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FILED
MAR - 1 2004

DEPARTMENT OF REAL ESTATE

By *Kathleen Contreras*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	
RONALD SHAHEN SHAPAZIAN,)	NO. H-1450 FR
)	
Respondent.)	
)	

ORDER GRANTING REINSTATEMENT OF LICENSE

On October 23, 2000, an Order was rendered herein revoking the real estate broker license of Respondent, but granting Respondent the right to the issuance of a restricted real estate broker license. A restricted real estate broker license was issued to Respondent on December 6, 2000.

On December 10, 2002, Respondent petitioned for reinstatement of said real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

I have considered the petition of Respondent and the evidence and arguments in support thereof including Respondent's record as a restricted licensee. Respondent has demonstrated to

1 my satisfaction that Respondent meets the requirements of law for
2 the issuance to Respondent of an unrestricted real estate broker
3 license and that it would not be against the public interest to
4 issue said license to Respondent.

5 NOW, THEREFORE, IT IS ORDERED that Respondent's
6 petition for reinstatement is granted and that a real estate
7 broker license be issued to Respondent, if Respondent satisfies
8 the following conditions prior to and as a condition of issuance
9 of the license within nine months from the date of this Order:

10 1. Submittal of a completed application and payment
11 of the fee for a real estate broker license.

12 2. Submittal of evidence of having, since the most
13 recent issuance of an original or renewal real estate license,
14 taken and successfully completed the continuing education
15 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
16 for renewal of a real estate license.

17 3. Submittal of proof satisfactory to the Commissioner
18 of having taken and completed the trust fund accounting and
19 handling course specified in paragraph (3), subdivision (a) of
20 Section 10170.5 of the Business and Professions Code.

21 This Order shall be effective immediately.

22 DATED: February 9, 2004.

23
24 Real Estate Commissioner

25
26 By: John R. Liberator
27 JOHN R. LIBERATOR
Chief Deputy Commissioner

1 Department of Real Estate
2 P. O. Box 187000
3 Sacramento, CA 95818-7000
4 Telephone: (916) 227-0789

FILED
NOV 16 2000

DEPARTMENT OF REAL ESTATE

Shelly Ely

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-1450 FRESNO
12)
13) STIPULATION AND AGREEMENT
14) IN SETTLEMENT AND ORDER
15) AS TO
16) RONALD SHAHEN SHAPAZIAN
17) ONLY

18 It is hereby stipulated by and between RONALD SHAHEN
19 SHAPAZIAN, (Respondent), represented by his attorney of record,
20 Harry Pascuzzi, and the Complainant, acting by and through David
21 B. Seals, Counsel for the Department of Real Estate, as follows
22 for the purpose of settling and disposing of the First Amended
23 Accusation filed on June 21, 2000, in this matter:

24 1. All issues which were to be contested and all
25 evidence which was to be presented by Complainant and Respondent
26 at a formal hearing on the Accusation which hearing was to be
27 held in accordance with the provisions of the Administrative

1 Procedure Act (APA), shall instead and in place thereof be
2 submitted solely on the basis of the provisions of this
3 Stipulation and Agreement in Settlement.

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

8 3. On June 9, 2000, Respondent filed a Notice of
9 Defense pursuant to Section 11505 of the Government Code for the
10 purpose of requesting a hearing on the allegations in the
11 Accusation. Respondent hereby freely and voluntarily withdraws
12 said Notice of Defense. Respondent acknowledges that he
13 understands that by withdrawing said Notice of Defense he will
14 thereby waive his right to require the Commissioner to prove the
15 allegations in the First Amended Accusation at a contested
16 hearing held in accordance with the provisions of the APA and
17 that he will waive other rights afforded to him in connection
18 with the hearing such as the right to present evidence in defense
19 of the allegations in the First Amended Accusation and the right
20 to cross-examine witnesses.

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

1 not be required to provide further evidence to prove said factual
2 allegations.

3 5. It is understood by the parties that the Real
4 Estate Commissioner may adopt the Stipulation and Agreement in
5 Settlement as her decision in this matter thereby imposing the
6 penalty and sanctions on Respondent's real estate licenses and
7 license rights as set forth in the below "Order". In the event
8 that the Commissioner in her discretion does not adopt the
9 Stipulation and Agreement in Settlement, it shall be void and of
10 no effect, and Respondent shall retain the right to a hearing and
11 proceeding on the First Amended Accusation under all the
12 provisions of the APA and shall not be bound by any admission or
13 waiver made herein.

