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OCT 26 2009

DEPARTMENT OF REAL ESTATE

By Jean R. ...

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
ALBERT ROGERS HADLEY, JR.,)	No. H-2034 SD
Respondent.)	H-25212 LA

ORDER DENYING REINSTATEMENT OF LICENSE

On July 5, 1995, an Order was rendered herein revoking the real estate salesperson license of Respondent.

On October 5, 1999, Respondent petitioned for reinstatement of said real estate salesperson license, and the Attorney General of the State of California has been given notice of the filing of said petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has failed to demonstrate to my satisfaction that Respondent has undergone sufficient rehabilitation to warrant the reinstatement of Respondent's real estate salesperson license in that Respondent has failed to discharge the following adjudicated debt:

1 \$10,444.35 unpaid balance on the judgment in Damico v. Hadley, et
2 al., San Diego County Municipal Court Case No. 560804.

3 On May 10, 1996, an Order in Case No. H-26594 LA was
4 issued ordering Respondent to Desist and Refrain from performing
5 acts for which a real estate license is required. Respondent has
6 continued to perform acts requiring a real estate license.

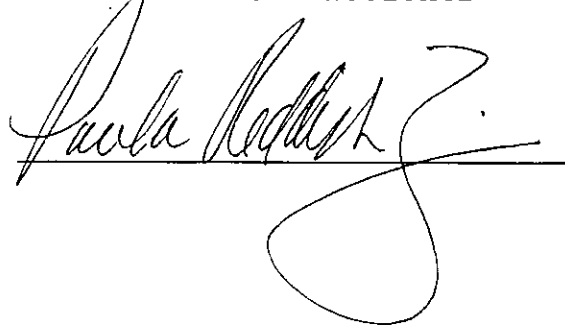
7 Consequently, Respondent has not presented evidence of
8 compliance with Section 2911 (i), (j) and (m), Title 10, California
9 Code of Regulations.

10 NOW, THEREFORE, IT IS ORDERED that Respondent's
11 petition for reinstatement of his real estate salesperson license
12 is denied.

13 This Order shall become effective at 12 o'clock
14 noon on November 15, 2000.

15 DATED: October 23, 2000.

17 PAULA REDDISH ZINNEMANN
18 Real Estate Commissioner

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

4 (213) 897-3937

FILED
JUL 11 1995
DEPARTMENT OF REAL ESTATE

By 

10 DEPARTMENT OF REAL ESTATE

11 STATE OF CALIFORNIA

12 * * * * *

13 In the Matter of the Accusation of)
14 GOLD COAST TITLE & TRUST)
15 DEED, INC.;)
16 ERNEST DOUGLAS BUCKELS,)
17 individually and as designated)
18 officer of Gold Coast Title)
19 & Trust Deed, Inc.;)
20 GOLDEN PACIFIC FUNDING, INC.;)
21 SCOTT DAVID BLESHEFSKI,)
22 individually and as designated)
23 officer of Golden Pacific)
24 Funding, Inc.;)
25 GOLDEN STATE EQUITY)
26 CORPORATION; MILON L. BROCK,)
27 individually and as designated)
28 officer of Golden State Equity)
29 Corporation; and,)
30 ALBERT ROGERS HADLEY, JR.,)
31 Respondents.)

No. H-2034 SD
& H-25212 LA

STIPULATION AND AGREEMENT
IN
SETTLEMENT AND ORDER

1 It is hereby stipulated by and between GOLD COAST TITLE
2 & TRUST DEED, INC.; GOLDEN PACIFIC FUNDING, INC.; GOLDEN STATE
3 EQUITY CORPORATION, ERNEST DOUGLAS BUCKELS, individually and as
4 designated officer of Gold Coast Title & Trust, Inc.; SCOTT DAVID
5 BLESSENSKI, individually and as designated officer of Golden
6 Pacific Funding, Inc.; MILON L. BROCK, individually and as
7 designated officer of Golden State Equity Corporation; and, ALBERT
8 ROGERS HADLEY, JR., (sometimes referred to as respondents) and the
9 Complainant, acting by and through Elliott Mac Lennan, Counsel for
10 the Department of Real Estate, as follows for the purpose of
11 settling and disposing of the Accusation filed in this matter:

12 1. All issues which were to be contested and all
13 evidence which was to be presented by Complainant and respondents
14 at a formal hearing on the Accusation, which hearing was to be
15 held in accordance with the provisions of the Administrative
16 Procedure Act (APA), shall instead and in place thereof be
17 submitted solely on the basis of the provisions of this
18 Stipulation.

19 2. Respondents have received, read and understand the
20 Statement to Respondent, the Discovery Provisions of the APA and
21 the Accusation filed by the Department of Real Estate in this
22 proceeding.

23 3. Respondents filed a Notice of Defense pursuant to
24 Section 11505 of the Government Code for the purpose of requesting
25 a hearing on the allegations in the Accusation. Respondents
26 hereby freely and voluntarily withdraw said Notice of Defense.
27 Respondents acknowledge that they understand that by withdrawing

1 said Notice of Defense they thereby waive their right to require
2 the Commissioner to prove the allegations in the Accusation at a
3 contested hearing held in accordance with the provisions of the
4 APA and that they will waive other rights afforded to them in
5 connection with the hearing such as the right to present evidence
6 in defense of the allegations in the Accusation and the right to
7 cross-examine witnesses.

8 4. This Stipulation is based on the factual allegations
9 contained in the Accusation. In the interest of expedience and
10 economy, respondents choose not to contest these allegations, but
11 to remain silent and understand that, as a result thereof, these
12 factual allegations, without being admitted or denied, will serve
13 as a prima facie basis for the disciplinary action stipulated to
14 herein. The Real Estate Commissioner shall not be required to
15 provide further evidence to prove said factual allegations.

16 5. This Stipulation is based on respondents' decision
17 not to contest the allegations set forth in the Accusation as a
18 result of the agreement negotiated between the parties. It is
19 expressly limited to this proceeding and any further proceeding
20 initiated by or brought before the Department of Real Estate based
21 upon the facts and circumstances alleged in the Accusation, and
22 made for the sole purpose of reaching an agreed disposition of
23 this proceeding. The decision of respondents not to contest the
24 factual statements alleged, as contained in the stipulated Order,
25 is made solely for the purpose of effectuating this Stipulation.
26 It is the intent and understanding of the parties that this
27

1 Stipulation shall not be binding or admissible against respondents
2 in any actions against respondents by third parties.

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

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

18 DETERMINATION OF ISSUES

19 By reason of the foregoing stipulations, admissions and
20 waivers and solely for the purpose of settlement of the pending
21 Accusation without a hearing, it is stipulated and agreed that the
22 following determination of issues shall be made:

23 I

24 The acts or omissions of respondents GOLD COAST TITLE &
25 TRUST DEED, INC., GOLDEN PACIFIC FUNDING, INC., and GOLDEN STATE
26 EQUITY CORPORATION, as described in Paragraph 4, above, are in
27 violation of Sections 10145, 10232.5, and 10234 of the Business

1 and Professions Code (Code) and are a basis for the suspension or
2 revocation of their licenses and license rights pursuant to
3 Sections 10177(d) and 10177(g) of the Code.

4 II

5 The acts or omissions of respondents ERNEST DOUGLAS
6 BUCKELS, SCOTT DAVID BLESSENSKI, and MILON L. BROCK, as described
7 in Paragraph 4, above, are in violation of Sections 10145,
8 10232.5, and 10234 of the Code and are a basis for the suspension
9 or revocation of their licenses and license rights pursuant to
10 Sections 10177(d), 10177(g) and 10177(h) of the Code.

11 III

12 The acts or omissions of respondent ALBERT ROGERS
13 HADLEY, JR., as described in Paragraph 4, above, are a basis for
14 the suspension or revocation of his license and license rights
15 pursuant to Section 10176(a) of the Code.

16 ORDER

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

19 I

20 All licenses and licensing rights of respondents GOLD
21 COAST TITLE & TRUST DEED, INC., GOLDEN PACIFIC FUNDING, INC.,
22 GOLDEN STATE EQUITY CORPORATION, MILON L. BROCK and ALBERT ROGERS
23 HADLEY, JR., under the Real Estate Law are hereby revoked.

