in the Accusation against Respondent herein.

DETERMINATION OF ISSUES

By reason of the foregoing stipulations 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:

The conduct of SALOMON MARTIN RIVERA as described in Paragraph 4, above, constitutes a violation of Business and Professions Code Sections 10137, 10145, 10176(a), 10176(e), 10176(g), 10240 and 10236.4(b) and violations of Title 10, Chapter 6, California Code of Regulations Sections 2831, 2831.1 and 2840 and is a basis for discipline of Respondent's license pursuant to Code Sections 10177(d), 10177(g) and 10177(h).

ORDER

WHEREFORE THE FOLLOWING ORDER IS HEREBY MADE:

I.

The real estate broker license and license rights of Respondent SALOMON MARTIN RIVERA under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondent, pursuant to Section 10156.5 of the Business and Professions Code, if Respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within ninety (90) days from the effective date of this Decision. The restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Code and the following

limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

1. The restricted salesperson license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction or plea of nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

2. The restricted salesperson license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until four (4) years has elapsed from the effective date of this Decision.

4. Respondent 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 Department of Real Estate which shall certify:

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(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.

5. Respondent SALOMON MARTIN RIVERA shall, within nine (9) 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 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 the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

II.

All licenses and licensing rights of Respondent SALOMON MARTIN RIVERA under the Real Estate Law are suspended for a period of sixty (60) days from the issuance of the restricted salesperson license.

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A. Provided, however, that if Respondent requests, the initial thirty (30) days of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of $166.66 per day for each day of the suspension for a total monetary penalty of $5,000.

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

3. No further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the issuance of the restricted salesperson license in this matter.

4. If Respondent fails to pay the monetary penalty in accordance with the terms of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

5. If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate

license of Respondent occurs within two (2) years from the issuance of the restricted salesperson license, the stay hereby granted shall become permanent.

B. The remaining thirty (30) days of the sixty (60) day suspension shall be stayed for two (2) years upon the following terms and conditions:

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

2. That no final subsequent determination be made after hearing or upon stipulation, which cause for disciplinary action occurred within two (2) years from the date of issuance of the restricted salesperson license. Should such a 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.

III.

All licenses and licensing rights of Respondent SALOMON MARTIN RIVERA are indefinitely suspended unless or until Respondent provides proof satisfactory to the Commissioner, of having taken and successfully completed the continuing education course on trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Business and Professions Code. Proof of satisfaction of this requirement includes evidence that respondent has successfully

completed the trust fund account and handling continuing education course within 120 days prior to the issuance of the restricted license.

IV.

Respondent SALOMON MARTIN RIVERA shall within six (6) months from the issuance of the restricted salesperson license herein, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of Respondent's restricted salesperson license until Respondent passes the examination.

DATED: 10-8-09

ELLIOTT MAC LENNAN, Counsel for the Department of Real Estate

* * * *

EXECUTION OF THE STIPULATION

I have read the Stipulation. 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.

MAILING AND FACSIMILE

Respondent (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Additionally, Respondent shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan. A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation.

Respondent agrees, acknowledges and understands that by electronically sending to the Department a facsimile copy of Respondent's actual signature as it appears on the stipulation that receipt of the facsimile copy by the Department shall be as binding on Respondent as if the Department had received the original signed stipulation.

DATED: 10-08-2009

SALOMON MARTIN RIVERA, Respondent

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The foregoing Stipulation and Agreement is hereby adopted as my Decision and shall become effective at 12 o'clock noon on January 13, 2010

IT IS SO ORDERED 11-25-, 2009.

JEFF DAVI
Real Estate Commissioner

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Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982

FILED

DEC 14 2009

DEPARTMENT OF REAL ESTATE
BY: [signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of SALOMON MARTIN RIVERA, doing business as Montebello Financial Services, Salomon Mortgage, and Salomon Mortgage and Investments; and BRENDA ANGELICA COTE doing business as Merito Real Estate & Financial Services, Respondent.	No. H-35444 LA L-2009020170 STIPULATION AND AGREEMENT

It is hereby stipulated by and between Respondent BRENDA ANGELICA COTE (sometimes referred to as (Respondent), represented by Mary E. Work, Esq., 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 (Accusation) filed on November 3, 2008, 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 ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement ("Stipulation").

