

SACTO  
FLAG

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

FILED  
JUL -8 1993

DEPARTMENT OF REAL ESTATE  
BY *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of	)	
	)	
TOWER MORTGAGE CORPORATION;	)	
a corporation and VERONICA	)	No. H-1382 SA
CROSSLAND, individually as	)	
designated officer of	)	
Tower Mortgage Corporation;	)	
	)	
Respondent.	)	

ORDER STAYING EFFECTIVE DATE

On May 25, 1993, a Decision was rendered in the above-entitled matter to become effective July 8, 1993.

IT IS HEREBY ORDERED that the effective date of the Decision of May 25, 1993 is stayed for a period of 30 days.

The Decision of May 25, 1993 shall become effective at 12 o'clock noon on August 9, 1993.

DATED July 8, 1993

*[Signature]*  
Randolph Brenda  
Regional Manager

*Jack  
Glad*

1 Department of Real Estate  
2 107 South Broadway, Room 8107  
3 Los Angeles, CA 90012  
4  
5 (213) 897-3937

JUN 13 1993

DEPARTMENT OF REAL ESTATE

*[Signature]*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \*

11 In the Matter of the Accusation of )

12 TOWER MORTGAGE CORPORATION; )  
13 a corporation )  
14 D. VERONICA CROSSLAND, )  
15 individually and )  
16 as designated officer of )  
17 Tower Mortgage Corporation; )

No. H-1382 SA

STIPULATION AND  
AGREEMENT IN  
SETTLEMENT AND ORDER

18 Respondents. )  
19 )  
20 )  
21 )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )

It is hereby stipulated by and between TOWER MORTGAGE CORPORATION and D. VERONICA CROSSLAND as designated officer of Tower Mortgage Corporation; (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 May 16, 1992 in this matter:

/  
/

1           1. All issues which were to be contested and all  
2 evidence which was to be presented by Complainant and  
3 respondents at a formal hearing on the Accusation, which hearing  
4 was to be held in accordance with the provisions of the  
5 Administrative Procedure Act (APA), shall instead and in place  
6 thereof be submitted solely on the basis of the provisions of  
7 this Stipulation.

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

12           3. On December 7, 1992, Respondents filed a Notice of  
13 Defense pursuant to Section 11505 of the Government Code for the  
14 purpose of requesting a hearing on the allegations in the  
15 Accusation. Respondents hereby freely and voluntarily withdraw  
16 said Notice of Defense. Respondents acknowledge that they  
17 understand that by withdrawing said Notice of Defense they  
18 thereby waive their right to require the Commissioner to prove  
19 the allegations in the Accusation at a contested hearing held in  
20 accordance with the provisions of the APA and that they will  
21 waive other rights afforded to them in connection with the  
22 hearing such as the right to present evidence in defense of the  
23 allegations in the Accusation and the right to cross-examine  
24 witnesses.

25           4. Respondents, pursuant to the limitations set forth  
26 below, hereby admit that the factual allegations set forth in  
27 the Accusation filed in this proceeding are true and correct

1 insofar as they concern respondents TOWER MORTGAGE CORPORATION,  
2 and D. VERONICA CROSSLAND and, the Real Estate Commissioner  
3 shall not be required to provide further evidence of such  
4 allegations.

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

21           6. It is understood by the parties that the Real  
22 Estate Commissioner may adopt the Stipulation as his decision in  
23 this matter thereby imposing the penalty and sanctions on  
24 respondents' real estate licenses and license rights as set  
25 forth in the "Order" hereinbelow. In the event that the  
26 Commissioner in his discretion does not adopt the Stipulation,  
27 it shall be void and of no effect, and respondents shall retain

1 the right to a hearing and proceeding on the Accusation under  
2 the provisions of the APA and shall not be bound by any  
3 admission or waiver made herein.