24 II

25 The real estate broker licenses and license rights of
26 respondents ERNEST DOUGLAS BUCKELS and SCOTT DAVID BLESSENSKI
27

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

3 However, respondents shall be entitled to apply for and
4 be issued restricted real estate broker licenses if they make
5 application therefor and pay to the Department of Real Estate the
6 appropriate fee for said licenses within ninety (90) days of the
7 effective date of the Stipulation herein.

8 The restricted real estate broker licenses issued to
9 respondents shall be subject to all of the provisions of Section
10 10156.7 of the Business and Professions Code and the following
11 limitations, conditions and restrictions imposed under authority
12 of Section 10156.6 of the Code: . . .

13 A. The restricted licenses may be suspended prior to
14 hearing by Order of the Real Estate Commissioner in the event of
15 respondents' conviction (including conviction of a plea of nolo
16 contendere) to a crime which bears a significant relationship to
17 respondents' fitness or capacity as real estate licensees.

18 B. The restricted license may be suspended prior to
19 hearing by Order of the Real Estate Commissioner on evidence
20 satisfactory to the Commissioner that respondents have, after the
21 effective date of the Order herein, violated provisions of the
22 California Real Estate Law, the Subdivided Lands Law, Regulations
23 of the Real Estate Commissioner or conditions attaching to said
24 restricted licenses.

25 C. Respondents shall obey all laws of the United
26 States, the State of California and its political subdivisions,
27

1 and shall further obey and comply with all rules and regulations
2 of the Real Estate Commissioner.

3 D. Respondents shall within six months from the
4 effective date of the restricted licenses take and pass the
5 Professional Responsibility Examination administered by the
6 Department including the payment of the appropriate examination
7 fee. If respondents fail to satisfy this condition, the
8 Commissioner may order suspension of the restricted licenses until
9 respondents pass the examination.

10 E. Respondent ERNEST DOUGLAS BUCKELS shall, within
11 twelve months from the effective date of this Decision, present
12 evidence satisfactory to the Real Estate Commissioner that
13 respondent has, since his license was last renewed, taken and
14 successfully completed the continuing education requirements of
15 Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a
16 real estate license. If respondent fails to satisfy this
17 condition, the Commissioner may order the suspension of the
18 restricted license until the respondent presents such evidence.
19 The Commissioner shall afford respondent the opportunity for a
20 hearing pursuant to the Administrative Procedure Act to present
21 such evidence.

1 F. Respondents ERNEST DOUGLAS BUCKELS and SCOTT DAVID
2 BLESSENSKI shall not be eligible to apply for the issuance of an
3 unrestricted real estate license nor the removal of any of the
4 conditions, limitations or restrictions of the restricted license
5 until at least two years have elapsed from the effective date of
6 the Decision.

7 G. Respondents ERNEST DOUGLAS BUCKELS and SCOTT DAVID
8 BLESSENSKI shall not, during the restricted period be eligible to
9 be the designated officer of any Real Estate Corporation.

10 DATED: June 14, 1998

Elliott Mac Lennan
11 ELLIOTT MAC LENNAN
12 Counsel for Complainant

13 * * * *

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

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DATED: May 31, 1995

Ernest Douglas Buckels
GOLD COAST ^{EPA} TITLE & TRUST DEED, INC.
Respondent
BY: ERNEST DOUGLAS BUCKELS, D.O.

DATED: May 31, 1995

Scott David Bleshenski
GOLDEN PACIFIC FUNDING, INC.
Respondent
BY: SCOTT DAVID BLESSENSKI, D.O.

DATED: ~~May 31, 1995~~

Milton L. Brock
GOLDEN STATE EQUITY CORPORATION
Respondent
BY: MILON L. BROCK, D.O.

DATED: May 31, 1995

Ernest Douglas Buckels
ERNEST DOUGLAS BUCKELS
Respondent

DATED: May 31, 1995

Scott David Bleshenski
SCOTT DAVID BLESSENSKI
Respondent

DATED: ~~May 31, 1995~~

Milton L. Brock
MILON L. BROCK
Respondent

DATED: MAY 31, 1995

Albert Rogers Hadley, Jr.
ALBERT ROGERS HADLEY, JR.
Respondent

DATED: 6-1-95

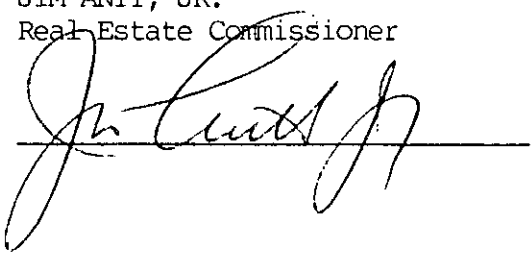
William R. Winship
WILLIAM R. WINSHIP
Attorney for Respondents

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The foregoing Stipulation and Agreement in Settlement and
Order is hereby adopted by the Commissioner as his Decision and shall be-
come effective at 12 o'clock noon on August 1, 1995.

DATED 7/5, 1995

JIM ANTT, JR.
Real Estate Commissioner


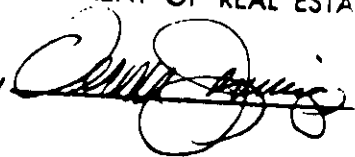
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BUREAU OF THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILE
DEC 19 1994

In the Matter of the Accusation of)
)
GOLD COAST TITLE & TRUST)
DEED INC., et al.,)
)
Respondents.)

Case No. H-2034 SD
OAH No. L-61530

DEPARTMENT OF REAL ESTATE
By 

NOTICE OF CONTINUED 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 Office of Administrative Hearings, 1350 Front Street, Room 6022, San Diego, California, on **June 6, 7, 8, 9, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, and July 5, 1995**, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

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. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: December 19, 1994:

- cc: Gold Coast Title & Trust Deed Inc.
- Ernest Douglas Buckels
- Albert Rogers Hadley Jr.
- Golden Pacific Funding Inc.
- Scott David Bleshenski
- Golden State Equity Corporation
- Milon L. Brock
- William R. Winship Jr., Esq.
- J. Chris Graves
- Sacto./OAH-LA/OAH-SD

DEPARTMENT OF REAL ESTATE


ELLIOTT MAC LENNAN, Counsel

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FILED
OCT 12 1994
DEPARTMENT OF REAL ESTATE
By *[Signature]*

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DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
)	
GOLD COAST TITLE & TRUST)	No. H-2034 SD
DEED INC.;)	
ERNEST DOUGLAS BUCKELS,)	
individually and as designated)	
officer of Gold Coast Title)	
& Trust Deed, Inc.;)	
GOLDEN PACIFIC FUNDING, INC.,)	
SCOTT DAVID BLESSENSKI,)	
individually and as designated)	
officer of Golden Pacific)	
Funding, Inc.;)	
ALBERT ROGERS HADLEY, JR.,)	
and MILON L. BROCK;)	
)	
)	
)	
Respondents.)	

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

TO: MILON L. BROCK:

On September 12, 1986, a restricted real estate broker license was issued by the Department of Real Estate (herein "the Department") to MILON L. BROCK on the terms, conditions and restrictions set forth in the Decision effective August 13, 1986, in Case No. H-1337 SD and subject to the provisions of Section

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10156.7 of the Business and Professions Code (herein "the Code") and to enumerated additional terms, conditions and restrictions imposed under authority of Section 10156.6 of the Code.

On September 20, 1994, in Case No. H-2034 SD, an Accusation and Amendments thereto were filed against MILON L. BROCK charging him with violating Sections 10148, 10161.8, 10232.5 and 10234 of the Code and Sections 2752, 2831.1 and 2950(h) of Chapter 6, Title 10, California Code of Regulations and that there was cause to suspend or revoke his license pursuant to Sections 10176(a), 10176(b), 10176(c), 10176(i), 10177(d), 10177(g) and 10177(h) of the Code.

NOW THEREFORE, IT IS ORDERED under authority of Section 10156.7 of the Code that the restricted real estate broker license heretofore issued to respondent MILON L. BROCK and the exercise of any privileges thereunder are hereby suspended pending final determination made after the hearing on the aforesaid Accusation.

IT IS FURTHER ORDERED that all license certificates and identification cards issued by the Department which are in the possession of respondent MILON L. BROCK be immediately surrendered by personal delivery or by mailing in the enclosed self-addressed envelope to:

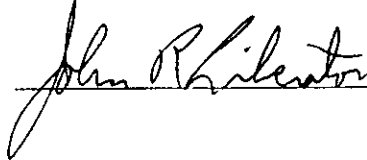
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DEPARTMENT OF REAL ESTATE
ATTN: Flag Section
P. O. Box 187000
Sacramento, CA 95818-7000

This Order shall be effective immediately.

