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JUL 26 1988

DEPARTMENT OF REAL ESTATE
BY *[Signature]*

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-460 SA
VETERAN REAL ESTATE, INC.,)	
dba Veteran Housing Center)	
and Veteran Real Estate;)	
and JAMES MICHAEL MENCINI,)	
individually and as)	
designated officer of)	
Veteran Real Estate, Inc.,)	
Respondents.)	

ORDER DENYING REINSTATEMENT OF LICENSE

On June 2, 1986, a Decision, effective July 3, 1986, was rendered herein revoking the real estate broker licenses of Respondents, but granting each respondent the right to a restricted real estate broker license upon their application and payment of the appropriate fee provided their applications were made within 90 days from the effective date of the Decision revoking their licenses.

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1 On July 3, 1986, restricted real estate broker licenses
2 were issued to Respondents VETERAN REAL EST^ATE, INC. (hereinafter
3 VRE), and JAMES MICHAEL MENCINI (hereinafter MENCINI)
4 (collectively referred to as Respondents) with MENCINI still
5 acting as the designated broker-officer of VRE.

6 On July 20, 1987, Respondents petitioned for
7 reinstatement of their real estate broker licenses and the
8 Attorney General of the State of California has been given notice
9 of the filing of said petition.

10 I have considered the petition of Respondents and the
11 evidence submitted in support thereof. Respondents have failed to
12 demonstrate to my satisfaction that they have undergone sufficient
13 rehabilitation to warrant the reinstatement of their real estate
14 broker licenses.

15 This determination has been made in light of their
16 history of acts and conduct which are substantially related to the
17 qualifications, functions and duties of real estate licensees.
18 That history includes:

19 1. The Decision revoking VRE's real estate broker
20 license was based on a Determination of Issues that VRE was in
21 violation of Sections 10086 and 10140.6 of the California Business
22 and Professions Code (hereinafter Code) and that there was cause
23 to revoke its license and license rights under Sections 10177(c)
24 and 10177(d) of the Code.

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1 2. The Decision revoking the real estate broker
2 license of MENCINI was based on a Determination of Issues that he
3 failed to exercise reasonable supervision and control of VRE and
4 that there was cause to revoke his license and license rights
5 under Section 10177(h) of the Code.

6 3. In the June 2, 1986, Decision which granted
7 Respondents the right to receive restricted real estate broker
8 licenses, certain conditions were imposed. One of said
9 conditions was that both Respondents should "comply with all the
10 Rules and Regulations of the Real Estate Commissioner, and all of
11 the laws of the State of California governing...[their] exercise
12 of the privileges granted under the restricted license[s]."

13 4. On or about February 14, 1988, a Deputy Real Estate
14 Commissioner conducted an office survey of the books and records
15 of Respondents' branch office at 5234 Beach Boulevard in Buena
16 Park, California. This survey found that Respondents had been
17 operating said office in violation of Sections 10137 (salesperson
18 paid himself a commission), 10148 (failure to retain records for
19 three years), and 10161.8 (failure to notify California Department
20 of Real Estate of salespersons' terminations) of the Code; and
21 Sections 2715 (failure to notify California Department of Real
22 Estate of branch office closings) and 2725 (failure to review
23 instruments) of Title 10, Chapter 6, California Code of
24 Regulations (hereinafter Regulations). This conduct of
25 Respondents, in violating the aforesaid sections of the Code and
26 Regulations, would have been grounds for suspension or revocation
27 of Respondents' restricted real estate licenses under Sections

1 10177(d) and 10177(k) of the Code. This also constitutes a basis
2 for denial of Respondents' petition for reinstatement of their
3 real estate broker licenses under Section 480(3) of the Code.

4 5. In addition, MENCINI's failure to make certain that
5 VRE was operating as a corporate licensee during 1988 in
6 compliance with real estate law indicates that MENCINI is still
7 failing to properly supervise the activities of a corporation
8 conducting activities requiring a real estate license and naming
9 MENCINI as its designated officer. This conduct of MENCINI shows
10 a lack of rehabilitation in that he has failed to show a
11 correction of business practices which led to the revocation of
12 his license in 1986 and said conduct is a basis for denial of his
13 petition for reinstatement of his real estate broker license under
14 Section 2911(j) of the Regulations.