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

10 8. The below Determination of Issues contains a  
11 determination that Respondents have violated Business and  
12 Professions Code (hereafter Code) Section 10145 or a regulation  
13 of the Real Estate Commissioner interpreting Code Section 10145,  
14 or both. Respondents are aware that by agreeing to this  
15 Stipulation And Agreement In Settlement, if the findings set  
16 forth below in the Determination of Issues become final, the  
17 Commissioner may charge Respondent TOWER MORTGAGE CORPORATION  
18 for the costs of any audit conducted pursuant to Section 10148  
19 of the Code to determine if Respondent TOWER MORTGAGE  
20 CORPORATION is in compliance with the Real Estate Law. The  
21 maximum costs of said audit will not exceed \$2000.

22 DETERMINATION OF ISSUES

23 By reason of the foregoing stipulations, admissions  
24 and waivers and solely for the purpose of settlement of the  
25 pending Accusation without a hearing, it is stipulated and  
26 agreed that the following determination of issues shall be made:  
27 /

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

I

The acts or omissions of respondent TOWER MORTGAGE CORPORATION and respondent D. VERONICA CROSSLAND, as described in Paragraph 4, above, is a basis for the suspension or revocation of their licenses and license rights pursuant to Section 10177(d) and 10177(h) of the Code.

ORDER

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

I

The real estate broker license and all licensing rights under the provisions of Part 1 of Division 4 of the Business and Professions Code of respondent TOWER MORTGAGE CORPORATION are hereby revoked.

However, respondent shall be entitled to apply for and shall be issued a restricted real estate broker license if respondent makes application therefor and pays to the Department the appropriate fee for said license within ninety (90) days from the effective date of the Order herein.

The restricted license issued to respondent TOWER MORTGAGE CORPORATION shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of the Code:

A. The restricted license may be suspended after hearing by Order of the Real Estate Commissioner in the event of respondent's conviction (including conviction on a plea of nolo

1 contendere) to a crime which bears a substantial relationship to  
2 respondent's fitness or capacity as a real estate licensee.

3 B. The restricted license may be suspended after  
4 hearing by Order of the Real Estate Commissioner on evidence  
5 satisfactory to the Commissioner that respondent has violated  
6 provisions of the California Real Estate Law (other than the  
7 violations specified in the Accusation), the Subdivided Lands  
8 Law, Regulations of the Real Estate Commissioner or conditions  
9 attaching to said restricted license.

10 C. Respondent TOWER MORTGAGE CORPORATION shall obey  
11 all laws of the United States, the State of California and its  
12 political subdivisions, and shall further obey and comply with  
13 all rules and regulations of the Real Estate Commissioner.

14 D. Respondent TOWER MORTGAGE CORPORATION shall report  
15 in writing to the Department of Real Estate as the Commissioner  
16 shall direct by his decision herein or by separate written order  
17 issued while the restricted license is in effect, such  
18 information concerning respondent's activities for which a real  
19 estate license is required as the Commissioner shall deem to be  
20 appropriate to protect the public interest. Respondent shall  
21 also allow the Department to conduct an examination of  
22 respondent's books and records relating to its activities  
23 requiring a real estate license upon request therefor by the  
24 Department.

25 E. Respondent TOWER MORTGAGE CORPORATION shall not be  
26 eligible to apply for the issuance of an unrestricted real  
27 estate license nor the removal of any of the conditions,

1 limitations or restrictions of the restricted license until at  
2 least one year has elapsed from the effective date of the  
3 Decision.

4 II

5 The real estate broker license and all licensing  
6 rights under the provisions of Part 1 of Division 4 of the  
7 Business and Professions Code of respondent D. VERONICA  
8 CROSSLAND are hereby revoked.

9 However, respondent shall be entitled to apply for and  
10 shall be issued a restricted real estate broker license if  
11 respondent makes application therefor and pays to the Department  
12 the appropriate fee for said license within ninety (90) days  
13 from the effective date of the Order herein.