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

3. Respondent timely filed a Notice of Defense pursuant to Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that she understands that by withdrawing said Notice of Defense she thereby waives her 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 she will waive other rights afforded to her in connection with the hearing such as the right to present evidence in her defense the right to cross-examine witnesses.

4. This Stipulation is based on the factual allegations contained in the Accusation. In the interest of expedience and economy, Respondent chooses not to contest these allegations, but to remain silent and understands that, as a

result thereof, these factual allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to provide further evidence to prove said factual allegations.

5. This Stipulation is made for the purpose of reaching an agreed disposition of this proceeding and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate ("Department"), the state or federal government, or any agency of this state, another state or federal government is involved, and otherwise shall not be admissible in any other criminal or civil proceedings.

6. It is understood by the parties that the Real Estate Commissioner may adopt this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on Respondent's real estate licenses and license rights as set forth in the "Order" herein below. In the event that the Commissioner in his discretion does not adopt the Stipulation, it shall be void and of no effect and Respondent 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 stipulation or waiver made herein.

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 but do constitute a bar, estoppel and merger as to any allegations actually contained in the Accusations against Respondent herein.

DETERMINATION OF ISSUES

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

The conduct of BRENDA ANGELICA COTE, as described in Paragraph 4, above, is in violation of Business and Professions Code Sections 10177(g) and is a basis for discipline of Respondent's license and license rights as violations of the Real Estate Law there under.

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I. All licenses and licensing rights of Respondent BRENDA ANGELICA COTE under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Decision.

A. Provided, however, that if Respondent requests, the initial thirty (30) days of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate

of $66.66 per day for each day of the suspension for a total monetary penalty of $2,000.

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

3. No further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision in this matter.

4. If Respondent fails to pay the monetary penalty in accordance with the terms of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

5. If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall become permanent.

B. The remaining thirty (30) days of the sixty (60) day suspension shall be stayed for two (2) years upon the following terms and conditions:

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

2. That no final subsequent determination be made after hearing or upon stipulation, that cause for disciplinary action occurred within two (2) years from the effective date of this Decision. Should such a 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.

II. Respondent BRENDA ANGELICA COTE shall within six (6) months from the effective date of the Decision herein, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of Respondent's license until Respondent passes the examination.

DATED: 10-8-09

ELLIOTT MAC LENNAN, Counsel for the Department of Real Estate

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EXECUTION OF THE STIPULATION

I have read the Stipulation and discussed it with my attorney. 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.

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MAILING AND FACSIMILE

Respondent (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Additionally, Respondent shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan. A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation.

Respondent agrees, acknowledges and understands that by electronically sending to the Department a facsimile copy of Respondent's actual signature as it appears on the stipulation that receipt of the facsimile copy by the Department shall be as binding on Respondent as if the Department had received the original signed stipulation.

DATED: 10-8-2009

BRENDA ANGELICA COTE, Respondent

DATED: 11/2/09

MARY E. WORK, Attorney for
BRENDA ANGELICA COTE, Respondent

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent BRENDA ANGELICA COTE and shall become effective at 12 o'clock noon on January 4, 2010.

IT IS SO ORDERED 11-25, 2009.

JEFF DAVI
Real Estate Commissioner

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

FILED

NOV - 3 2008

DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of SALOMON MARTIN RIVERA, doing business as Montebello Financial Services, Salomon Mortgage, and Salomon Mortgage and Investments; and BRENDA ANGELICA COTE doing business as Merito Real Estate & Financial Services, Respondent.	No. H-35444 LA A C C U S A T I O N

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, acting in her official capacity, for cause of Accusation against SALOMON MARTIN RIVERA dba Montebello Financial Services, Salomon Mortgage, and Salomon Mortgage and Investments; and, BRENDA ANGELICA COTE dba Merito Real Estate & Financial Services, is informed and alleges as follows:

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1.

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

LICENSE HISTORY

2.

A. At all times mentioned, SALOMON MARTIN RIVERA ("RIVERA"), was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On February 7, 1989, RIVERA was originally licensed as a real estate salesperson. On February 1, 2003, RIVERA was originally licensed as a real estate broker.