DATED: October 7, 1994.

JOHN R. LIBERATOR
Interim Commissioner



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

(213) 897-3194

FILED
OCT 3 1994
DEPARTMENT OF REAL ESTATE
[Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)
)
GOLD COAST TITLE & TRUST)
DEED INC.;)
ERNEST DOUGLAS BUCKELS,)
individually and as designated)
officer of Gold Coast Title)
& Trust Deed, Inc.;)
GOLDEN PACIFIC FUNDING, INC.,)
SCOTT DAVID BLESHEHSKI,)
individually and as designated)
officer of Golden Pacific)
Funding, Inc.;)
GOLDEN STATE EQUITY CORPORATION)
MILON L. BROCK,)
individually and as designated)
officer of Golden State Equity)
Corporation; and)
ALBERT ROGERS HADLEY, JR.)
)
Respondents.)

No. H-2034 SD
H-25212 LA

THIRD AMENDMENT
TO ACCUSATION

The SECOND AMENDMENT TO ACCUSATION to H-2034 SD and H-25622 LA combined filed September 20, 1994 is amended only to change the case number of H-25622 LA to H-25212 LA throughout the pleading.

1 Dated at San Diego, California

2 this 3rd day of October, 1994.

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4 Chris Graver
5 Deputy Real Estate Commissioner
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20 cc: Gold Coast Title & Trust Deed, Inc.
c/o Ernest Douglas Buckels,

21 cc: Golden Pacific Funding, Inc.
22 c/o Scott David Bleshenski
Milon L. Brock

23 cc: Golden State Equity Corporation
24 c/o Milon L. Brock

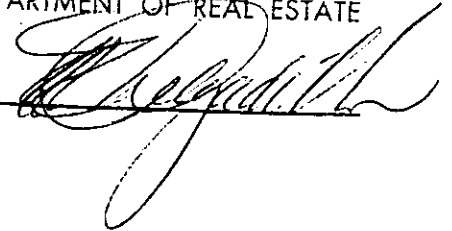
25 cc: Albert Rogers Hadley, Jr.
Sacto.
26 FJF & JF
27

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

FILED
SEP 20 1994
DEPARTMENT OF REAL ESTATE

By



(213) 897-3194

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)

GOLD COAST TITLE & TRUST)
DEED INC.;)
ERNEST DOUGLAS BUCKELS,)
individually and as designated)
officer of Gold Coast Title)
& Trust Deed, Inc.;)
GOLDEN PACIFIC FUNDING, INC.,)
SCOTT DAVID BLESSENSKI,)
individually and as designated)
officer of Golden Pacific)
Funding, Inc.;)
GOLDEN STATE EQUITY CORPORATION)
MILON L. BROCK,)
individually and as designated)
officer of Golden State Equity)
Corporation; and)
ALBERT ROGERS HADLEY, JR.)

No. H-2034 SD
H-25622 LA

SECOND AMENDMENT
TO ACCUSATION

Respondents.)

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1 The FIRST AMENDMENT TO ACCUSATION to H-2034 SD filed
2 March 18, 1994 is amended in its entirety. Additionally, this
3 SECOND AMENDMENT joins the Accusation of ALBERT ROGERS HADLEY,
4 JR., formerly known as H-25622 LA to this Accusation as follows:

5 The Complainant, J. Chris Graves, a Deputy Real Estate
6 Commissioner of the State of California, for cause of accusation
7 against GOLD COAST TITLE & TRUST DEED INC.; ERNEST DOUGLAS
8 BUCKELS, individually and as designated officer of Gold Coast
9 Title & Trust Deed, Inc.; GOLDEN PACIFIC FUNDING, INC.; SCOTT
10 DAVID BLESSENSKI, individually and as designated officer of Golden
11 Pacific Funding, Inc.; GOLDEN STATE EQUITY CORPORATION; MILON L.
12 BROCK, individually and as designated officer of Golden State
13 Equity Corporation; and, ALBERT ROGERS HADLEY, JR., is informed
14 and alleges in his official capacity as follows:

15 **Gold Coast Title & Trust Deed, Inc.**

16 FIRST CAUSE OF ACTION

17 Complainant incorporates the Preamble

18 1

19 GOLD COAST TITLE & TRUST DEED INC., (GOLD COAST),
20 ERNEST DOUGLAS BUCKELS, (BUCKELS), GOLDEN PACIFIC FUNDING, INC.,
21 (GOLDEN PACIFIC), SCOTT DAVID BLESSENSKI, GOLDEN STATE EQUITY
22 CORPORATION (GOLDEN STATE), ALBERT ROGERS HADLEY, JR., (HADLEY),
23 and MILON L. BROCK (BROCK), sometimes collectively referred to as
24 respondents, are presently licensed and/or have license rights
25 under the Real Estate Law (Part 1 of Division 4 of the California
26 Business and Professions Code).

1
2 All references to the "Code" are to the California
3 Business and Professions Code and all references to "Regulations"
4 are to Chapter 6, Title 10, California Code of Regulations.

5
6 At all mentioned times, GOLD COAST was licensed by the
7 Department of Real Estate of the State of California (Department),
8 as a corporate real estate broker by and through BUCKELS as
9 designated officer.

10
11 At all mentioned times, BUCKELS was licensed by the
12 Department as designated officer of GOLD COAST to qualify GOLD
13 COAST and to act for GOLD COAST as a real estate broker and, as
14 provided by Section 10159.2 of the Code, was responsible for the
15 supervision and control of the activities conducted on behalf of
16 GOLD COAST by its officers, managers and employees as necessary to
17 secure full compliance with the provisions of the Real Estate Law
18 including the supervision of the salespeople licensed to the
19 corporation in the performance of acts for which a real estate
20 license is required by Section 10159.2 of the Code.

21
22 HADLEY is presently licensed and/or has license rights
23 under the Real Estate Law. At all mentioned times and since
24 October 26, 1990 HADLEY was licensed as a real estate salesperson
25 by the Department. Prior to being employed by GOLD COAST and
26 GOLDEN PACIFIC, Hadley was employed by Bedford Home Loans, Inc.,
27 in San Diego, California.

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BROCK is presently licensed and/or has license rights under the Real Estate Law. BROCK was originally licensed on January 4, 1980 as a real estate broker license. Effective March 1984, his licensed was revoked and reissued as a restricted real estate broker license. Effective March 4, 1986, his licensed was again revoked and reissued as a restricted real estate broker on September 12, 1986. At all mentioned times and since September 12, 1986, BROCK was licensed as a restricted real estate broker by the Department. BROCK is the sole owner of GOLD COAST, GOLDEN PACIFIC and GOLDEN STATE. He is the Chief Executive Officer of all three corporations and the designated broker of GOLDEN STATE. GOLD COAST is principally engaged in trust deed and loan servicing; GOLDEN PACIFIC, loan solicitation; and, GOLDEN STATE, property management.

Whenever reference is made in an allegation in the accusation to an act or omission of GOLD COAST such allegation shall be deemed to mean that the officers, directors, managers, employees, agents and real estate licensees employed by or associated with GOLD COAST, including BUCKELS, GOLDEN PACIFIC, BLESSENSKI, HADLEY and BROCK, as the case may be, committed such act or omission while engaged in the furtherance of the business or operation of GOLD COAST and while acting within the course and scope of its corporate authority, agency and employment.

At all mentioned times, GOLD COAST, GOLDEN PACIFIC, BUCKELS, HADLEY and BROCK, as the case may be, were acting as the agent or employee of the other and within the course and scope of such agency or employment.

At all mentioned times, in the city and county of San Diego, respondent GOLD COAST and respondent BUCKELS engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers, within the meaning of Section 10131(d) of the Code, including the operation of a mortgage loan brokerage with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed, and consummated on behalf of others for compensation or in expectation of compensation.

Gold Coast Title & Trust Deed, Inc.

Audit

On December 29, 1993, the Department completed an investigative audit of GOLD COAST's books and records pertaining to its activities as a corporate real estate broker engaged in the mortgage loan business covering a period from January 1, 1993 through July 31, 1993 which revealed the following violations of the Code and Regulations.