14 6. The Order or any subsequent Order of the Real
15 Estate Commissioner made pursuant to this Stipulation and
16 Agreement in Settlement shall not constitute an estoppel, merger
17 or bar to any further administrative or civil proceedings by the
18 Department of Real Estate with respect to any matters which were
19 not specifically alleged to be causes for accusation in this
20 proceeding.

21 7. Respondents RONALD SHAHEN SHAPAZIAN and EXECUTIVE
22 FIRST MORTGAGE have received, read and understand the "Notice
23 Concerning Costs of Subsequent Audits". Respondents RONALD
24 SHAHEN SHAPAZIAN and EXECUTIVE FIRST MORTGAGE understand that by
25 agreeing to this Stipulation and Agreement in Settlement, the
26 findings set forth below in the DETERMINATION OF ISSUES become
27 final, and that the Commissioner may charge Respondents RONALD

1 SHAHEN SHAPAZIAN and EXECUTIVE FIRST MORTGAGE for the costs of
2 any audit for which they are charged pursuant to Section 10148 of
3 the Business and Professions Code. The reasonable cost of the
4 audit which led to this disciplinary action is \$1,636.80. The
5 maximum cost of the subsequent audit will not exceed \$1,636.80.

6 DETERMINATION OF ISSUES

7 I

8 The facts alleged above are grounds for the suspension
9 or revocation of the licenses and license rights of Respondent
10 RONALD SHAHEN SHAPAZIAN under Sections 10232.25 and 10145 of the
11 Code in conjunction with Section 10177(d) of the Code.

12 ORDER

13 I

14 A. The real estate broker license and all license rights of
15 Respondent RONALD SHAHEN SHAPAZIAN under the Real Estate Law
16 are revoked.

17 B. A restricted real estate broker license shall be issued to
18 Respondent RONALD SHAHEN SHAPAZIAN pursuant to Business and
19 Professions Code Section 10156.5, if Respondent makes
20 application therefor and pays to the Department the
21 appropriate fee for said license within ninety (90) days
22 from the effective date of this ORDER.

23 C. The restricted license issued to Respondent RONALD SHAHEN
24 SHAPAZIAN shall be subject to all the provisions of Section
25 10156.7 of the Business and Professions Code and to the
26 following limitations, conditions and restrictions imposed
27 under authority of Section 10156.6 of said Code:

1 (1) The license shall not confer any property right in the
2 privileges to be exercised, and the Real Estate
3 Commissioner may by appropriate order suspend the
4 right to exercise any privileges granted under the
5 restricted license in the event of:

6 (a) The conviction of Respondent RONALD SHAHEN
7 SHAPAZIAN (including a plea of nolo contendere)
8 to a crime which bears a significant relation to
9 Respondent's fitness or capacity as a real estate
10 licensee; or,

11 (b) The receipt of evidence, satisfactory to the
12 Commissioner, that Respondent RONALD SHAHEN
13 SHAPAZIAN has violated provisions of the
14 California Real Estate Law, Subdivided Lands Law,
15 Regulations of the Real Estate Commissioner or
16 conditions attaching to the restricted license.

17 (2) Respondent RONALD SHAHEN SHAPAZIAN shall not be
18 eligible to apply for issuance of an unrestricted real
19 estate license nor the removal of any of the
20 conditions, limitations or restrictions attaching to
21 the restricted license until two (2) years
22 have elapsed from the date of issuance the restricted
23 license.

24 D. Respondent RONALD SHAHEN SHAPAZIAN shall, within nine (9)
25 months from the effective date of this ORDER, present
26 evidence satisfactory to the Real Estate Commissioner that
27 he has, since the most recent issuance of an original or

1 renewal real estate license, taken and successfully
2 completed the continuing education requirements of Article
3 2.5 of Chapter 3 of the Real Estate Law for renewal of a
4 real estate license. If Respondent RONALD SHAHEN SHAPAZIAN
5 fails to satisfy this condition, the Commissioner may order
6 the suspension of the restricted license until Respondent
7 RONALD SHAHEN SHAPAZIAN presents such evidence. The
8 Commissioner shall afford Respondent RONALD SHAHEN SHAPAZIAN
9 the opportunity for a hearing pursuant to the Administrative
10 Procedure Act to present such evidence.

11 E. Respondent RONALD SHAHEN SHAPAZIAN shall, within six (6)
12 months from the effective date of this Order, take and pass
13 the Professional Responsibility Examination administered by
14 the Department including the payment of the appropriate
15 examination fee. If Respondent RONALD SHAHEN SHAPAZIAN fails
16 to satisfy this condition, the Commissioner may order
17 suspension of Respondent RONALD SHAHEN SHAPAZIAN'S license
18 until Respondent RONALD SHAHEN SHAPAZIAN passes the
19 examination.