14 The restricted license issued to respondent D.  
15 VERONICA CROSSLAND shall be subject to all of the provisions of  
16 Section 10156.7 of the Business and Professions Code and the  
17 following limitations, conditions and restrictions imposed under  
18 authority of Section 10156.6 of the Code:

19 A. The restricted license may be suspended after  
20 hearing by Order of the Real Estate Commissioner in the event of  
21 respondent's conviction (including conviction on a plea of nolo  
22 contendere) to a crime which bears a substantial relationship to  
23 respondent's fitness or capacity as a real estate licensee.

24 B. The restricted license may be suspended after  
25 hearing by Order of the Real Estate Commissioner on evidence  
26 satisfactory to the Commissioner that respondent has violated  
27 provisions of the California Real Estate Law (other than the



1 violations specified in the Accusation), the Subdivided Lands  
2 Law, Regulations of the Real Estate Commissioner or conditions  
3 attaching to said restricted license.

4 C. Respondent D. VERONICA CROSSLAND shall obey all  
5 laws of the United States, the State of California and its  
6 political subdivisions, and shall further obey and comply with  
7 all rules and regulations of the Real Estate Commissioner.

8 D. Respondent D. VERONICA CROSSLAND shall report in  
9 writing to the Department of Real Estate as the Commissioner  
10 shall direct by his decision herein or by separate written order  
11 issued while the restricted license is in effect, such  
12 information concerning respondent's activities for which a real  
13 estate license is required as the Commissioner shall deem to be  
14 appropriate to protect the public interest. Respondent shall  
15 also allow the Department to conduct an examination of  
16 respondent's books and records relating to its activities  
17 requiring a real estate license upon request therefor by the  
18 Department.

19 E. Respondent D. VERONICA CROSSLAND shall not be  
20 eligible to apply for the issuance of an unrestricted real  
21 estate license nor the removal of any of the conditions,  
22 limitations or restrictions of the restricted license until at  
23 least one year has elapsed from the effective date of the  
24 Decision.

25 F. Respondent D. VERONICA CROSSLAND shall within  
26 twelve months from the effective date of the Decision, present  
27 evidence satisfactory to the Real Estate Commissioner that she

1 has, since the most recent issuance of an original or renewal  
2 real estate license, taken and successfully completed the  
3 continuing education requirements of Article 2.5 of Chapter 3 of  
4 the Real Estate Law for renewal of a real estate license. If  
5 respondent fails to satisfy this condition the Commissioner  
6 shall afford respondent the opportunity for hearing pursuant to  
7 the Administrative Procedure Act to present such evidence.

8 III

9 Any real estate broker licenses issued to respondents  
10 TOWER MORTGAGE CORPORATION and D. VERONICA CROSSLAND and all  
11 license rights pertaining to these license are suspended for a  
12 period of one-hundred twenty (120) days from the date of  
13 issuance; ninety days stayed; provided, however, that the  
14 remaining thirty (30) days of said suspension shall be stayed on  
15 the condition that:

16 (A) Each respondent, pursuant to his petition to the  
17 Commissioner, pays a monetary penalty pursuant to Section  
18 10175.2 of the Business and Professions Code in the amount of  
19 five thousand dollars (\$5,000) prior to the effective date of  
20 any decision;

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

25 (C) The payment of the monetary penalty shall be in  
26 the form of a cashier's check or certified check made payable to  
27 the Recovery Account of the Real Estate Fund.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

If no further cause for disciplinary action occurs against either respondent's real estate broker licenses within one (1) year from the effective date of this Decision, the stay granted upon the payment of the monetary penalty and the additional 90 day stay shall become permanent with respect to that respondent. If it is determined pursuant to the Administrative Procedure Act that further cause for disciplinary action against said real estate licenses or license rights of respondents 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: May 15, 1992

Elliott Mac Lennan  
ELLIOTT MAC LENNAN  
Counsel for Complainant

\* \* \* \*

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.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

DATED: 4/16/93

D. Veronica Crossland  
TOWER MORTGAGE CORPORATION,  
Respondent  
BY: D. VERONICA      CROSSLAND

DATED: 4/16/93

D. Veronica Crossland  
D. VERONICA CROSSLAND,  
Respondent

DATED: Apr 27 93

Michael J. Matlaf  
MICHAEL J. MATLAF Attorney for  
TOWER MORTGAGE CORPORATION and  
D. VERONICA CROSSLAND

\* \* \* \*

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 JUL 8 1993, 1993.