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1
2 In connection with the aforesaid real estate activities
3 described in Paragraph 9, GOLD COAST and BUCKELS, accepted or
4 received funds in trust (trust funds) from or on behalf of
5 borrowers and lenders and thereafter made disbursements of such
6 funds including appraisal and loan processing fees. Said
7 respondents deposited certain of these funds into the following
8 accounts at the Bank of America located at 1775 Camino de la
9 Reina, San Diego, California 92108:

10 Gold Coast Title and Trust Deed, Inc.
11 Collection Trust Account
12 Account No. 08181-16429
(Trust Account #1)

13 Gold Coast Title and Trust Deed, Inc.
14 Trust Account
15 Account No. 08180-15925
(Trust Account #2)

16
17 In connection with the trust funds referred to in
18 Paragraph 11 above, GOLD COAST and BUCKELS, acted in violation of
19 the Code and Regulations because they:

20 (a) Failed to maintain a control record for the
21 daily balance of the receipt and disposition of all trust funds in
22 the trust accounts, with respect to the Kraber loan number 060010,
23 as described in Paragraphs 33 through 39 below, and as required by
24 Regulation 2831.

25 (b) Failed to maintain a separate record for each
26 beneficiary or transaction, with respect to the Kraber loan number
27 060010, as described in Paragraphs 33 through 39 below, thereby

1 failing to account for all trust funds received, deposited, and
2 disbursed by the trust account, as required by Regulation 2831.1.

3 13

4 The conduct of Respondents GOLD COAST and BUCKELS
5 described in Paragraph 12, above, violated the Code and the
6 Regulations as set forth below:

7 PARAGRAPH

PROVISIONS VIOLATED

8 12(a)	Sec. 10145	of the Code,
	Sec 2831	of the Regulations;
9 12(b)	Sec. 2831.1	of the Regulations;

10 Each of the foregoing violations separately constitutes cause for
11 the suspension or revocation of all real estate licenses and
12 license rights of respondents under the provisions of Section
13 10177(d) of the Code.

14 SECOND CAUSE OF ACCUSATION

15 Complainant incorporates herein the Preamble and the allegations
16 of Paragraphs 1 through 13, inclusive, hereinabove

17 The Van Delinder Loan

18 14

19 During the period in and around August 8, 1990,
20 respondent HADLEY was employed by Bedford Home Loans, Inc., in San
21 Diego, California, as a real estate salesperson.

22 15

23 On or about August 8, 1990 while in the employ of
24 Bedford Home Loans, Inc., and pursuant to his duties therein,
25 HADLEY solicited and subsequently obtained a loan for Hilmond L.
26 and Patricia Van DeLinder, husband and wife (Van DeLinder), the
27

1 borrowers, in amount of \$15,500 from Jules C. Cooper (Cooper), the
2 lender, by preparing or causing to be prepared, an Investment
3 Opportunity Sheet and a negligent or false Lender/Purchaser
4 Disclosure Statement (LPDS) dated August 8, 1990 which he knew or
5 should have known, contained material misstatements or omissions.
6 In agreeing to make the loan, Cooper relied on the information
7 given to him by HADLEY.

8 16

9 The Investment Opportunity Sheet and LPDS presented to
10 Cooper represented that the loan made by Cooper on the Van
11 DeLinder property located at 668 knoll Drive, Crestline,
12 California, would be secured by a lien on said property evidenced
13 by a second trust deed. The Crestline property was represented as
14 a two-bedroom house with a fully remodeled basement having an
15 appraised value of \$82,000.

16 17

17 In reality, the Crestline property was a one-bedroom
18 structure with a partially enclosed storage room with a wooden
19 frame but without a drywall, as the "second bedroom." The fully
20 remodeled basement did not exist.

21 18

22 On or about August 8, 1990 HADLEY further induced Cooper
23 to lend \$15,500 on the Crestline property by falsely representing
24 to him that Mr. Van DeLinder was employed as a truck driver and
25 Mrs. Van DeLinder was on a leave of absence from her employment
26 with General Dynamics Corporation. In fact Mr. Van DeLinder's
27 occupation was that of a local handyman, not a truck driver. Mrs.

1 Van DeLinder had been laid off from her employment with General
2 Dynamics and was not on a leave of absence.

3 19

4 The Van DeLinder's defaulted on their loan. Cooper
5 foreclosed on the Crestline property, ultimately selling it at a
6 loss. Had Cooper known the true fact he would not have agreed to
7 make this loan.

8 THIRD CAUSE OF ACCUSATION

9 Complainant incorporates herein the Preamble and the allegations
10 of Paragraphs I through 19, inclusive, hereinabove

11 The Damico Loan

12 20

13 In or about February and March of 1991, respondent
14 HADLEY, now working as an employee and vice-president of GOLD
15 COAST and GOLDEN PACIFIC, solicited Margaret Damico (Damico), an
16 investor to invest \$11,649.00 in a loan to Claude and Glennis
17 Mimes (Mimes) by means of the purchase of an existing note to be
18 secured by a note and trust deed on property commonly known as
19 2465 54th Street, San Diego, California (subject property).
20 HADLEY told Mrs. Damico that the loan would be a "very good
21 investment," and that Mr. and Mrs. Mimes had an excellent credit
22 rating as well as longtime employment histories.

23 21

24 On or about March 8, 1991, Damico met with HADLEY and
25 was given an Investment Opportunity Sheet which made the same
26 representations HADLEY had made to her orally, namely that the
27 investment was "safe and secure" because both Mr. and Mrs. Mimes

1 had good job histories with good pay. Additionally, HADLEY
2 informed Damico the subject property had \$23,351 in equity.

3 22

4 Damico made a decision to invest in the Mimes loan in
5 reliance on the representations made to her by HADLEY and by GOLD
6 COAST's Investment Opportunity Sheet provided her. She gave
7 HADLEY a check for \$11,649. He gave her a receipt and Assignment
8 of Note on the subject property. The seller/assignor of the Note
9 was GOLDEN PACIFIC, a corporation wholly owned by BROCK and a
10 sister corporation to GOLD COAST and GOLDEN STATE.

11 23

12 Damico received from GOLD COAST and HADLEY a LPDS
13 prepared and signed by HADLEY on behalf of GOLD COAST. The LPDS
14 represented that there had been no payments in arrears past sixty
15 days during the previous twelve months; no property tax
16 delinquency; that the seller of the note had not received notice
17 of default on any senior encumbrances in the past twelve months;
18 that there were no remaining senior encumbrances; and, that the
19 broker, GOLD COAST, was not aware of any junior encumbrances.
20 GOLD COAST and HADLEY represented that the equity in the subject
21 property after this loan was made would be \$23,351, leaving a
22 loan-to-value ration of 82%. The LPDS also represented that Mrs.
23 Mimes was a nurse at Hillside Hospital and had been so employed
24 for the previous four years. The LPDS was signed by HADLEY on
25 March 7, 1991.

26 /

27 /

1
2 Damico subsequently discovered that the Mimes had
3 previously filed a Chapter 13 bankruptcy on February 20, 1990;
4 that the first trust deed holder was granted relief from the
5 general bankruptcy stay on January 24, 1991; and, that the
6 bankruptcy case was dismissed on March 29, 1991 after a third
7 trust deed was recorded against the property on March 28, 1991.
8 Damico made a decision to invest in the loan twenty-one days
9 after the dating of the LPDS by HADLEY wherein he and GOLD COAST
10 represented that there was no borrower (Mimes) bankruptcy filing,
11 no broker notice of default on senior encumbrances, and no broker
12 notice of any junior encumbrances. Additionally, Damico
13 discovered that the Mimes had made no payments on the first deed
14 of trust since April 1990, in contradiction to the
15 representations contained in the LPDS.

16
17 After discovering the delinquency on the loan she
18 purchased from GOLD COAST and HADLEY, Damico spoke with Mr. Mimes
19 who informed her that his wife had not worked since November of
20 1990 and in fact was receiving unemployment disability insurance
21 payments. This is in contradiction to the representation made by
22 GOLD COAST and HADLEY in the LPDS to Damico to the effect that
23 Mrs. Mimes was employed as a nurse at Hillside Hospital.

24
25 On February 20, 1991, GOLD COAST recorded the original
26 trust deed securing the loan they sold Damico but failed to
27 record the Assignment of Trust Deed to Mrs. Damico within ten

1 working days thereafter and in fact did not record it until May
2 28, 1991. GOLD COAST delivered the Assignment of Trust Deed to
3 Damico on June 14, 1991.