15 6. In response to Question 7 of MENCINI's petition, he
16 was asked to "List social, civic or community groups. State
17 extent of activity in such groups or organizations.", MENCINI
18 wrote "None". MENCINI's failure to show his involvement in any
19 social, civic or community activities is a further manifestation
20 of a lack of evidence of rehabilitation and, as such, is a basis
21 for denial of MENCINI's petition to reinstate his real estate
22 broker license under Section 2911(k) of the Regulations.

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1 NOW, THEREFORE, IT IS ORDERED that Respondents VETERAN
2 REAL ESTATE, INC.'s and JAMES MICHAEL MENCINI's petition for
3 reinstatement of their real estate broker licenses is denied.

4 This Order shall become effective at 12 o'clock noon on
5 August 15 , 1988.

6 DATED: July 21 , 1988.

7 JAMES A. EDMONDS, JR.
8 Real Estate Commissioner

9 By: *John R. Liberator*
10 JOHN R. LIBERATOR
11 Chief Deputy Commissioner

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24 cc: Veteran Real Estate, Inc.
25 4063 Birch Street, Ste. 250
 Newport Beach, CA 92660

26 James Michael Mencini
27 405 Cortes Circle Drive
 Corona Del Mar, CA 92625

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE

JUN 13 1986

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE
BY R. McLeibelt

* * *

In the Matter of the Accusation of)
VETERAN REAL ESTATE, INC.,)
et al.,)
Respondent.)

No. H- 460 SA

DECISION

The Proposed Decision dated May 23, 1986
of Robert Arnold, Regional Manager, Department of Real Estate, is
hereby adopted as the Decision of the Real Estate Commissioner in
the above-entitled matter.

This Decision shall become effective at 12 o'clock noon
on July 3, 1986.

IT IS SO ORDERED June 2, 1986.

JAMES A. EDMONDS, JR.
Real Estate Commissioner
By: John R. Liberator
JOHN R. LIBERATOR
Chief Deputy Director

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) No. H-460 SA
)
VETERAN REAL ESTATE, INC., dba)
Veteran Housing Center and)
Veteran Real Estate; and JAMES)
MICHAEL MENCINI, individually)
and as designated officer of)
Veteran Real Estate, Inc.,)
)
Respondents.)
_____)

PROPOSED DECISION

This matter was presided over as an uncontested case by Robert Arnold, Regional Manager, Department of Real Estate, as the designee of the Real Estate Commissioner, in Los Angeles, California, on May 23, 1986.

Robert E. Baker, Counsel, represented the complainant and Respondents were not present but represented by their attorney, Jules Kabat.

The matter was submitted upon the written stipulation of the parties, and pursuant thereto, the following Decision is proposed, certified and recommended for adoption:

FINDINGS OF FACT

I

The complainant, Randolph Brendia, a Deputy Real Estate Commissioner of the State of California, made the Accusation in his official capacity.

II

VETERAN REAL ESTATE, INC., doing business as Veteran Housing Center and Veteran Real Estate (hereinafter "VRE" or Respondent VRE") and JAMES MICHAEL MENCINI (hereinafter "MENCINI" or "Respondent MENCINI"), hereinafter 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 (hereinafter the "Real Estate Law").

III

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

IV

At all times herein mentioned, MENCINI was licensed by the Department as a real estate broker both individually and as the designated officer of VRE, to qualify said corporation and to act for said corporation as a real estate broker and responsible, under Section 10159.2 of the Business and Professions Code (hereinafter Code), for the supervision and control of the activities conducted on behalf of VRE by its officers and employees as necessary to secure full compliance with the provisions of the Real Estate Law.

V

Whenever reference is made in these findings to an act or omission of VRE, such reference shall be deemed to mean that the officers, directors, employees, agents, and real estate licensees employed by or associated with VRE including, but not limited to, MENCINI, who committed such act or omission, did so while engaged in the furtherance of the business or operation of VRE and while acting within the course and scope of their corporate authority and employment.

VI

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

VII

At all times herein mentioned, respondents engaged in the business of, acted in the capacity of, advertised, and assumed to act as real estate brokers as defined in Section 10131(a) of the Code, for or in expectation of a compensation.