DATED: May 25, 1993.

CLARK WALLACE  
Real Estate Commissioner

John R. Liberator

BY: John R. Liberator  
Chief Deputy Commissioner

*Actual  
Filed*

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

(213) 897-3194

NOV 16 1992

DEPARTMENT OF REAL ESTATE  
*[Signature]*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Accusation of )	
)	
TOWER MORTGAGE CORPORATION; )	No. H-1382 SA
a corporation; and )	
VERONICA D. CROSSLAND, )	
individually and as designated )	<b>A C C U S A T I O N</b>
officer of Tower Mortgage )	
Corporation; )	
)	
)	
Respondents. )	
)	

The Complainant, THOMAS MCCRADY, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against TOWER MORTGAGE CORPORATION; and VERONICA D. CROSSLAND, individually and as designated officer of Tower Mortgage Corporation, is informed and alleges in his official capacity as follows:

FIRST CAUSE OF ACTION

I

TOWER MORTGAGE CORPORATION. (TOWER) and VERONICA D. CROSSLAND, (CROSSLAND) sometimes collectively referred to as respondents, are presently licensed and/or have license rights

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

3 II

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

7 III

8 At all mentioned times, TOWER was licensed by the  
9 Department of Real Estate of the State of California (Department)  
10 as a corporate real estate broker by and through CROSSLAND as  
11 designated officer.

12 IV

13 At all mentioned times, CROSSLAND was licensed by the  
14 Department as designated officer of TOWER to qualify TOWER and to  
15 act for TOWER as a real estate broker and, as provided by Section  
16 10159.2 of the Code, was responsible for the supervision and  
17 control of the activities conducted on behalf of TOWER by its  
18 officers, managers and employees as necessary to secure full  
19 compliance with the provisions of the Real Estate Law including  
20 the supervision of the salespeople licensed to the corporation in  
21 the performance of acts for which a real estate license is  
22 required by Section 10159.2 of the Code.

23 V

24 Whenever reference is made in an allegation in the  
25 accusation to an act or omission of TOWER, such allegation shall  
26 be deemed to mean that the officers, directors, managers,  
27 employees, agents and real estate licensees employed by or

1 associated with TOWER, including CROSSLAND, committed such act or  
2 omission while engaged in the furtherance of the business or  
3 operation of TOWER and while acting within the course and scope of  
4 its corporate authority, agency and employment.

5 VI

6 At all mentioned times, TOWER and CROSSLAND were acting  
7 as the agent or employee of the other and within the course and  
8 scope of such agency or employment.

9 VII

10 At all mentioned times, in the city of Cypress, Orange  
11 County, respondent TOWER and respondent CROSSLAND engaged in the  
12 business of, acted in the capacity of, advertised, or assumed to  
13 act a real estate brokers, within the meaning of Section 10131(d)  
14 of the Code, including the operation of a mortgage loan brokerage  
15 business with the public wherein lenders and borrowers were  
16 solicited for loans secured directly or collaterally by liens on  
17 real property, wherein such loans were arranged, negotiated,  
18 processed, and consummated on behalf of others for compensation or  
19 in expectation of compensation and for fees often collected in  
20 advance.

21 VIII

22 On February 26, 1992, the Department completed an  
23 investigative audit of TOWER's books and records pertaining to its  
24 activities as a real estate broker engaged in the mortgage loan  
25 business covering a period from October 1, 1990 to  
26 January 31, 1992, and on November 13, 1990 the Department  
27 completed a prior investigative audit of TOWER's books and records

1 covering a period from July 1, 1990 to October 31, 1990 which  
2 revealed the following violations of the Code and Regulations.