4 27

5 In or around July of 1992, the first trust deed holder
6 foreclosed on the Mimes property after another default by the
7 Mimes extinguishing Damico's investment of \$11,649.

8 FOURTH CAUSE OF ACCUSATION

9 Complainant incorporates herein the Preamble and the allegations
10 of Paragraphs 1 through 27, inclusive, hereinabove

11 The Duffett Loan

12 28

13 In or about July 15, 1991, respondent HADLEY solicited
14 Emmett B. Davis (Davis), an investor, to invest \$10,656.73 in a
15 loan to Richard and Lori Duffett (Duffetts) by means of investing
16 in a note to be secured by a note and trust deed in third
17 position on property commonly known as 643 South Sunshine, El
18 Cajon, California.

19 29

20 Davis, a retired senior citizen, had reservations about
21 investing in a third trust deed. HADLEY orally represented to
22 him that the investment was a "safe and good investment." He
23 also told Davis that the borrowers, the Duffetts, had a wonderful
24 payment record. Davis was given an Investment Opportunity Sheet
25 which made the same representations HADLEY had made to him
26 orally.

27 /

1
2 Davis received from GOLD COAST and HADLEY a LPDS
3 prepared and signed by HADLEY on behalf of GOLD COAST on July 24,
4 1991. The LPDS represented that the seller of the note had not
5 received notice of default on any senior encumbrances in the past
6 twelve months.

7
8 Davis made a decision to invest in the Duffett third
9 trust deed in reliance on the representations made to him orally
10 by HADLEY, by the GOLD COAST's Investment Opportunity Sheet and
11 by the LPDS.

12
13 After the Duffetts defaulted on the loan Davis had
14 purchased, Davis discovered that the first trust deed holder, Home
15 Savings of America, had filed a Notice of Default against the
16 Duffetts on May 17, 1991. This date was two months prior to
17 Davis' purchase of the Duffett's third trust deed. The Notice of
18 Default was not disclosed either orally, on the Investment
19 Opportunity Sheet or the LPDS signed by HADLEY on behalf of GOLD
20 COAST on July 24, 1991.

21 FIFTH CAUSE OF ACTION

22 Complainant incorporates herein the Preamble and the allegations
23 of Paragraphs 1 through 32, inclusive, hereinabove

24 The Kraber Loan

25
26 The audit revealed GOLD COAST failed to record all trust
27 funds received and disbursed in connection with Loan No. 060010,

1 the Kraber loan, originally in the amount of \$120,000 with Carolyn
2 Kraber as borrower. The real property securing the loan is
3 located at 1221 Parker Place, #22, San Diego, California and was
4 repossessed in foreclosure by the original investors including Ray
5 Campbell. On or about February 9, 1992, GOLD COAST solicited and
6 received additional funds in the amount of \$5,728.57 from investor
7 Campbell. These funds had been solicited from Ray Campbell by
8 BROCK to reimburse expenses incurred on the property.

9 34

10 Additionally, GOLD COAST solicited funds in the amount
11 of \$29,078.15 on or about July 28, 1991, from investor Ray
12 Campbell for Campbell's purchase of a fifty percent interest in
13 the Parker Place property which had been foreclosed. Therefore,
14 Campbell and BROCK purchased the remaining interest in the amount
15 of \$83,838 that the other original assigned investors retained on
16 this Loan No. 060010. GOLD COAST had no columnar record in GOLD
17 COAST's trust account available to show the receipt and
18 disbursement of the \$5,728.57 and the \$29,078.15 checks, totalling
19 \$34,806.72 respectively.

20 35

21 GOLD COAST failed to have the recorded the trust deed
22 available for examination for the BROCK-Campbell purchase money
23 second trust deed in the amount of \$83,838 assigned to the
24 remaining investors on Loan No. 060010 on or about September 5,
25 1991 to buy out their retained interest as set forth in Paragraph
26 34. Those investors are, Aloysius W. Sally (Sally), Bailey and
27 GPF, Ltd., a California Limited Partnership. It was executed at

1 the time BROCK and Campbell entered into an agreement with these
2 investors to buy out their interest in Parker Place, which had
3 been repossessed in foreclosure by these investors.

4 36

5 On or about January 8, 1992, GOLD COAST sold Sally's
6 \$33,600.00 interest in the \$83,838 Kraber second trust deed to Tom
7 and Shirley Manos (Manos). The GOLD COAST LPDS given to Manos on
8 January 8, 1992 recited that the seller had not received a Notice
9 of Default on any senior encumbrances in the last twelve months.

10 37

11 On March 7, 1991 however, a letter to the investors on
12 the Kraber loan indicated \$14,938.19 was needed to cure a default
13 in the first trust deed. A cashier's check was purchased by GOLD
14 COAST with investor funds on September 11, 1991, in the amount of
15 \$25,164.53, payable to Great Western, the first trust deed holder,
16 to cure the default and reinstate the delinquent first trust deed.

17 38

18 GOLD COAST gave Manos a LPDS and an Assignment of Deed
19 of Trust when they purchased an interest in the Kraber second
20 trust deed which referenced that they were purchasing a loan
21 executed by Ray Campbell. Yet the Assignment of Trust Deed itself
22 included Marjorie Brock and Milon L. Brock as trustors as well as
23 Campbell. The Assignment of Trust Deed moreover stated that the
24 deed of trust that would secure the loan had been recorded as Doc.
25 #90-324292 on June 15, 1990. In fact, this was the trust deed
26 that GOLD COAST had foreclosed upon on behalf of the investors,
27

1 namely, Loan No. 060010, Carolyn Kraber, borrower, that had been
2 satisfied at the Trustee's Sale on February 20, 1991.

3 39

4 Departmental personnel noted during the audit that when
5 the trust deed was recorded on June 15, 1990, as Doc. #90-324292,
6 Carolyn Kraber, borrower, initially as a \$120,000.00 loan that it
7 had been fractionally assigned to investors such as Campbell by
8 GOLD COAST. Said assignments were recorded for \$6400.00 in excess
9 of the loan amount for a total of \$126,400.00 instead of
10 \$120,000.00.

11 SIXTH CAUSE OF ACTION

12 Complainant incorporates herein the Preamble and the allegations
13 of Paragraphs 1 through 39, inclusive, hereinabove

14 The Zavala Loan

15 40

16 The Audit also revealed that GOLD COAST did not make
17 available for examination all documents requested in connection
18 with loan examined as described below for Loan No. 021037, the
19 Zavala loan in the amount of \$60,769 with Martha Zavala as
20 borrower. The real property securing the loan for the property is
21 located at 417 27th Street, San Diego, California.

22 41

23 GOLD COAST solicited and received \$30,000 from investor
24 Ray Campbell on or about August 11, 1991, for the purchase of an
25 interest in the Zavala loan. GOLD COAST did not have the recorded
26 trust deed assignment available for examination to show that
27

1 Campbell was made an assignee of the trust deed securing the loan
2 when his funds were received and disbursed.

3 42

4 GOLD COAST checked "No" on the LPDS question, "Has the
5 seller received Notice of Default on any senior encumbrances in
6 the last 12 months?" given to investors Ray Campbell and Yvonne
7 Dugan. The true facts were that Zavala was behind six payments
8 on the loan which subordinated to the loan they, Campbell and
9 Dugan, invested in, Loan #080009. Zavala owed payments from
10 January 1991 through July 1991 on Loan #80009, a prior loan.
11 Moreover, \$8,118.10 from the proceeds of Loan #021037, the Zavala
12 loan, went to cure the six delinquent payments on Loan #080009.
13 Zavala was also behind approximately seven months' payments on
14 Loan #010013, a prior loan, a loan that was being paid off by the
15 proceeds of Loan #021037. Both of these loans Zavala was behind
16 on had been arranged by and were currently being serviced by
17 BROCK's corporations. BROCK signed the LPDS on behalf of GOLD
18 COAST on the Statement containing Campbell's signature. The
19 Statement signed by Dugan has BROCK's name typed in as the person
20 signing on behalf of GOLD COAST, but the signature appears to have
21 been removed.

22 43

23 The Zavala loan contained two Investment Opportunity
24 Sheets. One stated Mrs. Zavala's combined annual income was
25 \$15,000, net of taxes. The second Investment Opportunity Sheet,
26 the one shown to the investors, showed her net income to be
27 \$30,000. A review of Loan #010013, one of her two prior loans,

1 contained an Investment Opportunity Sheet stating Mrs. Zavala's
2 true income to be \$15,000.