20 F. Any restricted real estate broker license issued to
21 Respondent RONALD SHAHEN SHAPAZIAN may be suspended or
22 revoked for a violation of any of the conditions attaching
23 to the restricted license.

24 G. Pursuant to Section 10148 of the Business and Professions
25 Code, Respondents EXECUTIVE FIRST MORTGAGE and RONALD
26 SHEHEN SHAPAZIAN shall pay the Commissioner's reasonable
27 cost for: a) audit #4 in the Accusation which led to this

1 finding of violation and, b) a subsequent audit to
2 determine if Respondent EXECUTIVE FIRST MORTGAGE has
3 corrected the trust fund violation(s) found in paragraph I
4 of the Determination of Issues. In calculating the amount
5 of the Commissioner's reasonable cost, the Commissioner may
6 use the estimated average hourly salary for all persons
7 performing audits of real estate brokers, and shall include
8 an allocation for travel costs, including mileage, time to
9 and from the auditor's place of work and per diem.

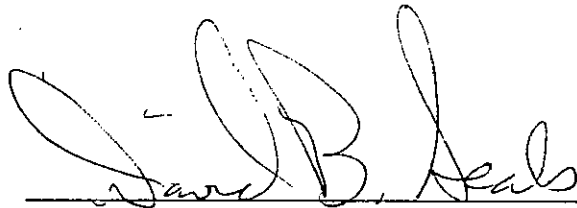
10 Respondents EXECUTIVE FIRST MORTGAGE and RONALD SHAHEN
11 SHAPAZIAN, shall be jointly and severally liable for
12 payment of the entire amount of the cost of said audits and
13 Respondents EXECUTIVE FIRST MORTGAGE and RONALD SHAHEN
14 SHAPAZIAN shall pay such cost within 60 days of receiving
15 an invoice from the Commissioner detailing the activities
16 performed during the audit and the amount of time spent
17 performing those activities. The Commissioner may suspend
18 the real estate licenses of Respondents EXECUTIVE FIRST
19 MORTGAGE and RONALD SHAHEN SHAPAZIAN pending a hearing held
20 in accordance with Section 11500, et seq., of the
21 Government Code, if payment is not timely made as provided
22 for herein, or as provided for in a subsequent agreement
23 between the Respondents and the Commissioner. The
24 suspension shall remain in effect until payment is made in
25 full or until Respondents EXECUTIVE FIRST MORTGAGE and/or
26 RONALD SHAHEN SHAPAZIAN enter into an agreement
27 satisfactory to the Commissioner to provide for payment, or

1 until a decision providing otherwise is adopted following a
2 hearing held pursuant to this condition.

3 H. Prior to and as a condition of the issuance of the
4 restricted license as provided herein, Respondent RONALD
5 SHAHEN SHAPAZIAN and/or EXECUTIVE FIRST MORTGAGE shall
6 provide evidence satisfactory to the Real Estate
7 Commissioner that Respondent EXECUTIVE FIRST MORTGAGE has
8 cured the shortage alleged in the Accusation.

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10
11
12 Sept. 19, 2000

DATED

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DAVID B. SEALS, Counsel
DEPARTMENT OF REAL ESTATE

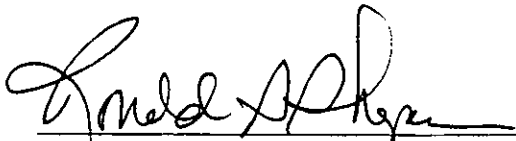
* * *

16 I have read the Stipulation and Agreement, have had the
17 opportunity to consult with legal counsel, and its terms are
18 understood by me and are agreeable and acceptable to me. I
19 understand that I am waiving rights given to me by the California
20 Administrative Procedure Act (including but not limited to
21 Sections 11506, 11508, 11509 and 11513 of the Government Code),
22 and I willingly, intelligently and voluntarily waive those
23 rights, including the right of requiring the Commissioner to
24 prove the allegations in the Accusation at a hearing at which I
25 would have the right to cross-examine witnesses against me and to
26 present evidence in defense and mitigation of the charges.

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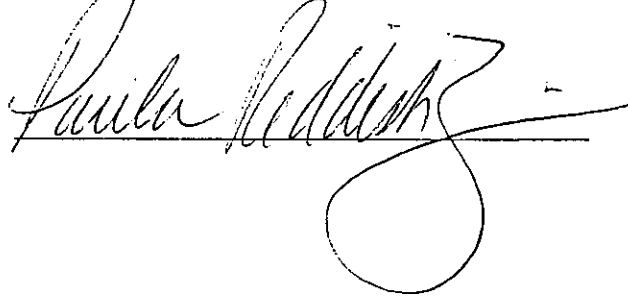

RONALD SHAHEN SHAPAZIAN
Respondent

* * *

The foregoing Stipulation and Agreement for
Settlement is hereby adopted by the Real Estate Commissioner as
her Decision and Order and shall become effective at 12 o'clock
noon on DECEMBER 6, 2000.