B. At all times mentioned, BRENDA ANGELICA COTE ("COTE"), was licensed or had license rights issued by the Department as a real estate broker. On July 10, 1992, COTE was originally licensed as a real estate salesperson. On June 2, 2006, COTE was originally licensed as a real estate broker. COTE was employed by and licensed under RIVERA from June 20, 2005 to June 1, 2006, as a broker-associate.

LICENSED ACTIVITIES AND BROKERAGE

3.

A. At all times mentioned, in the City of Monterey Park, County of Los Angeles, RIVERA acted as a real estate broker and conducted licensed activities within the meaning of:

1. Code Section 10131(a). RIVERA, dba Montebello Financial Services, engaged in the business of, acted in the

capacity of, advertised or assumed to act as a real estate broker, including the solicitation for listings of and the negotiation of the sale of real property as the agent of others.

2. Code Section 10131(d). RIVERA, dba Salomon Mortgage, and Salomon Mortgage and Investments, engaged in activities 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.

B. At all times mentioned, in a branch office of RIVERA, in the City of Ontario, County of Los Angeles, COTE acted as a real estate broker in the capacity of a broker-associate of RIVERA and conducted licensed activities, within the meaning of:

1. Code Section 10131(a). COTE, dba Merito Real Estate & Financial Services, engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker, including the solicitation for listings of and the negotiation of the sale of real property as the agent of others.

2. Code Section 10131(d). COTE, dba Merito Real Estate & Financial Services, engaged in activities 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.

FIRST CAUSE OF ACTION

ONTARIO BRANCH OFFICE

RESIDENTIAL RESALE AUDIT

Salomon Mortgage and Investments

4.

On February, 2007, the Department completed an audit examination of the books and records of RIVERA, pertaining to the residential resale activities of Salomon Mortgage and Investments described in Paragraph 3, that require a real estate license. The audit examination covered a period of time beginning on January 1, 2005 to July 31, 2006. The audit examination revealed violations of the Code and the Regulations as set forth below, and more fully discussed in Audit Report LA 060058 and the exhibits and workpapers attached to said audit report.

TRUST ACCOUNT

5.

RIVERA did not maintain a trust account during the audit period.

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RESIDENTIAL RESALE AUDIT

ONTARIO BRANCH OFFICE

Salomon Mortgage and Investments

VIOLATONS OF THE REAL ESTATE LAW

6.

With respect to the licensed activities referred to in Paragraph 3, and the audit examination including the exhibits and workpapers referred to in Paragraph 4, it is alleged that RIVERA and COTE, as noted:

(a) COTE misrepresented to seller Washington Trust that COTE held a $3,000 buyer's earnest money deposit from buyer Angelica Rodriguez, for the real property located at 916 East Washington, Santa Ana, in violation of Code Sections 10176(a) and/or 10177(g).

(b) Ontario Branch Office. RIVERA and COTE failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", including earnest money deposits for buyers Sanguino, Ramirez, Garcia, Estrada and Orellane, in violation of Code Section 10145 and Regulation 2831.

(c)(1) Ontario Branch Office. COTE misrepresented to sellers that she held earnest money deposits for buyers Rodriguez, Saray and Avila Jr., in violation of Section 10176(a) and/or 10177(g).

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(c)(2) Main Office. RIVERA misrepresented to sellers that he held earnest money deposits for buyers Leon Wilson, Rankins, Quintero and Miller, in violation of Section 10176(a) and/or 10177(g).

RESIDENTIAL RESALE AUDIT

MAIN OFFICE AND ONTARIO BRANCH OFFICE

Salomon Mortgage and Investments

DISCIPLINARY STATUTES AND REGULATIONS

7.

The conduct of Respondent RIVERA and COTE, described in Paragraph 6, violated the Code and the Regulations as set forth:

PARAGRAPH	PROVISIONS VIOLATED
6(a)	Code Section 10176(a) and 10177(g). (COTE only)
6(b)	Code Section 10145 and Regulation 2831. (RIVERA AND COTE)
6(c)	Code Sections 10176(a) and 10177(g) (RIVERA and COTE)

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Each of the foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of RIVERA and COTE, as indicated, under the provisions of Code Sections 10176(a) for substantial misrepresentation, 10177(d) for willful violation of the Real Estate Law and/or 10177(g) for negligence or incompetence.