3 SEVENTH CAUSE OF ACTION

4 Complainant incorporates herein the Preamble and the allegations
5 of Paragraphs 1 through 43, inclusive, hereinabove

6 The Hunt Loan

7 44

8 The Audit revealed that GOLD COAST did not make
9 available for examination all documents requested in connection
10 with loan examined as described below for Loan No. 060001 and
11 060002, and the Hunt loans in the amount of \$48,800 (060001)
12 \$15,500, Loan No. 060002 with Rhonda Hunt as borrower. The real
13 property securing the loan for the property is located at 5902
14 Flipper Drive, San Diego, California.

15 45

16 On or about September 7, 1990, Rose Bradley purchased an
17 existing third trust deed executed on or about June 1, 1990, by
18 Rhonda Hunt for \$15,500 in favor of GOLDEN PACIFIC recorded as
19 Doc. #90-305333 on June 5, 1990. She purchased the Note and Trust
20 Deed from GPF Ltd., a California Limited Partnership, and, Gold
21 Coast of San Diego, 6-88, a California Limited Partnership, each
22 having been assigned a 50 percent interest from GOLDEN PACIFIC on
23 or about July 9, 1990. The assignments to the partnerships had
24 been recorded by GOLD COAST on August 15, 1990, and indicated that
25 they, the two partnerships, were receiving an interest in the
26 trust deed which had been recorded as Doc. #90-305333. No
27

1 assignment was recorded when Bradley purchased the Limited
2 Partnerships' interests' in the trust deed.

3 46

4 The Hunt loan went into default evidenced by a Notice of
5 Default recorded on September 17, 1990, and GOLD COAST, the loan
6 servicer as well as Trustee on the loan, foreclosed on the
7 property. It went to Trustee's Sale on February 15, 1991. The
8 Trustee's Deed referenced that the conveyance of title on the
9 property was made pursuant to powers conferred on the grantor by
10 Deed recorded as Instrument No. 90-305332 (This was an incorrect
11 Instrument No: Doc. 90-305332 was the recording document number
12 for the second trust deed securing the \$48,000 loan (060001) and
13 not the \$15,500 loan.) The property was deeded by Trustee's Deed,
14 by GOLD COAST, to Rose Bradley on February 15, 1991.

15 47

16 GOLD COAST, which had not previously recorded an
17 assignment in favor of Mrs. Bradley of #90-305333, did record an
18 assignment on March 12, 1991, the same day the Trustee's Deed was
19 recorded. However, according to the notarized assignment, the
20 assignment was not signed by BROCK until February 22, 1991, seven
21 days after the Trustee's Deed had been signed by BROCK on February
22 15, 1991, deeding the property to Bradley. Both of these
23 documents were recorded March 12, 1991, after BROCK was successful
24 in getting Mrs. Bradley, an elderly woman, to send GOLD COAST
25 foreclosure fees of \$5504.26 and \$1409.69 respectively to bring
26 the delinquent first trust deed current. Mrs. Bradley eventually
27

1 was successful in getting Mrs. Hunt evicted from the property and
2 she subsequently sold the property on January 21, 1992.

3 48

4 GOLD COAST had no records available to show how GOLD
5 COAST of San Diego 10-90, a California Limited Partnership, became
6 the owner of a trust deed executed by Rhonda Hunt, recorded June
7 5, 1990, as Doc. #90-305332. Moreover, an other investor, Joan
8 Mitchell assigned her interest in the note and trust deed to Gold
9 Coast of San-Diego 10-90 on or about December 14, 1990, but
10 nothing contained in the file indicated the assignment had ever
11 been recorded. Documents in the file showed GOLD COAST recorded
12 Gold Coast 10-90's assignment to investors David and Michael
13 Russell, Charles and Irene Jacobs, Pamela Hadley, Art Dunlap and
14 Al and Pamela Hadley in June of 1991 after the property had been
15 deeded to Rose Bradley by Trustee's Deed. The second trust deed,
16 recorded as Doc. #90-305332 (erroneously listed as the foreclosed
17 lien on the Trustee's Deed deeding the property to Bradley) was
18 sold by Milon L. Brock, as President of GOLD COAST, General
19 Partner to the Ltd. Partnership, 10-90, to these investors in June
20 1991 showing Mrs. Bradley as the trustor (borrower) on the note
21 and trust deed and not Rhonda Hunt, the trustor (borrower) whose
22 name actually appeared on the note and trust deed.

23 49

24 Moreover, GOLD COAST provided an LPDS to the investors
25 of Gold Coast of San Diego 10-90 partnership with respect to
26 their interest in the Hunt loan #060001 that was transferred to
27 them in June 1991. "No," was checked on the LPDS question "Over

1 the last 12 months were any payments more than 60 days late?"

2 Albert Hadley signed the LPDS verifying the information to be true
3 and correct. A Notice of Default had been previously filed
4 against the trustor Rhonda Hunt on September 17, 1990.

5 50

6 On or about June 5, 1990, the audit revealed that GOLD
7 COAST charged borrower Rhonda Hunt approximately \$1100.00 for fees
8 and \$2325 for loan origination for a junior lien of \$15,500.

9 EIGHTH CAUSE OF ACTION

10 Complainant incorporates herein the Preamble and the allegations
11 of Paragraphs 1 through 50, inclusive, hereinabove

12 The Moran Loan

13 51

14 On or about August 19, 1991, BROCK, while president of
15 both GOLD COAST and GOLDEN PACIFIC, sold and assigned a \$43,500.00
16 note and trust deed from GOLDEN PACIFIC as beneficiary to private
17 investors, Joseph and Karen Russell. BROCK represented to the
18 Russell's that the note and trust deed they were purchasing was a
19 second trust deed; that the borrower was Wendell Moran; and, that
20 the property securing the loan was 9036 Woodlawn Drive, San Diego,
21 California. The Russell's gave BROCK a check in the amount of
22 \$43,065 for the purchase of the \$43,500 note secured by trust deed
23 on or about August 6, 1991. The check was made out to GOLDEN
24 PACIFIC, a corporation unlicensed by the Department of Real Estate
25 at that time. However, the LPDS and Sale of Trust Deed Escrow
26 Instructions, signed by BROCK, indicated that the broker arranging
27 the sale of the Moran loan, Loan No. 071006, was GOLD COAST.

The loan escrow closed on or about August 19, 1991. the original trust deed naming Golden Pacific Funding, Inc., as beneficiary was recorded on August 19, 1991, as Doc. #91-042510. The Russell's Assignment of Trust Deed was not even prepared by BROCK until September 17, 1991 and was not recorded until October 8, 1991.

"No" was checked beside the question, "Are there any remaining senior encumbrances?" on the LPDS. In reality, Wendell Moran, the borrower had previously defaulted on the loan now funded by the Russell's: On September 30, 1992, a Notice of Default was filed against him.

The Russell's since learned there existed a senior encumbrance, to wit, an existing second trust deed had been recorded against Wendell Moran's property on April 27, 1987 in favor of Alice Crum as beneficiary. This second deed made placed Russell's investment in third position instead of second. Russell disclosed these facts to BROCK who refused to buy back the loan.

NINTH CAUSE OF ACTION

Complainant incorporates herein the Preamble and the allegations of Paragraphs 1 through 54, inclusive, hereinabove

The Gallagher Loan

On or about February 20, 1992, GOLD COAST and HADLEY solicited Richard P. Nastri (Nastri), to invest \$19,765 in a loan

1 evidenced by a note and second trust deed by a lien on real
2 property. The loan was Loan No. 061029 made to borrower Dennis W.
3 Gallagher and was secured by property at 942 Lupine Hills Drive,
4 #39, Vista, California.

5 56

6 GOLD COAST and HADLEY represented via the LPDS that
7 Gallagher was self-employed, had been in the same business for
8 twenty years and had a current income of \$2500.00 per month.
9 Additionally they made representations concerning the Loan to
10 Value Ratio and property value which Nastri relied upon in making
11 his \$19,765 investment.

12 57

13 Gallagher defaulted. Nastri discovered that the
14 aforesaid representations in Paragraph 66 were false and
15 misleading. Subsequently, the property reverted to him by
16 Trustee's sale. GOLD COAST and HADLEY failed to disclose
17 delinquent property taxes and a lien against the property from the
18 homeowner association. Moreover, payments made to cure the a
19 default in the first trust deed to Guardian Savings and Loan, to
20 the homeowners association and to other unpaid creditors of
21 Gallagher were paid from the proceeds of the loan from Nastri
22 unbeknownst and undisclosed to him. Nastri suffered a substantial
23 loss on his investment upon sale of the property.