IT IS SO ORDERED October 23, 2000.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



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FILED
NOV 15 2000

DEPARTMENT OF REAL ESTATE

By Shelly Ely

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
No. H-1450 FRESNO)
RONALD SHAHEN SHAPAZIAN and)
EXECUTIVE FIRST MORTGAGE,)
Respondents.)

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On June 21, 2000, an Accusation was filed in this matter against Respondents RONALD SHAHEN SHAPAZIAN and EXECUTIVE FIRST MORTGAGE.

On August 8, 2000, Respondent EXECUTIVE FIRST MORTGAGE petitioned the Commissioner to voluntarily surrender its real estate broker license(s) pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent EXECUTIVE FIRST MORTGAGE 's petition for voluntary surrender of its real estate broker license(s) is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated

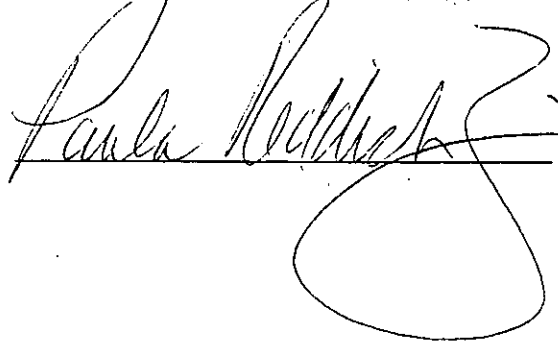
1 September 12, 2000 (attached as Exhibit "A" hereto). Respondent
2 EXECUTIVE FIRST MORTGAGE's license certificate(s), pocket card(s)
3 and any branch office license certificate(s) shall be sent to the
4 below listed address so that they reach the Department on or
5 before the effective date of this Order:

6
7 DEPARTMENT OF REAL ESTATE
8 Attn: Licensing Flag Section
9 P. O. Box 187000
10 Sacramento, CA 95818-7000

11 This Order shall become effective at 12 o'clock noon
12 on DECEMBER 5, 2000.

13 DATED: October 25, 2000

14 PAULA REDDISH ZINNEMANN
15 Real Estate Commissioner

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

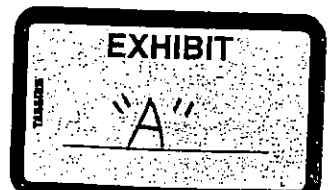
* * *

In the Matter of the Accusation of)	No. H-1450 FRESNO
)	
RONALD SHAHEN SHAPAZIAN and)	
)	
EXECUTIVE FIRST MORTGAGE,)	
)	
Respondents.)	

DECLARATION

My name is MARLENE PAULA WATKINS and I am currently the sole shareholder of EXECUTIVE FIRST MORTGAGE, which is licensed as a real estate broker and/or has license rights with respect to said license. I am authorized and empowered to sign this declaration on behalf of EXECUTIVE FIRST MORTGAGE.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Business and Professions Code) EXECUTIVE FIRST MORTGAGE wishes to voluntarily surrender its real estate license issued by the Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.



1 I understand that EXECUTIVE FIRST MORTGAGE, by so
2 voluntarily surrendering its license, can only have it reinstated
3 in accordance with the provisions of Section 11522 of the
4 Government Code. I also understand that by so voluntarily
5 surrendering its license, EXECUTIVE FIRST MORTGAGE agrees to the
6 following:

7 The filing of this Declaration shall be deemed as its
8 petition for voluntary surrender. It shall also be deemed to be
9 an understanding and agreement by EXECUTIVE FIRST MORTGAGE that,
10 it waives all rights it has to require the Commissioner to prove
11 the allegations contained in the Accusation filed in this matter
12 at a hearing held in accordance with the provisions of the
13 Administrative Procedure Act (Government Code Sections 11400 et
14 seq.), and that it also waives other rights afforded to it in
15 connection with the hearing such as the right to discovery, the
16 right to present evidence in defense of the allegations in the
17 Accusation and the right to cross-examine witnesses. I further
18 agree on behalf of EXECUTIVE FIRST MORTGAGE that upon acceptance
19 by the Commissioner, as evidenced by an appropriate order, all
20 affidavits and all relevant evidence obtained by the Department
21 in this matter prior to the Commissioner's acceptance, and all
22 allegations contained in the Accusation filed in the Department
23 Case No. H-1450 FRESNO, may be considered by the Department to be
24 true and correct for the purpose of deciding whether or not to
25 grant reinstatement of EXECUTIVE FIRST MORTGAGE's, license
26 pursuant to Government Code Section 11522.