3 IX

4 In connection with the aforesaid real estate activities  
5 described in Paragraphs VII and VIII, TOWER and CROSSLAND,  
6 accepted or received funds in trust (trust funds) from or on  
7 behalf of borrowers and lenders and thereafter made disbursements  
8 of such funds including appraisal and loan processing fees. Said  
9 respondents deposited certain of these funds into the following  
10 three accounts at the Guardian Bank, 800 S. Figueroa, Los Angeles,  
11 California 90017:

- 12
- 13 1. "Tower Mortgage Corporation"  
Account No. 042-001-726854"  
(General Account)
  - 14 2. "Tower Mortgage Corporation"  
15 Account No. 042-001-727648  
(Credit & Appraisal Account)
  - 16 3. "Tower Mortgage Corporation"  
17 Account No. 042-001-732692  
(Corporate Trust Account)
- 18

19 Trust Fund Violations

20 X

21 In connection with the trust funds referred to in  
22 Paragraph IX, above, TOWER and CROSSLAND, acted in violation of  
23 the Code and Regulations because they:

24 (a) Permitted, allowed, or caused a deficit to  
25 accumulate in the Credit & Appraisal Account, which on October 31,  
26 1990, was in the amount of \$199.00 and which on January 31, 1992,  
27



1 was in the amount of \$648.00, in violation of Section 10145 of the  
2 Code and Regulation 2832.1.

3 (b) Failed to name the broker as the trustee for the  
4 trust account and failed to designate the account as a trust  
5 account for the collection of credit and appraisal fees, as  
6 required by Regulation 2830.

7 (c) Failed to maintain a control record for the daily  
8 balance of the receipt and disposition of all trust funds in  
9 Credit & Appraisal Account received by TOWER, as required by  
10 Regulation 2831.

11 (d) Failed to maintain a separate record for each  
12 beneficiary or transaction, thereby failing to account for all  
13 trust funds received, deposited, and disbursed by the Credit &  
14 Appraisal Account, as required by Regulation 2831.1.

15 (e) Failed to perform a monthly reconciliation of the  
16 columnar record for the receipt and disposition of all trust funds  
17 received by TOWER for the Credit & Appraisal Account, and the  
18 balance of all separate beneficiary or transaction records, as  
19 required by Regulation 2831.2.

20 (f) Permitted Gary Prince, Michael Dekovner, and Randy  
21 Valley, non-licensees, who are not bonded, to be authorized  
22 signatories on the Credit and Appraisal Account, in violation of  
23 Regulation 2834.

24 XI

25 The conduct of Respondents described in Paragraph X,  
26 above, violated the Code and the Regulations as set forth below:  
27

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

PARAGRAPH

PROVISIONS VIOLATED

X(a)	Sec. 10145	of the Code, and
	Sec. 2832.1	of the Regulations;
X(b)	Sec. 2830	of the Regulations;
X(c)	Sec. 2831	of the Regulations;
X(d)	Sec. 2831.1	of the Regulations;
X(e)	Sec. 2831.2	of the Regulations; and
X(f)	Sec. 2834	of the Regulations.

Each of the foregoing violations separately constitutes cause for the suspension or revocation of all real estate licenses and license rights of respondents under the provisions of Section 10177(d) of the Code.

Failure to Provide Disclosure Statements

SECOND CAUSE OF ACCUSATION

XII

Complainant incorporates herein the Preamble and the allegations of Paragraphs I through XI, inclusive, above.

XIII

In connection with the activities described above in Paragraph VII, TOWER and CROSSLAND, failed to provide certified written mortgage loan disclosure statements to various borrowers including but not limited to, Shirley Jones, Anthony Accordino and Grace Matsura, Robert and Paula Daniels, John A. Bosch, William and Debra Van Setten, Michael and Glenda Lord, and Earlene and Daniel Lewis before these borrowers became obligated to perform under the terms of their respective loans. This conduct constitutes a violation of Section 10240 of the Code and Regulation 2840 and are cause to suspend or revoke respondent's

1 respective real estate licenses and license rights under Section  
2 10177(d).