24 58

25 The Gallagher loan closed on February 24, 1992.
26 Nastri's assignment was not recorded by GOLD COAST until April 2,
27 1992.

TENTH CAUSE OF ACTION

1
2 Complainant incorporates herein the Preamble and the allegations
3 of Paragraphs 1 through 58, inclusive, hereinabove

4 The Bailey Loan

5 59

6 In October 1990, respondent HADLEY solicited Kenneth Paul
7 Baer (Baer), an investor to invest \$25,200 to be secured by a note,
8 and second trust deed on property commonly known as 31941
9 Sauvignon Circle, Temecula, California (subject property). The
10 note was for a term of thirty-six (36) months and was interest
11 only, plus a balloon payment of \$25,578, due October 23, 1993.

12 60

13 On October 23, 1990 respondent HADLEY prepared or caused
14 to be prepared a LPDS reflecting the credit status of the
15 borrower, Steven Bailey, and that of the subject property.

16 61

17 Answering the question on the LPDS "Are taxes
18 delinquent?" respondent HADLEY denoted "No." In reality, the
19 subject property was tax delinquent in the amount of \$2,604.67
20 for the years 1988 and 1989. This was a material fact that was
21 known, or should have been known, by respondent HADLEY. In
22 addition, respondent failed to inform Steven Bailey that the
23 borrower was in arrears in payments to a lender holding a deed of
24 trust in first position.

25 62

26 On October 23, 1990, acting in reliance upon the
27 representations made by HADLEY, including the aforementioned

1 denoted omissions or representations in the LPDS, Paul Baer gave
2 HADLEY a check in the amount of \$25,200. On November 8, 1990, an
3 Assignment of Note and Deed of Trust from GOLD COAST to Paul Baer
4 was recorded on the subject property.

5 **Gold Coast Title & Trust Deed, Inc.**

6 **Violations**

7 63

8 During the audit investigation, a designated
9 representative of the Department gave notice and made demand to
10 examine and inspect the books, accounts, and records received or
11 generated by respondents GOLD COAST and BUCKELS, and by and
12 through their agents and employees, in the course of the
13 activities described in Paragraph 9, above. At all times since
14 said notice and demand, through their agents and employees,
15 respondents GOLD COAST and BUCKELS have failed or been unable to
16 provide all the said books, accounts, records such as invoices,
17 check duplicates and reports, recorded deeds of trust and
18 assignments of deeds of trust and loan files requested and further
19 failed to keep the documentation relating to said loan
20 transactions for three years with specific reference to the loans
21 set forth below. This conduct constitutes a violation of Section
22 10148 of the Code and is cause to suspend or revoke respondents
23 GOLD COAST and BUCKEL's respective real estate licenses and
24 license rights under Section 10177(d):

25

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
26 33-39	Kraber	Campbell
27 40-43	Zavala	Campbell
44-50	Hunt	Bradley

1
2 In each of the loan transactions described below
3 respondents GOLD COAST, BUCKELS and BROCK released the invested
4 funds to the borrowers without ever recording any trust deed
5 securing such loan or without ever recording the full amount of a
6 trust deed securing such loan. This conduct constitutes a
7 violation of Section 10234 of the Code and is cause to suspend or
8 revoke their real estate licenses and license rights under Section
9 10177(d):

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
33-39	Kraber	Campbell
44-50	Hunt	Bradley

65

13 In connection with the activities described below
14 respondents GOLD COAST, BUCKELS, BROCK and HADLEY failed to
15 provide material disclosures and information concerning all
16 encumbrances which constitute liens against the securing property
17 and/or failed to timely record a proper assignment of said trust
18 deed. This conduct constitutes a violation of Section 10232.5 of
19 the Code and is cause to suspend or revoke their respective real
20 estate licenses and license rights under Section 10177(d):

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
20-27	Mimes	Damico
33-39	Kraber	Campbell
40-43	Zavala	Campbell
44-50	Hunt	Bradley
51-54	Russell	Moran
55-58	Gallagher	Nastri

The audit examination further revealed that respondent GOLD COAST, BUCKELS and BROCK charged expenses to borrowers below in excess of the maximum statutorily allowable amount of all costs and expenses referred to in Section 10241 as described below. This conduct is in violation of Section 10242 of the Code and is cause to suspend or revoke GOLD COAST real estate licenses and license rights under Section 10177(d) of the Code:

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
34-39	Kraber	Campbell
Audit Report	Blei	Kibbey
44-50	Hunt	Bradley

The conduct of GOLD COAST and the respondents set forth below in misrepresenting the status of the following loans to the investors by means of inaccurate, incomplete, negligent, false and fraudulent Investment Opportunity Sheets and the Lender Purchaser Disclosure Statements into believing that the factual representations contained therein were true and accurate whereby in reliance thereon, the investors entered into said loan transaction to their pecuniary detriment, constitutes a violation of Section 10176(a). This conduct and violation are cause to suspend or revoke the real estate license and license rights of following respondents:

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Respondent</u>
14-19	Van Delinder	Hadley
20-27	Mimes/Damico	Hadley, Buckels
28-32	Duffett	Hadley, Buckels
33-39	Kraber	Brock, Buckels

1	40-43	Zavala	Brock, Buckels
	44-50	Hunt	Brock, Buckels
2	51-54	Moran	Brock, Buckels
	55-58	Gallagher	Brock, Buckels
3	59-62	Bailey	Hadley. Buckels

4

5 The conduct of respondents GOLD COAST and the

6 respondents in the paragraphs set forth below, constitutes fraud

7 and/or dishonest dealing and is cause for the suspension or

8 revocation of all real estate licenses and license rights of said

9 respondents under the provisions of Section 10176(i) and/or

10 10177(j) of the Code:

11	<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Respondent</u>
12	14-19	Van Delinder	Hadley
13	20-27	Damico	Hadley, Buckels
	28-32	Duffett	Hadley. Buckels
14	33-39	Kraber	Brock, Buckels
	40-43	Zavala	Brock, Buckels
15	44-50	Hunt	Brock, Buckels
	51-54	Moran	Brock, Buckels
16	55-58	Gallagher	Brock, Buckels
	59-62	Bailey	Hadley. Buckels

17

18 The conduct of GOLD COAST and the respondents set forth

19 below in engaging in a course of conduct that constitutes the

20 making of false promises of a character likely to influence,

21 persuade or induce an investor to enter into the respective loan

22 transactions is cause for the suspension or revocation of all real

23 estate licenses and license rights of said respondents under the

24 provisions of Section 10176(b) of the Code:

25 /

26 /

27

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Respondent</u>
14-19	Van Delinder	Hadley
20-27	Damico	Hadley, Buckels
28-32	Duffett	Hadley. Buckels
33-39	Kraber	Brock, Buckels
40-43	Zavala	Brock, Buckels
44-50	Hunt	Brock, Buckels
51-54	Moran	Brock, Buckels
55-58	Gallagher	Brock, Buckels
59-62	Bailey	Hadley. Buckels

70

The conduct of GOLD COAST and the respondents set forth below in engaging in a course of conduct that constitutes a continued and flagrant course of misrepresentation or making of false promises through real estate agents or salesmen and is cause for the suspension or revocation of all real estate licenses and license rights of said respondents under the provisions of Section 10176(c) of the Code:

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Respondent</u>
14-19	Van Delinder	Hadley
20-27	Damico	Hadley, Buckels
28-32	Duffett	Hadley. Buckels
33-39	Kraber	Brock, Buckels
40-43	Zavala	Brock, Buckels
44-50	Hunt	Brock, Buckels
51-54	Moran	Brock, Buckels
55-58	Gallagher	Brock, Buckels
59-62	Bailey	Hadley. Buckels

71

The conduct of respondents GOLD COAST, BUCKELS, HADLEY and BROCK as set forth below with reference to the respective loans they were engaged with constitutes negligence or incompetence and is cause for the suspension or revocation of

1 their real estate licenses and license rights under the provisions
2 of Section 10177(g) of the Code.