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I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that I am acting freely and voluntarily on behalf of EXECUTIVE FIRST MORTGAGE to surrender its license and all license rights attached thereto.

6 - 10 2000
Date and Place

Marlene Paula Watkins
EXECUTIVE FIRST MORTGAGE
By MARLENE PAULA WATKINS

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUL 21 2000

DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

By Shelly Ely

EXECUTIVE FIRST MORTGAGE CO., INC.
and RONALD SHAHEN SHAPAZIAN

}

Case No. H-1450 FRESNO

OAH No. N2000070270

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at THE STATE BUILDING, 2550 MARIPOSA MALL, ROOM 1027, FRESNO, CALIFORNIA 93721 on SEPTEMBER 6TH & 7TH, 2000, at the hour of 10:00 AM & 8:00 AM, respectively, or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission 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.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: JUNE 21, 2000

DEPARTMENT OF REAL ESTATE
By David B. Seals
DAVID B. SEALS, Counsel

1 DAVID B. SEALS, Counsel (SBN 69378)
2 Department of Real Estate
3 P. O. Box 187000
4 Sacramento, CA 95818-7000
5 Telephone: (916) 227-0789
6 -or- (916) 227-0792 (Direct)

FILED
JUN 21 2000
DEPARTMENT OF REAL ESTATE
By Shelly Elzy

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-1450 FRESNO
12)
13 EXECUTIVE FIRST MORTGAGE CO., INC.) FIRST AMENDED
And RONALD SHAHEN SHAPAZIAN,) ACCUSATION
14 Respondents.)

15 The Complainant, M. Dolores Ramos, a Deputy Real Estate
16 Commissioner of the State of California, for cause of Accusation
17 against EXECUTIVE FIRST MORTGAGE CO., INC. (hereinafter
18 "Respondent EXECUTIVE ") and RONALD SHAHEN SHAPAZIAN (hereinafter
19 "Respondent SHAPAZIAN "), is informed and alleges as follows:

20 FIRST CAUSE OF ACCUSATION

21 I

22 Respondents are licensed and/or have license rights
23 under the Real Estate Law, Part 1 of Division 4 of the California
24 Business and Professions Code (hereinafter "Code") as follows:

- 25 (a) Respondent EXECUTIVE as a corporate real estate
- 26 broker.

27 ///

1 (b) Respondent SHAPAZIAN as a real estate broker at
2 all times herein mentioned and as the designated
3 officer of Respondent EXECUTIVE until July 10, 1999.

4 II

5 The Complainant, M. Dolores Ramos, a Deputy Real Estate
6 Commissioner of the State of California, makes this Accusation
7 against Respondents in her official capacity.

8 III

9 On or about November 1, 1999, pursuant to the
10 provisions of Section 23302 of the Revenue and Taxation Code of
11 the State of California, the corporate powers, rights and
12 privileges of Respondent EXECUTIVE were suspended.

13 IV

14 The acts and/or omissions of Respondent EXECUTIVE
15 described above are grounds for the revocation or suspension of
16 Respondent EXECUTIVE'S licenses under Section 10177(f) of the
17 Code and would have been grounds for the denial of a real estate
18 license under Section 2742, Title 10, California Code of
19 Regulations (hereinafter the "Regulations").

20 SECOND CAUSE OF ACCUSATION

21 V

22 There is hereby incorporated in this Second, separate
23 and distinct, Cause of Accusation all of the allegations
24 contained in Paragraphs I and II of the First Cause of Accusation
25 with the same force and effect as if herein fully set forth.

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VI

At all times herein mentioned, Respondents EXECUTIVE and SHAPAZIAN engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker in the State of California within the meaning of Section 10131(d) of the Code for or in expectation of compensation.

VII

That at all times mentioned herein, Respondent EXECUTIVE accepted or received funds in trust (hereafter trust funds) from and on behalf of its principals placing them in accounts and at times thereafter made disbursements of such funds.