SECOND CAUSE OF ACTION

MORTGAGE LOAN AUDIT

Montebello Financial Services and Salomon Mortgage

8.

On January 24, 2007, the Department completed an audit examination of the books and records of RIVERA, pertaining to the mortgage and loan activities for Montebello Financial Services and Salomon Mortgage described in Paragraph 3, which require a real estate license. The audit examination covered a period of time beginning on September 11, 2003 through July 31, 2006. The audit examination revealed violations of the Code and the Regulations as set forth below, and more fully discussed in Audit Report LA 050372 and the exhibits and workpapers attached to said audit report.

TRUST ACCOUNT

9.

A. RIVERA did not maintain a trust account during the audit period for the Montebello Financial Services.

B. RIVERA did not maintain a trust account during the audit period for the Salomon Mortgage.

MORTGAGE LOAN AUDIT

VIOLATIONS OF THE REAL ESTATE LAW

Montebello Financial Services and Salomon Mortgage

10.

With respect to the licensed activities referred to in Paragraph 3, and the audit examination including the exhibits and workpapers referred to in Paragraph 8, it is alleged that RIVERA:

(a) Julio Cesar Baez, a revoked former salesperson, placed RIVERA's name on loans and signed RIVERA's name as interviewer for borrowers Cervantes, Pacheco, Reynoso, Soliz, Galan, Reyes, Lopez and Tuiasosopo, without detection by RIVERA who fails to notice, in violation of Code Section 10177(g).

(b) Montebello Financial Services. With respect to the real property located at 2501 Villa Maria, Claremont, Montebello Financial Services submitted the loan transaction to Countrywide Home Loan with Aime Limon-Jimenez listed as the real estate salesperson employed by Salomon Real Estate as the buyer's agent for buyer Chris David Perez. Neither Chris David Perez nor RIVERA had any knowledge of this purchase transaction. This conduct by RIVERA is in violation of Code Section 10177(g).

(c)(1) Montebello Financial Services. Permitted and/or caused the disbursement of trust funds to a loan appraiser on the representation that the amount was needed to pay for a loan

appraisal, which payment exceeded the actual cost of the service. RIVERA did not disclose these "mark-ups" to borrowers Alvarez, Cervantes, Caldera/Diaz and Rubio who were collectively charged $1,925 for loan appraisals, in violation of Code Section and 10176(g). On October 27, 2006, per check numbers 1104, 1105, 1106 and 1107, said borrowers received refunds from Rivera.

(c)(2) Salomon Mortgage. Permitted and/or caused the disbursement of trust funds on the representation that the amount was needed to pay credit report fees, which payment exceeded the actual cost of the service. RIVERA did not disclose these "mark-ups" to borrowers Chavez, Castro and Flores who were collectively charged $25 each for credit report fees that cost $15 each, in violation of Code Section and 10176(g). On October 27, 2006, per check numbers 1108, 1109 and 1110, said borrowers received refunds from Rivera.

(c)(3) Salomon Mortgage. Permitted and/or caused the disbursement of trust funds to a loan appraiser on the representation that the amount was needed to pay for a loan appraisal, which payment exceeded the actual cost of the service. RIVERA did not disclose these "mark-ups" to borrowers Rodriguez, Hernandez, Reyes and Koeblitz, who were collectively overcharged $900 for loan appraisals, in violation of Code Sections 10176(a) and 10176(g). On October 27, 2006, per check numbers 1104, 1105, 1106 and 1107, said borrowers received refunds from Rivera.

(d)(1) Montebello Financial Services. Mixed and commingled trust funds and personal funds by depositing appraisal and credit report fees received from escrow into RIVERA's former general operating account dba Montebello Financial Services' at Union Bank of California Account No. 1160020233, and issuing checks from said account to the appraisers or credit companies after the escrow checks were deposited, in violation of Code Sections 10145 and 10176(e).