VIII

On March 30, 1982, an Order to Desist and Refrain was filed by the Department and thereafter served on MENCINI that same day which ordered respondents VRE and MENCINI to desist and refrain from causing the publication or dissemination of false, misleading or deceptive advertising relating to acts requiring a real estate license. Cited as examples of deceptive or misleading advertising were respondents' use of the words "Veterans Housing Counselor" to describe their status and respondents' language "Have the government (help) make up to 1/3 of your...monthly mortgage payments" without an accompanying explanation of the factual basis for such a representation.

IX

On or about January 6, 1984, respondents, through an employee in its Van Nuys branch office, caused to be published in the Van Nuys Daily News an advertisement which describes VRE as "Los Angeles County Veterans Housing Center" implying that VRE was an agency of Los Angeles County. Respondent failed to designate in said advertisement that respondents were performing acts for which a real estate license is required.

X

On or about August 5, 1984, respondents, through an employee in its Buena Park office, caused to be published in the Santa Ana Register an advertisement which read:

"U.S. Veterans Only!
Veteran Housing Agent.
No \$\$\$ down. No escrow fees.
(714-567-3222)"

In truth and in fact, VRE was not an "agent" of the Veteran's Administration as the ad implied; persons other than U.S. veterans were not excluded and there was no designation in said advertisement that respondents were performing acts for which a real estate license is required.

XI

On or about August 3, 1984; August 14, 1984; February 4, 1985; and February 8, 1985, respondents caused to be published in the Santa Ana Register advertisements which described VRE as "Orange County's Veteran Housing Center" and "O.C.'s Veteran Housing Center" implying that VRE was an agency of the County of Orange.

XII

On or about February 21, 1985, respondents, through an employee in their Montclair, California, branch office, caused to be published in the San Bernardino Progress Bulletin an advertisement which encouraged readers to call VRE at "California's Veteran Housing Center" implying that VRE was an agency of the State of California. There was no designation in said advertisement that respondents were performing acts for which a real estate license is required.

XIII

From March 28, 1984, to approximately May 2, 1984, respondents, through an employee managing VRE's branch in Fresno, placed ads on behalf of VRE that were published in the Fresno Pennysaver which: (1) failed to contain a designation disclosing

that VRE was performing acts for which a real estate license is required; (2) indicated VRE was a veteran housing "agent"; and (3) indicated the "government can help with up to 30% of your house payment".

XIV

The advertisements referred to and described in Paragraphs IX, X, XI, XII and XIII all implied that Respondents are state or federal governmental agencies having to do with veterans' housing or are official representatives or agents thereof. The said advertisements are false and misleading because, in truth and in fact, Respondents are not governmental agencies or official representatives thereof.

XV

On July 25, 1985, and August 9, 1985, respondents caused to be published in the Antelope Valley Press and Desert Wings, newspaper of general circulation in Los Angeles County, California, advertisements offering residential real property for sale which contained, in part, the following statement in large type:

"NO PAYMENT FOR 90 DAYS".

No further explanation was given in said advertisements to enlighten the reader as to the factual basis of the statement.

XVI

The statement quoted and set forth in Paragraph XV above, read in the context of the entire advertisement itself, is of a character likely to lead prospective buyers to believe that the statement constitutes a promise by respondents that they can purchase a home through respondents and not have to make any payments on said purchase for 90 days after taking title.

XVII

The statement quoted in Paragraph XV is deceptive and misleading because, in truth and in fact, the 90-day period referred to by respondents in said advertisements is actually a normal escrow period and, during this time, mortgage payments are seldom, if ever, the obligation of the purchaser.

DETERMINATION OF ISSUES

The following determination of issues, based upon the foregoing stipulated findings of fact, constitute bases for the suspension or revocation of Respondents' licenses and license rights pursuant to the following sections of the Code:

1.

The conduct of Respondent VRE, as set forth, above, in Findings VIII through XVII, is in violation of Section 10086 and 10140.6 of the Code and said conduct is cause to suspend or revoke the license and license rights of Respondent VRE under Sections 10177(c) and 10177(d) of the Code.

2.

The acts and omissions of Respondent MENCINI, as set forth, above, in Findings VIII through XVII constitute a failure on MENCINI'S part to exercise reasonable supervision over the activities of VRE and are cause for suspension or revocation of MENCINI'S real estate license and license rights under Section 10177(h) of the Code.

