

1 Department of Real Estate
2 107 South Broadway, Room 8107
3 Los Angeles, California, 90012

DEC 11 1990

4 (213) 620-4790

DEPARTMENT OF REAL ESTATE



5 BEFORE THE DEPARTMENT OF REAL ESTATE

6 STATE OF CALIFORNIA

7 * * * * *

8 TO:) H-1060 SA
9)
10 NORMAN INGRAM HARBOLDT, Jr; and) ORDER TO DESIST
11 SHARON ANN HARBOLDT, also known) AND REFRRAIN
12 as SHARON ANN SCHLEM and SHARON)
13 SCHLEM HARBOLDT; individually and)
14 doing business as A-CREATIVE)
15 PROPERTY MANAGEMENT.)

16 The Real Estate Commissioner of the State of
17 California (hereinafter the Commissioner) has caused an
18 investigation to be made of your activities as real estate
19 licensees and based upon the findings of that investigation, as
20 set forth below, is of the opinion that you have violated
21 Sections 10145, 10159.5 and 10177(d) of the California Business
22 and Professions Code (hereinafter the Code) and Sections 2725,
23 2726, 2731, 2830, 2831, 2831.2 and 2832.1 of Chapter 6, Title
24 10, California Code of Regulations (hereinafter the
25 Regulations).

26 I

27 At all times mentioned herein you, NORMAN INGRAM
HARBOLDT, JR. (hereinafter HARBOLDT), were and now are licensed

1 by the Department of Real Estate of the State of California
2 (hereinafter the Department) as a real estate broker.

3 II

4 At all times mentioned herein you, SHARON ANN
5 HARBOLDT, also known as SHARON ANN SCHLEM and SHARON SCHLEM
6 HARBOLDT (hereinafter SCHLEM), were and now are licensed by the
7 Department as a real estate salesperson in the employ of
8 HARBOLDT.

9 III

10 All further references herein to "you" include the
11 parties identified in Paragraphs I and II, above, and also
12 include the officers, directors, employees, agents and real
13 estate licensees employed by or associated with said parties and
14 who at all times herein mentioned were engaged in the
15 furtherance of the business or operations of said parties and
16 who were acting within the course and scope of their authority
17 and employment.

18 IV

19 At all times herein mentioned, you, and each of you,
20 engaged in the business of, acted in the capacity of, and
21 assumed to act as a real estate broker as defined by Section
22 10131(b) of the Code, operating and conducting a property
23 management business with the public under the fictitious
24 business name "A-CREATIVE PROPERTY MANAGEMENT", wherein, for or
25 in expectation of compensation, you leased and rented and
26 offered to lease and rent, and placed for rent, and solicited
27 listings of places for rent, and solicited for prospective

1 tenants, and collected rents from real property, or improvements
2 thereon.

3 V

4 From on or about November 23, 1988, through on or
5 about August 8, 1989, and at other times which are not known to
6 the Department, but which are well known to you, in the course
7 of the activities described in Paragraph IV above, you,
8 HARBOLDT, violated Section 2726 of the Regulations by employing
9 SCHLEM and PRISCILLA MARGUERITE MORRIS as real estate
10 salespersons without having a written relationship agreement
11 with such salespersons, or either of them, covering material
12 aspects of your broker - salesperson relationship.

13 VI

14 From on or about November 23, 1988, through on or
15 about July 28, 1989, including but not limited to November 25,
16 1988, January 15, 1989, July 5, 1989, and July 21, 1989, and at
17 other times which are not known to the Department, but which are
18 well known to you, in the course of the activities described in
19 Paragraph IV above, you, HARBOLDT, violated Section 2725 of the
20 Regulations by failing to timely review and affix your dated
21 initials to instruments prepared and/or signed by SCHLEM, in
22 connection with transactions for which a real estate license is
23 required, having a material affect upon the rights or
24 obligations of a party to such transaction.

25 VII

26 From on or about November 23, 1988, through on or
27 about November 17, 1989, and at other times which are not known

1 to the Department, but which are well known to you, you,
2 HARBOLDT, violated Section 2731 of the Regulations in
3 conjunction with Section 10159.5 of the Code by using the
4 fictitious business name "A-CREATIVE PROPERTY MANAGEMENT" in the
5 conduct of the activities described in Paragraph IV above
6 without first obtaining a license from the Department bearing
7 such fictitious name.

8 VIII

9 From on or about January 1, 1989, through on or about
10 September 29, 1989, in connection with your activities operating
11 and conducting a property management business, as described
12 above, you, HARBOLDT, accepted or received funds in trust
13 (hereinafter trust funds) from or on behalf of owners of real
14 properties and thereafter made disbursements of such funds.
15 These funds were deposited by you in accounts held in the name
16 of "A-Creative Property Management", including but not limited
17 to the "A-Creative Property Management Trust I" account at the
18 Fountain Valley branch of Guardian Bank, the "A-Creative
19 Property Management Trust" account at the Huntington Valley
20 branch of the Tokai Bank of California, and the "A-Creative
21 Property Management Trust II Collections" account at the
22 Fountain Valley branch of Guardian Bank.

23 IX

24 On or about November 17, 1989, the Department
25 completed an examination of the books and records pertaining to
26 trust funds handled by you in connection with your property
27 management business for the period from January 1, 1989, through

1 September 29, 1989, which revealed violations of the Code and
2 the Regulations as set forth below in Paragraph X.

3 X

4 In connection the the trust funds described in
5 Paragraph VIII, in course of the activities described in
6 Paragraph IV, and during the audit period described in Paragraph
7 IX, you, HARBOLDT, violated the Code and Regulations in that:

8 (a) You deposited trust funds entrusted to you into
9 said accounts while the accounts were not held by you in your
10 name as trustee, in violation of Section 10145 of the Code and
11 Section 2830 of the Regulations;

12 (b) You failed to maintain a columnar record of all
13 trust funds received and disbursed, in violation of Section 2831
14 of the Regulations;

15 (c) You failed to reconcile the cash records of the
16 trust account with the separate records of beneficiaries on a
17 monthly basis, in violation of Section 2831.2 of the
18 Regulations;

19 (d) You caused or permitted the withdrawal or
20 disbursement of trust funds from the said trust accounts,
21 thereby reducing the account balance of the said accounts to an
22 amount approximately \$7,924.33 less than your aggregate trust
23 fund liability to all owners of the trust funds in said accounts
24 without prior written consent of all such owners, in violation
25 of Section 10145 of the Code and Section 2832.1 of the
26 Regulations.

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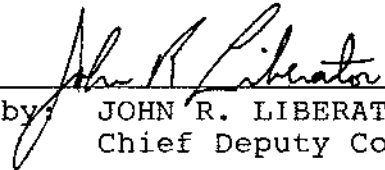
XI

Your acts and omissions described in Paragraphs V through X, inclusive, HARBOLDT, are grounds for the suspension or revocation of your license under the provisions of Section 10177(d) of the Code.

NOW, THEREFORE, YOU ARE ORDERED TO DESIST AND REFRAIN from performing any of the acts for which a real estate license is required within the meaning of Section 10131(b) of the Code unless and until you comply with Sections 10145, 10159.5 and 10177(d) of the Code and Sections 2725, 2726, 2731, 2830, 2831, 2831.2 and 2832.1 of the Regulations.

DATED: November 27, 1990

JAMES A. EDMONDS, JR.
Real Estate Commissioner


by: JOHN R. LIBERATOR
Chief Deputy Commissioner

cc: Norman Ingram Harboldt, Jr.
19400 Beach Blvd. #5B
Huntington Beach, CA 92647

Sharon Ann Harboldt
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