(d)(2) Salomon Mortgage. Mixed and commingled trust funds and personal funds by depositing appraisal and credit report fees received from escrow into RIVERA's former general operating account dba Salomon Mortgage at Union Bank of California Account No. 1160016368, and issuing checks from said account to the appraisers or credit companies after the escrow checks were deposited, in violation of Code Sections 10145 and 10176(e).

(e)(1) Montebello Financial Services. Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", including appraisal and credit report fees collected at the close of escrow, in violation of Code Section 10145 and Regulation 2831.

(e)(2) Salomon Mortgage. Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account",

including appraisal and credit report fees collected at the close of escrow, in violation of Code Section 10145 and Regulation 2831.

(f)(1) Montebello Financial Services. Failed to maintain a separate record of all trust funds received, including appraisal and credit report fees collected at the close of escrow, in violation of Code Section 10145 and Regulation 2831.1.

(f)(2) Salomon Mortgage. Failed to maintain a separate record of all trust funds received, including appraisal and credit report fees collected at the close of escrow, in violation of Code Section 10145 and Regulation 2831.1.

(g) Employed and compensated Frank Martinez, Jeff Cristales, Jorge Limon, Juan Rosa, Sergio Rubilar, Walter Riva, and Julio Baez, as loan agents who RIVERA knew were not licensed by the Department as a real estate broker or as a real estate salesperson employed by a real estate broker or, in the case of Julio Baez, were revoked, for performing acts for which a real estate license is required, including soliciting mortgage loans, in violation of Code Section 10137.

(h)(1) Montebello Financial Services. Failed to provide, maintain or retain a true, complete and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrowers Chavez, Castro, Lopez, Pacheco, Flores, Reynoso, Caldera/Diaz and Cabrera, in violation of Code Section 10240 and Regulation 2840.

(h)(2) Salomon Mortgage. 10240 Failed to provide, maintain or retain a true, complete and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrowers Chavez, Alvarez, Castro, Lopez, Cervantes, Pacheco, Flores, Reynoso, Soliz, Galan, Reyes, Cabrera, Galvan and Tuiasosopo, in violation of Code Section 10240 and Regulation 2840.

(i) Failed to display RIVERA's, or the loan representative's license number on the Mendoza, Alvarez, Cervantes, Reyes and Galvan, on the Mortgage Loan Disclosure Statements, as required by Code Section 10236.4(b).

MORTGAGE LOAN AUDIT

DISCIPLINARY STATUTES AND REGULATIONS

Montebello Financial Services and Salomon Mortgage

11.

The conduct of Respondent SALOMON MARTIN RIVERA, described in Paragraph 10, violated the Code and the Regulations as set forth:

PARAGRAPH	PROVISIONS VIOLATED
10(a)	Code Section 10177(g)
10(b)	Code Section 10177(g)

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10(c)	Code Section 10176(g)
10(d)	Code Sections 10145 and 10176(e)
10(e)	Code Section 10145 and Regulation 2831
10(f)	Code Section 10145 and Regulation 2831.1
10(g)	Code Section 10137
10(h)	Code Section 10240 and Regulation 2840
10(i)	Code Section 10236.4(b)

Each of the foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of SALOMON MARTIN RIVERA under the provisions of Code Sections 10176(e) for commingling, for willful violation of the Real Estate Law and/or 10177(g) for negligence or incompetence.

NEGLIGENCE

12.

The overall conduct of SALOMON MARTIN RIVERA constitutes negligence or incompetence and is cause for discipline of the real estate license and license rights of SALOMON MARTIN RIVERA pursuant to Code Section 10177(g).

LACK OF SUPERVISION AND COMPLIANCE

13.

The overall conduct of SALOMON MARTIN RIVERA constitutes a failure to exercise supervision and control over the licensed activities of his brokerage. Nor did SALOMON MARTIN RIVERA maintain a system in place for regularly monitoring his compliance with the Real Estate Law especially in regard to establishing policies to review trust fund handling and record keeping for his client's trust funds or for supervising salespersons, loan agents and branch offices, in violation of Code Sections 10177(d), 10177(h) and/or 10177(g).

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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 the license and license rights of Respondent SALOMON MARTIN RIVERA, 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 8 day of October 2008.

Deputy Real Estate Commissioner

cc: Salomon Martin Rivera
Robin Trujillo
Sacto
Audits - Jennifer Lin