ORDER

WHEREFORE, THE FOLLOWING ORDER IS HEREBY MADE:

A. The real estate broker and designated officer license and all other rights of Respondent JAMES MICHAEL MENCINI under the Real Estate Law are hereby revoked.

B. A restricted real estate broker and/or restricted designated officer license shall be issued to MENCINI pursuant to Section 10156.5 of the Business and Professions Code if MENCINI makes application and pays the fee for the license(s) to the Department of Real Estate within ninety (90) days from the effective date of the Decision. Assuming MENCINI makes such application and pays said fee before the effective date of this Order, it is intended that there be no lapse between the revocation of MENCINI'S license and the issuance of a restricted license to MENCINI.

C. The restricted license(s) issued to MENCINI shall be subject to the following limitations, conditions and restrictions imposed under the authority of Section 10156.5 of the Code:

1. The restricted license(s) shall not confer any property right in the privileges to be exercised thereunder.

2. MENCINI shall at all times comply with all of the laws of the United States, of the State of California, and all other state, county, municipal and local laws and ordinances to which he may be subject. MENCINI shall further comply with all the Rules and Regulations of the Real Estate Commissioner, and all of the laws of the State of California governing his exercise of the privileges granted under the restricted license.

3. The restricted license may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent MENCINI'S conviction (including conviction on a plea of nolo contendere) of a crime which (1) bears a significant relation to Respondent's fitness or capacity as a real estate licensee and (2) involves a jail term or fraudulent conduct.

4. As a condition precedent to the issuance of a restricted real estate broker license to Respondent by the Department, Respondent shall present evidence satisfactory to the Real Estate Commissioner of having successfully completed the continuing education requirements specified in Section 10170.5 of the Business and Professions Code within the four-year period immediately preceding the date on which Respondent presents such evidence to the Department.

5. Respondent shall report in writing to the Department of Real Estate as the Commissioner shall direct by his decision herein or by separate written order issued while the restricted license is in effect, such information concerning Respondent's activities for which a real estate license is required as the Commissioner shall deem to be appropriate to protect the public interest.

6. MENCINI shall not be eligible to petition for the issuance of any unrestricted real estate license nor the removal of any of the conditions, limitations or restrictions attaching to the restricted license(s) until at least one year has elapsed from the effective date of this Decision. In evaluating any such petition filed by MENCINI, the Criteria of Rehabilitation set forth in Section 2911 of Title 10, California Administrative Code shall be used.

D. The corporate real estate broker license and all other license rights of Respondent VETERAN REAL ESTATE, INC. under the Real Estate Law are hereby revoked.

E. A restricted corporation real estate broker license shall be issued to VRE pursuant to Section 10156.5 of the Business and Professions Code if VRE makes application and pays the fee for the license to the Department of Real Estate within ninety (90) days from the effective date of the Decision. Assuming VRE makes such application and pays said fee before the effective date of this Order, it is intended there be no lapse between the revocation of VRE'S license and the issuance of a restricted license to VRE.

F. The restricted license issued to VRE shall be subject to the following limitations, conditions and restrictions imposed under the authority of Section 10156.6 of the Code:

1. The restricted license shall not confer any property right in the privileges to be exercised thereunder.

2. VRE shall at all times comply with all of the laws of the United States, of the State of California, and all other state, county, municipal and local laws and ordinances to which it may be subject. VRE shall further comply with all the Rules and Regulations of the Real Estate Commissioner, and all of the laws of the State of California governing its exercise of the privileges granted under the restricted license.

3. VRE shall not cause the publication or dissemination of false, misleading or deceptive advertising relating to acts requiring a real estate license and, in particular, VRE shall not cause the publication or dissemination of any advertising or literature in any form which does not contain a notice prominently displayed, in easily readable type, that VRE (1) is a real estate broker and (2) is NOT an agency of the Federal or State government or any subdivision thereof.