VIII

Investigative audits of the records and bank records of Respondent EXECUTIVE were conducted by the Department from September 4, 1998 to September 30, 1998 for the period August 1, 1996 to July 31, 1998 (hereinafter referred to as "Audit #1"), from December 11, 1998 to January 11, 1999 for the period August 1, 1998 to December 31, 1998 (hereinafter referred to as "Audit #2"), from February 1, 1999 to July 30, 1999 for the period August 1, 1996 to March 16, 1999 (hereinafter referred to as "Audit #3") and from January 31, 2000 to March 31, 2000 for the period from August 1, 1996 to March 31, 2000 (hereinafter referred to as "Audit #4"), as said records related to its activities as a real estate broker.

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IX

Pursuant to Audit #1 it was determined that Respondent EXECUTIVE failed to setup its trust account as a trust account pursuant to Section 2832, Title 10, California Code of Regulations (hereinafter the "Regulations"); failed to file with the Commissioner and maintain a copy of the trust funds status report as required by Section 10232.25 of the Code; and failed to reconcile the trust account in accordance with Section 2831.2 of the Regulations.

X

On or about September 30, 1998 the Department sent Respondent EXECUTIVE a notice in care of Respondent SHAPAZIAN informing them of the violations found in Audit #1 and that "...failure to comply may result in suspension or revocation..." of their real estate license.

XI

Pursuant to Audit #2 it was determined that Respondent EXECUTIVE failed to setup its trust account as a trust account pursuant to Section 2832 of the Regulations; failed to properly prepare the trust funds status report required by Section 10232.25 of the Code; and failed to reconcile the trust account in accordance with Section 2831.2 of the Regulations.

XII

On or about January 11, 1999 the Department sent Respondent EXECUTIVE a notice in care of Respondent SHAPAZIAN informing them of the violations found in Audit #2 and that
///

1 "...failure to comply may result in suspension or revocation..." of
2 their real estate license.

3 XIII

4 Pursuant to Audit #3 it was determined that the
5 adjusted balance of the trust account as of March 16, 1999 was
6 Eighteen and 79/100 Dollars (\$18.79) and the trust fund
7 accountability in the account as of March 16, 1999 was One
8 Thousand Four Hundred Forty-Nine and 00/100 Dollars (\$1,449.00).
9 Therefore, Respondent EXECUTIVE, as of March 16, 1999, had a
10 trust fund shortage of One Thousand Four Hundred Thirty and
11 21/100 Dollars (\$1,430.21).

12 XIV

13 The shortage was caused by accounts with negative
14 balances (\$349.00) and unidentified causes (\$1,081.21).

15 XV

16 Respondent EXECUTIVE failed to maintain an accurate
17 record of all trust funds received and paid out in violation of
18 Section 2831 of the Regulations.

19 XVI

20 Respondent EXECUTIVE failed to maintain adequate
21 beneficiary records in violation of Section 2831.1 of the
22 Regulations.

23 XVII

24 Respondent EXECUTIVE caused the disbursement of trust
25 funds from the trust account without the written consent of every
26 principal who was an owner of the funds, causing the balance of
27 the funds in the account to be an amount less than the existing

1 aggregate trust fund liability of Respondent EXECUTIVE to all
2 owners of said funds in violation of Section 10145 of the Code
3 and Section 2832.1 of the Regulations.

4 XVIII

5 Respondent EXECUTIVE continued to fail to properly
6 prepare the trust funds status report required by Section
7 10232.25 of the Code and to properly reconcile the trust account
8 in accordance with Section 2831.2 of the Regulations as cited in
9 Audit #1 and Audit #2.

10 XIX

11 Pursuant to Audit #4 it was determined that the
12 adjusted balance of the trust account as of March 31, 2000 was
13 Eighteen and 79/100 Dollars (\$18.79) and the trust fund
14 accountability in the account as of March 31, 2000 was One
15 Thousand Four Hundred Forty-Nine and 00/100 Dollars (\$1,449.00).
16 Therefore, Respondent EXECUTIVE, as of March 31, 2000, had a
17 trust fund shortage of One Thousand Four Hundred Thirty and
18 21/100 Dollars (\$1,430.21).

19 XX

20 The shortage was caused by accounts with negative
21 balances (\$349.00) and unidentified causes (\$1,081.21).

22 XXI

23 Respondent EXECUTIVE, as of March 31, 2000, failed to
24 maintain an accurate record of all trust funds received and paid
25 out in violation of Section 2831 of the Regulations.

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XXII

Respondent EXECUTIVE, as of March 31, 2000, failed to maintain adequate beneficiary records in violation of Section 2831.1 of the Regulations.

XXIII

Respondent EXECUTIVE, as of March 31, 2000, caused the disbursement of trust funds from the trust account without the written consent of every principal who was an owner of the funds, causing the balance of the funds in the account to be an amount less than the existing aggregate trust fund liability of Respondent EXECUTIVE to all owners of said funds in violation of Section 10145 of the Code and Section 2832.1 of the Regulations.