3 Broker-Salesman Agreements

4 THIRD CAUSE OF ACCUSATION

5 XIV

6 Complainant incorporates the Preamble herein and the allegations  
7 of Paragraphs I through XIII, above.

8 XV

9 The investigative audit also revealed that CROSSLAND  
10 failed to initiate and maintain written Broker-Salesman agreements  
11 with certain of TOWER's salespeople, to wit, Scott M. Avera, Wayne  
12 T. Addison, Richard Fox, Joanne Spates, Betty Mc Keever, Doris  
13 Hobbs, Galo G. Gourain, and Laurie Wightman, in violation of  
14 Regulation 2726. This conduct and violation are also cause to  
15 suspend or revoke his licenses and license rights under Sections  
16 10177(d) and 10177(h) of the Code.

17 Notice of Change of Broker

18 FOURTH CAUSE OF ACCUSATION

19 XVI

20 Complainant incorporates herein the Preamble and the allegations  
21 of Paragraphs I through XV, inclusive, above.

22 XVII

23 The investigative audit also revealed that the  
24 Department of Real Estate was not notified of the commencement or  
25 the termination of employment of certain of TOWER's real estate  
26 salespeople including, but not limited to, Galo G. Gourain,  
27 Richard Fox and Wayne T. Addison in violation of Section 2752 of

1 the Code. These acts or omissions of constitute a further basis  
2 for the suspension or revocation of the licenses and license  
3 rights of respondents under Sections 10177(d) and 10177(h) of the  
4 Code.

5 Retention of Salesperson's License Certificates

6 NEXT CAUSE OF ACCUSATION

7 XVIII

8 Complainant incorporates the Preamble herein and the allegations  
9 of Paragraphs I through XVII, above.

10 XIX

11 The investigative audit also revealed that CROSSLAND  
12 failed to retain the salesperson's license certificates for  
13 certain of TOWER's salespeople, to wit, Galo G. Gouroin, Richard  
14 Fox and Wayne T. Addison, in violation of Regulation 2753. Said  
15 conduct is cause to suspend or revoke the licenses and license  
16 rights of respondent's under Sections 10177(d) and 10177(h) of the  
17 Code.

18 Unlawful Employment/Unlicensed Compensation

19 SIXTH CAUSE OF ACCUSATION

20 XX

21 Complainant incorporates the Preamble herein and the allegations  
22 of Paragraphs I through XIX, above.

23 XXI

24 The investigative audit also revealed that TOWER and  
25 CROSSLAND employed and compensated Gary R. Prince, president and  
26 owner of TOWER, Michael Dekovner, Randy Valley and Wayne T.  
27 Addison as salespersons to originate loans, solicit borrowers and

1 lenders, and negotiate loans secured by liens on real property  
2 when they knew or should known that the aforesaid salespeople were  
3 not licensed. This conduct and violation are cause to suspend or  
4 revoke the licenses and license rights of respondent's under  
5 Section 10137 of the Code.

6 Threshold Criteria

7 SEVENTH CAUSE OF ACCUSATION

8 XXII

9 Complainant incorporates the Preamble herein and the allegations  
10 of Paragraphs I through XXI, above.

11 XXIII

12 The investigative audit moreover revealed that  
13 respondents negotiated twenty or more mortgage loans secured  
14 directly or collaterally by real property totalling in excess of  
15 \$2,000,000 to non-exempt lenders within a twelve month period  
16 without notifying the Department that TOWER had exceeded the  
17 threshold criteria of Sections 10232(a) and 10232(b) for  
18 reporting. Respondents failure to notify the Department within  
19 thirty days thereafter of that fact is in violation of Section  
20 10232(e) of the Code. The omission to notify the Department  
21 constitutes another basis for the suspension or revocation of  
22 TOWER and CROSSLAND's licenses and license rights pursuant to Code  
23 Section 10177(d).