4. For any violation of Paragraph F(3), the Real Estate Commissioner may, WITHOUT A HEARING, suspend the license and license rights of VRE one day for each violation. Where the conduct constituting a violation is of a continuing nature, each day of such conduct shall be considered a separate and distinct violation. In lieu of said suspension, and concurrently with the delivery to Respondent of any Order suspending VRE's license without a hearing, respondent VRE may, at its election, petition the Real Estate Commissioner, prior to the effective date of said Order, to stay all or any portion of the suspension period commencing with the effective date of this Order. Upon receipt by the Commissioner of two-hundred fifty dollars (\$250) per day of the suspension that Respondent VRE desires to be stayed, the Commissioner shall stay that portion. Any portion of the suspension for which payment at the above-described rate has not been received by the Commissioner shall go into full force and effect on the effective date of said Order of suspension which shall be not sooner than 30 days after mailing of said Order of Suspension to respondent's designated officer at the address maintained on file with the Commissioner as VRE's principal place of business.

In addition to said discipline that can be imposed without a hearing, VRE's right to further exercise any privileges granted under the restricted license may also be suspended or revoked for any other violations of Real Estate Law, but only pursuant to an Order in a decision AFTER A HEARING held pursuant to Section 10100 of the Code.

5. Respondent, through its then-designated officer, shall report in writing to the Department of Real Estate as the Commissioner shall direct by his decision herein or by separate written order issued while the restricted license is in effect, such information concerning Respondent VRE'S activities for which a real estate license is required as the Commissioner shall deem to be appropriate to protect the public interest.

6. VRE shall not be eligible to petition for the issuance of any unrestricted real estate license nor the removal

of any of the conditions, limitations or restrictions attaching to the restricted license until at least one year has elapsed from the effective date of this Decision.

DATED: May 23, 1986

Robert Arnold
ROBERT ARNOLD
Regional Manager
Department of Real Estate

SACTO

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DEPARTMENT OF REAL ESTATE

SEP 17 1985

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

BY *[Signature]*

In the Matter of the Accusation of)
)
VETERAN REAL ESTATE, INC.,)
et al,)
)
Respondents.)

Case No. H-460 SA
L-35156

NOTICE OF HEARING ON ACCUSATION

TO THE ABOVE-NAMED RESPONDENTS:

YOU ARE HEREBY NOTIFIED that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on the 10th and 11th day of April, 1986, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the charges made in the Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel, but you are neither required to be present at the hearing nor to be represented by counsel. If you are not present in person, nor represented by counsel at the hearing, the Department may take disciplinary action against you upon any express admissions, or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

DATED: September 17, 1985.

JAMES A. EDMONDS, JR.
DEPARTMENT OF REAL ESTATE

By: *[Signature]*
ROBERT E. BAKER
Counsel

cc: Veteran Real Estate, Inc.
James Michael Mencini
Jules L. Kabat, Esq.
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Handwritten initials/signature

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ROBERT E. BAKER, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 620-4790

FILED

OCT-9 1985

DEPARTMENT OF REAL ESTATE
BY *Jana B. Chasa*

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-460 SA
VETERAN REAL ESTATE, INC., dba)	<u>AMENDMENT TO</u>
Veteran Housing Center and)	<u>ACCUSATION</u>
Veteran Real Estate; and JAMES)	
MICHAEL MENCINI, individually)	
and as designated officer of)	
Veteran Real Estate, Inc.,)	
Respondents.)	

The Accusation heretofore filed on June 13, 1985, in the above-mentioned matter is hereby amended as follows:

XXII

On July 25, 1985, and August 9, 1985, respondents caused to be published in the Antelope Valley Press and Desert Wings, newspapers of general circulation in Los Angeles County, California, advertisements offering residential real property for sale which contained, in part, the following statement in large type:

"NO PAYMENT FOR 90 DAYS".

No further explanation is given in said advertisements to

1 enlighten the reader as to the factual basis of your
2 representation.

3 XXIII

4 The statement quoted and set forth in Paragraph XXII,
5 above; read in the context of the entire advertisement itself, is
6 of a character likely to lead prospective buyers to believe that
7 the statement constitutes a promise by respondents that they can
8 purchase a home through respondents and not have to make any
9 payments on said purchase for 90 days after taking title.