XXIV

Respondent EXECUTIVE, as of March 31, 2000, continued to fail to properly prepare the trust funds status report required by Section 10232.25 of the Code and to properly reconcile the trust account in accordance with Section 2831.2 of the Regulations as cited in Audit #1, Audit #2 and Audit #3.

XXV

The acts and/or omissions of Respondents EXECUTIVE and SHAPAZIAN described in Paragraphs V through XXIV above are grounds for the revocation or suspension of Respondents' licenses under the following sections of the Business and Professions Code and the Regulations:

- (a) As to Respondents EXECUTIVE and SHAPAZIAN, and each of them under Sections 10232.25 and 10145 of the Code and Sections

///

1 2831, 2831.1, 2831.2 and 2832.1 of the Regulations in conjunction
2 with Section 10177(d) of the Code; and

3 (b) As to Respondent SHAPAZIAN only, under Section 10177(g)
4 and/or (h) of the Code.

5 WHEREFORE, Complainant prays that a hearing be
6 conducted on the allegations of this Accusation and that upon
7 proof thereof a decision be rendered imposing disciplinary action
8 against all licenses and license rights of Respondents, under the
9 Real Estate Law and for such other and further relief as may be
10 proper under other provisions of law.

11 M. Dolores Ramos
12 M. DOLORES RAMOS
Deputy Real Estate Commissioner

13 Dated at Fresno, California,
14 this 6th day of June, 2000.

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file

1 DAVID B. SEALS, Counsel (SBN 69378)
2 Department of Real Estate
3 P. O. Box 187000
4 Sacramento, CA 95818-7000

FILED
MAY 25 2000

5 Telephone: (916) 227-0789
6 -or- (916) 227-0792 (Direct)

DEPARTMENT OF REAL ESTATE

By *David B. Seals*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-1450 FRESNO
12	EXECUTIVE FIRST MORTGAGE CO., INC.)	
13	And RONALD SHAHEN SHAPAZIAN,)	<u>ACCUSATION</u>
14	Respondents.)	

15
16 The Complainant, M. Dolores Ramos, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against EXECUTIVE FIRST MORTGAGE CO., INC. (hereinafter
19 "Respondent EXECUTIVE ") and RONALD SHAHEN SHAPAZIAN (hereinafter
20 "Respondent SHAPAZIAN "), is informed and alleges as follows:

21 FIRST CAUSE OF ACCUSATION

22 I

23 Respondents are licensed and/or have license rights
24 under the Real Estate Law, Part 1 of Division 4 of the California
25 Business and Professions Code (hereinafter "Code") as follows:

- 26 (a) Respondent EXECUTIVE as a corporate real estate
- 27 broker.

1 (b) Respondent SHAPAZIAN as a real estate broker at
2 all times herein mentioned and as the designated
3 officer of Respondent EXECUTIVE until July 10, 1999.

4 II

5 The Complainant, M. Dolores Ramos, a Deputy Real Estate
6 Commissioner of the State of California, makes this Accusation
7 against Respondents in her official capacity.

8 III

9 On or about November 1, 1999, pursuant to the
10 provisions of Section 23302 of the Revenue and Taxation Code of
11 the State of California, the corporate powers, rights and
12 privileges of Respondent EXECUTIVE were suspended.

13 IV

14 The acts and/or omissions of Respondent EXECUTIVE
15 described above are grounds for the revocation or suspension of
16 Respondent EXECUTIVE'S licenses under Section 10177(f) of the
17 Code and would have been grounds for the denial of a real estate
18 license under Section 2742, Title 10, California Code of
19 Regulations (hereinafter the "Regulations").

20 SECOND CAUSE OF ACCUSATION

21 V

22 There is hereby incorporated in this Second, separate
23 and distinct, Cause of Accusation all of the allegations
24 contained in Paragraphs I and II of the First Cause of Accusation
25 with the same force and effect as if herein fully set forth.

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VI

At all times herein mentioned, Respondents EXECUTIVE and SHAPAZIAN engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker in the State of California within the meaning of Section 10131(d) of the Code for or in expectation of compensation.

VII

That at all times mentioned herein, Respondent EXECUTIVE accepted or received funds in trust (hereafter trust funds) from and on behalf of its principals placing them in accounts and at times thereafter made disbursements of such funds.