24 /

25 /

26 /

27 /

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

Threshold Criteria-Quarterly Reports

EIGHTH CAUSE OF ACCUSATION

XXIV

Complainant incorporates the Preamble herein and the allegations of Paragraphs I through XXIII, above.

XXV

The investigative audit furthermore revealed that, TOWER's loan activities satisfied the threshold criteria of Sections 10232(a) and 10232(b) for reporting, however respondents failed within thirty days thereafter to file with the Department a quarterly and annual trust funds status report, in violation of Section 10232.25 of the Code. Said conduct constitutes another basis for the suspension or revocation of TOWER and CROSSLAND's licenses and license rights pursuant to Code Section 10177(d).

Negligence and/or Incompetence

NINTH CAUSE OF ACCUSATION

XXVI

Complainant incorporates herein the Preamble and the allegations of Paragraphs I through XXV, inclusive, above.

XXVII

The conduct of respondent CROSSLAND, in allowing respondent TOWER to violate Sections 10137, 10145, 10232, 10240 of the Code and Regulations 2726, 2752, 2753, 2830, 2831, 2831.1, 2831.2, 2832.1, 2834 and 2840 as described above, during the time that CROSSLAND was the designated officer of TOWER, constitutes negligence or incompetence in violation of Section 10177(g). This conduct and violation are cause for the suspension or

1 revocation of all real estate licenses and license rights of  
2 respondent CROSSLAND.

3 Failure to Supervise

4 ELEVENTH CAUSE OF ACCUSATION

5 XXVIII

6 Complainant incorporates herein the Preamble and the allegations  
7 of Paragraphs I through XXVII, inclusive, above.

8 XXIX

9 The conduct of respondent CROSSLAND, in allowing  
10 respondent TOWER to violate Sections 10137, 10145, 10232, 10240 of  
11 the Code and Regulations 2726, 2752, 2753, 2830, 2831, 2831.1,  
12 2831.2, 2832.1, 2834 and 2840, as described above, during the time  
13 that CROSSLAND was the designated officer of TOWER, constitutes a  
14 failure by respondent CROSSLAND to exercise reasonable supervision  
15 of the activities of respondent TOWER which require a real estate  
16 license and constitutes a violation of Section 10159.2 of the  
17 Code. This conduct and violation are cause to suspend or revoke  
18 the real estate license and license rights of respondent CROSSLAND  
19 under Sections 10177(d) and 10177(h) of the Code.

20 Prior Discipline

21 NEXT CAUSE OF ACCUSATION

22 XXX

23 Complainant incorporates herein the allegations of Paragraphs I  
24 through XXIX, above.

25 XXXI

26 On June 21, 1991, in Case No. H-1166 SA, an ORDER TO  
27 DESIST AND REFRAIN was filed against respondents under Section

1 10086 of the Code (Engaging in Prohibited Activity, Order to  
2 Desist and Refrain) for violations of Sections 10137 and 10145 of  
3 the California Business and Professions Code and Sections 2726,  
4 2752, 2753, 2830, 2831, 2831.1, 2831.2, 2832.1, 2834 and 2840 of  
5 Title 10, Chapter 6, California Code of Regulations.

6 WHEREFORE, Complainant prays that a hearing be conducted  
7 on the allegations made by the accusation and, that upon proof  
8 thereof, a decision be rendered imposing disciplinary action  
9 against all licenses and license rights of respondents TOWER  
10 MORTGAGE CORPORATION; and VERONICA D. CROSSLAND, individually and  
11 as designated officer of Tower Mortgage Corporation, Inc., under  
12 the Real Estate Law (Part 1 of Division 4 of the Business and  
13 Professions Code) and for such other and further relief as may be  
14 proper under other applicable provisions of law.

15 Dated at Los Angeles, California  
16 this 16th day of November, 1992.

17  
18  
19  
20 THOMAS MC CRADY  
21 Deputy Real Estate Commissioner

22  
23 cc: Tower Mortgage Corporation  
24 c/o Veronica D. Crossland,  
25 Designated Officer  
26 Sacto.  
27 DA