10 XXIV.

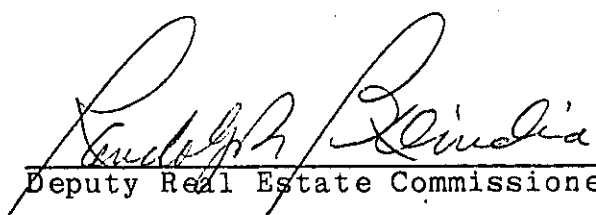
11 The statement quoted in Paragraph XXII is deceptive and
12 misleading because, in truth and in fact, the 90-day period to
13 which you are referring in said advertisements is actually a
14 normal escrow period and, during this time, mortgage payments are
15 seldom, if ever, the obligation of the purchaser.

16 XXV

17 The acts and omissions of respondents, as alleged in
18 Paragraphs XXII through XXIV were in violation of Section 10086 of
19 the Code and subject their real estate licenses and license

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1 rights, and each of them, to suspension or revocation under
2 Sections 10176(a), 10176(b), 10177(c), and 10177(d) of the Code.
3 Dated at Santa Ana, California
4 this 9th day of October, 1985.


Deputy Real Estate Commissioner

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cc: Veteran Real Estate, Inc.
James Michael Mencini
Jules L. Kabat, Esq.
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ROBERT E. BAKER, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 620-4790

FILED

JUN 13 1985

DEPARTMENT OF REAL ESTATE
By Anna B. Orona

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	NO. H-460 SA
)	
VETERAN REAL ESTATE, INC., dba)	<u>A C C U S A T I O N</u>
Veteran Housing Center and)	
Veteran Real Estate; and JAMES)	
MICHAEL MENCINI, individually)	
and as designated officer of)	
Veteran Real Estate, Inc.,)	
)	
Respondents.)	

The complainant, Randolph Brendia, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against VETERAN REAL ESTATE, INC., dba Veteran Housing Center and Veteran Real Estate; and JAMES MICHAEL MENCINI, individually and as designated officer of Veteran Real Estate, Inc., alleges as follows:

I

The complainant, Randolph Brendia, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

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II

All "Sections" of Chapter 6, Title 10, California Administrative Code, are hereinafter referred to as "Regulations".

III

VETERAN REAL ESTATE, INC., doing business as Veteran Housing Center and Veteran Real Estate (hereinafter "VRE"), and JAMES MICHAEL MENCINI (hereinafter "MENCINI"), hereinafter 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 (hereinafter the "Real Estate Law").

IV

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

V

At all times herein mentioned, MENCINI was licensed by the Department as a real estate broker, both individually and as the designated officer of VRE, to qualify said corporation and to act for said corporation as a real estate broker and responsible, under Section 10159.2 of the Business and Professions Code (hereinafter Code), for the supervision and control of the activities conducted on behalf of VRE by its officers and employees as necessary to secure full compliance with the provisions of the Real Estate Law.

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VI

Whenever references is made in an allegation in this Accusation to an act or omission of VRE, such allegations shall be deemed to mean that the officers, directors, employees, agents, and real estate licensees employed by or associated with VRE including, but not limited to, MENCINI, committed such act or omission while engaged in the furtherance of the business or operation of VRE and while acting within the course and scope of their corporate authority and employment.

VII

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

VIII

At all times herein mentioned, respondents engaged in the business of, acted in the capacity of, advertised, and assumed to act as real estate brokers as defined in Section 10131 (a) of the Code, for or in expectation of a compensation.

IX

On or about July 26, 1984, the main office address of VRE was listed by respondents with the Department as being 13281 Harbor Boulevard, Garden Grove California. On or about that same day, respondents employed 97 salespersons. On the aforementioned day, no salesperson license certificates of persons employed by respondents were retained at the main office listed by respondents with the Department.

1 On that same day, at a nearby office located at 13781 Harbor
2 Boulevard, Garden Grove, respondents retained approximately 30 license
3 certificates of salespersons employed under VRE. Respondents were unable
4 to produce 67 certificates when requested to do so by a representative of
5 the Department. Respondents were also unable to produce an additional
6 license for the branch at 13781 Harbor Boulevard as respondents had never
7 applied for such a license with the Department.

8 X

9 On or about March 26, 1984, Michael J. Covington (hereinafter
10 Covington) was hired by respondents to immediately commence managing
11 respondent's San Leandro, California, office and a broker-manager agreement
12 was signed by MENCINI and Covington. On or about July 12, 1984, MENCINI
13 signed a salesperson change application which was received by the Department
14 on or about August 16, 1984, notifying the Department that Covington was
15 employed as a salesperson by respondent. There had been no previous
16 notification of Covington's employment filed by respondents with the
17 Department.