VIII

Investigative audits of the records and bank records of Respondent EXECUTIVE were conducted by the Department from September 4, 1998 to September 30, 1998 for the period August 1, 1996 to July 31, 1998 (hereinafter referred to as "Audit #1"), from December 11, 1998 to January 11, 1999 for the period August 1, 1998 to December 31, 1998 (hereinafter referred to as "Audit #2") and from February 1, 1999 to July 30, 1999 for the period August 1, 1996 to March 16, 1999 (hereinafter referred to as "Audit #3"), as said records related to its activities as a real estate broker.

IX

Pursuant to Audit #1 it was determined that Respondent EXECUTIVE failed to setup its trust account as a trust account pursuant to Section 2832, Title 10, California Code of

1 Regulations (hereinafter the "Regulations"); failed to file with
2 the Commissioner and maintain a copy of the trust funds status
3 report as required by Section 10232.25 of the Code; and failed to
4 reconcile the trust account in accordance with Section 2831.2 of
5 the Regulations.

6 X

7 On or about September 30, 1998 the Department sent
8 Respondent EXECUTIVE a notice in care of Respondent SHAPAZIAN
9 informing them of the violations found in Audit #1 and that
10 "...failure to comply may result in suspension or revocation..." of
11 their real estate license.

12 XI

13 Pursuant to Audit #2 it was determined that Respondent
14 EXECUTIVE failed to setup its trust account as a trust account
15 pursuant to Section 2832 of the Regulations; failed to properly
16 prepare the trust funds status report required by Section
17 10232.25 of the Code; and failed to reconcile the trust account
18 in accordance with Section 2831.2 of the Regulations.

19 XII

20 On or about January 11, 1999 the Department sent
21 Respondent EXECUTIVE a notice in care of Respondent SHAPAZIAN
22 informing them of the violations found in Audit #2 and that
23 "...failure to comply may result in suspension or revocation..." of
24 their real estate license.

25 XIII

26 Pursuant to Audit #3 it was determined that the
27 adjusted balance of the trust account as of March 16, 1999 was

1 Eighteen and 79/100 Dollars (\$18.79) and the trust fund
2 accountability in the account as of March 16, 1999 was One
3 Thousand Four Hundred Forty-Nine and 00/100 Dollars (\$1,449.00).
4 Therefore, Respondent EXECUTIVE, as of March 16, 1999, had a
5 trust fund shortage of One Thousand Four Hundred Thirty and
6 21/100 Dollars (\$1,430.21).

7 XIV

8 The shortage was caused by accounts with negative
9 balances (\$349.00) and unidentified causes (\$1,081.21).

10 XV

11 Respondent EXECUTIVE failed to maintain an accurate
12 record of all trust funds received and paid out in violation of
13 Section 2831 of the Regulations.

14 XVI

15 Respondent EXECUTIVE failed to maintain adequate
16 beneficiary records in violation of Section 2831.1 of the
17 Regulations.

18 XVII

19 Respondent EXECUTIVE caused the disbursement of trust
20 funds from the trust account without the written consent of every
21 principal who was an owner of the funds, causing the balance of
22 the funds in the account to be an amount less than the existing
23 aggregate trust fund liability of Respondent EXECUTIVE to all
24 owners of said funds in violation of Section 10145 of the Code
25 and Section 2832.1 of the Regulations.

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XVIII

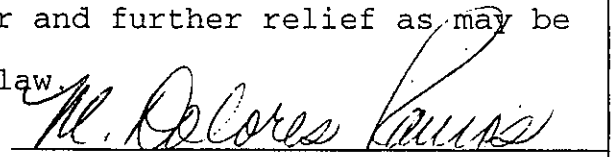
Respondent EXECUTIVE continued to fail to properly prepare the trust funds status report required by Section 10232.25 of the Code and to properly reconcile the trust account in accordance with Section 2831.2 of the Regulations as cited in Audit #1 and Audit #2.

XIX

The acts and/or omissions of Respondents EXECUTIVE and SHAPAZIAN described in Paragraphs V through XVIII above are grounds for the revocation or suspension of Respondents' licenses under the following sections of the Business and Professions Code and the Regulations:

- (a) As to Respondents EXECUTIVE and SHAPAZIAN, and each of them under Sections 10232.25 and 10145 of the Code and Sections 2831, 2831.1, 2831.2 and 2832.1 of the Regulations in conjunction with Section 10177(d) of the Code; and
- (b) As to Respondent SHAPAZIAN only, under Section 10177(g) and/or (h) of the Code.

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 all licenses and license rights of Respondents, under the Real Estate Law and for such other and further relief as may be proper under other provisions of law.


 M. DOLORES RAMOS
 Deputy Real Estate Commissioner

Dated at Fresno, California,
this 17th day of May, 2000.