18 XI

19 On March 30, 1982, an Order to Desist and Refrain was filed
20 and thereafter served on MENCINI that same day which ordered respondents
21 VRE and MENCINI to desist and refrain from causing the publication or
22 dissemination of false, misleading or deceptive advertising relating to acts
23 requiring a real estate license. Cited as examples of deceptive or
24 misleading advertising were respondents' use of the words "Veterans Housing
25 Counselor" to describe their status and respondents' language "Have the
26 government (help) make up to 1/3 of your...monthly mortgage payments"
27 without an accompanying explanation of the factual basis for such

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1 representation.

2 XII

3 On or about January 6, 1984, respondents, through an employee
4 in its Van Nuys branch office, caused to be published in the Van Nuys
5 Daily News an advertisement which describes VRE as "Los Angeles County
6 Veterans Housing Center" implying that VRE was an agency of Los Angeles
7 County. Respondents failed to designate in said advertisement that
8 respondents were performing acts for which a real estate license is required.

9 XIII

10 On or about August 5, 1984, respondents, through an employee
11 in its Buena Park office, caused to be published in the Santa Ana Register
12 an advertisement which read:

13 "U. S. Veterans Only !
14 Veteran Housing Agent.
15 No \$\$\$ down. No escrow fees.
16 (714-567-3222)"

17 In truth and in fact, VRE was not an "agent" of the Veteran's
18 Administration as the ad implied, persons other than U. S. veterans were
19 not excluded and there was no designation in said advertisement that
20 respondents were performing acts for which a real estate license is required.

21 XIV

22 On or about August 3, 1984; August 14, 1984; February 4, 1985;
23 and February 8, 1985, respondents caused to be published in the Santa Ana
24 Register advertisements which described VRE as "Orange County's Veteran
25 Housing Center" and "O.C.'s Veteran Housing Center" implying that VRE was
26 an agency of the County of Orange.

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XV

On or about February 21, 1985, respondents, through an employee in their Montclair, California, branch office, caused to be published in the San Bernardino Progress Bulletin an advertisement which encouraged readers to call VRE at "California's Veteran Housing Center" implying that VRE was an agency of the State of California. There was no designation in said advertisement that respondents were performing acts for which a real estate license is required.

XVI

On March 14, 1984, MENCINI signed a broker-manager agreement with Curt Schneider (hereinafter Schneider) delegating to Schneider MENCINI's responsibility and authority as set forth in Section 2725 of the Regulations. On this aforementioned date, respondent knew or should have known that Schneider had been licensed as a real estate salesperson only since July 29, 1983, and had accumulated less than two years full-time experience as a salesperson licensee during the immediately preceding five-year period.

XVII

From March 28, 1984, to approximately May 2, 1984, Schneider, under the overall supervision and with the knowledge of MENCINI, and acting in the capacity of office manager of VRE's branch in Fresno placed ads on behalf of VRE that were published in the Fresno Pennysaver which: (1) failed to contain a designation disclosing that VRE was performing acts for which a real estate license is required, (2) indicated VRE was a veteran housing "agent", and (3) indicated the "government can help with up to 30% of your house payment."

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XVIII

The acts and omissions of respondents, as alleged in Paragraph IX were in violation of Sections 2715 and 2753 of the Regulations and subject their real estate licenses and license rights, and each of them, to suspension or revocation under Sections 10177 (d) and/or 10177 (h) of the Code.

XIX

The acts and omissions of respondents, as alleged in Paragraph X were in violation of Section 10161.8 (a) of the Code and subject their real estate licenses and license rights, and each of them, to suspension or revocation under Section 10177 (d) of the Code.

XX

The acts and omissions of respondents, as alleged in Paragraphs XI through XV and Paragraph XVII were in violation of Sections 10086 and 10140.6 of the Code and subject their real estate licenses and license rights, and each of them, to suspension or revocation under Sections 10177 (c) and 10177 (d) of the Code.

XXI

The acts and omissions of respondents, as alleged in Paragraph XVI, were in violation of Section 2725 of the Regulations and subject their real estate licenses and license rights, and each of them, to suspension or revocation under Section 10177 (d) of the Code.

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