3 72

4 The conduct of respondent BUCKELS, in failing to
5 supervise GOLD COAST and HADLEY, during the time that BUCKELS was
6 the designated officer of GOLD COAST, constitutes a failure by
7 respondent BUCKELS to exercise reasonable supervision of the
8 activities of respondent GOLD COAST, HADLEY and BROCK which
9 require a real estate license and constitutes a violation of
10 Section 10159.2 of the Code in all loan transactions except the
11 Van Delinder loan. This conduct and violation are cause to
12 suspend or revoke the real estate license and license rights of
13 respondent BUCKELS under Section 10177(h) of the Code.

14 **Golden Pacific, Inc.**

15 **ELEVENTH CAUSE OF ACTION**

16 Complainant incorporates herein the Preamble and the allegations
17 of Paragraphs 1 through 72, inclusive, hereinabove

18 73

19 GOLDEN PACIFIC FUNDING, INC., (GOLDEN PACIFIC), SCOTT
20 DAVID BLESSENSKI, sometimes collectively referred to as
21 respondents, are presently licensed and/or have license rights
22 under the Real Estate Law.

23 74

24 At all mentioned times, GOLDEN PACIFIC was licensed by
25 the Department of Real Estate of the State of California
26 (Department) as a corporate real estate broker by and through
27 BLESSENSKI as designated officer.

1
2 At all mentioned times, BLESSENSKI was licensed by the
3 Department as designated officer of GOLDEN PACIFIC to qualify
4 GOLDEN PACIFIC and to act for GOLDEN PACIFIC as a real estate
5 broker and, as provided by Section 10159.2 of the Code, was
6 responsible for the supervision and control of the activities
7 conducted on behalf of GOLDEN PACIFIC by its officers, managers
8 and employees as necessary to secure full compliance with the
9 provisions of the Real Estate Law including the supervision of the
10 salespeople licensed to the corporation in the performance of acts
11 for which a real estate license is required by Section 10159.2 of
12 the Code.

13
14 Whenever reference is made in an allegation in the
15 accusation to an act or omission of GOLDEN PACIFIC, such
16 allegation shall be deemed to mean that the officers, directors,
17 managers, employees, agents and real estate licensees employed by
18 or associated with GOLDEN PACIFIC, including Golden State Equity
19 Corporation, GOLD COAST, BUCKELS, BLESSENSKI, HADLEY and BROCK, as
20 the case may be, committed such act or omission while engaged in
21 the furtherance of the business or operation of GOLDEN PACIFIC and
22 while acting within the course and scope of its corporate
23 authority, agency and employment.

24
25 At all mentioned times, GOLD COAST and BUCKEL's, GOLDEN
26 PACIFIC and BLESENSHKI, GOLDEN STATE and BROCK, HADLEY and BROCK
27 individually, as the case may be, were acting as the agent or

1 employee of the other and within the course and scope of such
2 agency or employment.

3 78

4 At all mentioned times, in the cities of San Diego,
5 Encinitas, Chula Vista and county of San Diego, and the City of
6 Huntington Beach, County of Los Angeles, respondent GOLDEN PACIFIC
7 and respondent BLESSENSKI engaged in the business of, acted in the,
8 capacity of, advertised, or assumed to act as real estate brokers,
9 within the meaning of Section 10131(d) of the Code, including the
10 operation of a mortgage loan brokerage with the public wherein
11 lenders and borrowers were solicited for loans secured directly or
12 collaterally by liens on real property, wherein such loans were
13 arranged, negotiated, processed, and consummated on behalf of
14 others for compensation or in expectation of compensation.

15 **Golden Pacific Funding, Inc.**

16 **Escrow Audit**

17 79

18 On December 29, 1993, the Department completed an
19 investigative audit (Audit No. SD 930031) of GOLDEN PACIFIC's
20 books and records pertaining to its activities as a corporate real
21 estate broker engaged in escrowing mortgage loans covering a
22 period from January 1, 1993 through July 31, 1993 which revealed
23 the following violations of the Code and Regulations. GOLDEN
24 PACIFIC solicits and negotiates approximately sixteen loans a
25 month for an average monthly total of \$567,000 and average yearly
26 total of \$6,804,000.

1
2 In connection with the aforesaid real estate activities
3 described in Paragraph 78, GOLDEN PACIFIC and BLESSENSKI, accepted
4 or received funds in trust (trust funds) from or on behalf of
5 borrowers and lenders and thereafter made disbursements of such
6 funds including appraisal and loan processing fees. Said
7 respondents deposited certain of these funds into the following
8 account at the Bank of America, Mission Valley Branch 0818, San
9 Diego, California 92108:

10 Golden Pacific Funding, Inc.
11 Account No. 08181-16614

81

12 With respect to the trust funds referred to in Paragraph
13 79, it is alleged that GOLDEN PACIFIC FUNDING and BLESSENSKI:
14

15 (a) Without the consent of their principals, permitted,
16 allowed, or caused a deficit to accumulate in the trust account
17 which on July 30, 1993 was in the amount of \$90,884.56, in
18 violation of Section 10145 of the Code and Regulation 2832.1.

19 (b) Failed to maintain a control record for the daily
20 balance of the receipt and disposition of all trust funds in trust
21 account received by GOLDEN PACIFIC FUNDING, as required by
22 Regulation 2831.

23 (c) Failed to maintain a separate record for each
24 beneficiary or transaction, thereby failing to account for all
25 trust funds received, deposited, and disbursed by the trust
26 account, as required by Regulation 2831.1.
27

1 (d) Failed to perform a monthly reconciliation of the
2 columnar record for the receipt and disposition of all trust funds
3 received by GOLDEN PACIFIC FUNDING for the trust account, and the
4 balance of all separate beneficiary or transaction records, as
5 required by Regulation 2831.2.

6 82

7 The conduct of Respondents GOLDEN PACIFIC FUNDING and
8 BLESSENSKI, described in Paragraph 81, above, violated the Code
9 and the Regulations as set forth below:

10 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
11 91(a)	Sec. 10145 & 10159.2 of the Code, and Sec. 2832.1 of the Regulations
12 91(b)	Sec. 2832 of the Regulations;
13 91(c)	Sec. 2831.1 of the Regulations;
13 91(d)	Sec. 2831.2 of the Regulations.

14 Each of the foregoing violations separately constitutes cause for
15 the suspension or revocation of all of the respective real estate
16 licenses and license rights of Respondents under the provisions of
17 Section 10177(d) of the Code

18 TWELFTH CAUSE OF ACTION

19 Complainant incorporates herein the Preamble and the allegations
20 of Paragraphs 1 through 82, inclusive, hereinabove

21 The Shippy Loan

22 83

23 In or about July 1992, Kurt Gross (Gross) responded to
24 an advertisement in the San Diego Tribune soliciting investors for
25 an existing trust deed. Gross was provided by HADLEY with an
26 Investor Opportunity sheet with respect to a solicitation for a
27 \$5,000.00 interest in a loan to Wesley and Deborah Shippy in a

1 note to be secured by a \$30,000.00 note and third trust on real
2 property commonly known as 3135 Talbot Street, San Diego,
3 California.

4 84

5 The Investment Opportunity sheet represented that the
6 value of the property was \$450,000 and that a total existing debt
7 against the property represented by a first and second deed of
8 trust was \$288,000. GOLDEN PACIFIC and HADLEY failed to disclose
9 in the said documents additional liens of \$98,216.99 against the
10 property including liens for delinquent income and property taxes.

11 85

12 GOLDEN PACIFIC and HADLEY failed to inform Gross of the
13 true value of the property from the represented value of
14 \$450,000.00 which was \$385,000.00.

15 86

16 Contradicting the LPDS, GOLDEN PACIFIC and HADLEY failed
17 to disclose that they had previously filed a Notice of Default on
18 the Shippy loan on January 22, 1991.

19 87

20 Relying upon the representations contained in the
21 Investment Opportunity sheet and in the LPDS, Gross invested
22 \$5,000 to purchase an interest in the Shippy loan.

23 98

24 During March of 1993 the Shippy's ceased making payments
25 on the \$30,000.00 loan. In September of 1993 they filed for
26 bankruptcy. The investors in the Shippy loan, including Gross,
27 foreclosed. Subsequently, Gross learned that at the time his

1 investment, \$98,216.99 in additional outstanding liens were
2 recorded against the Shippy property. Gross lost his \$5000
3 investment.

4 FOURTEENTH CAUSE OF ACTION

5 Complainant incorporates herein the Preamble and the allegations
6 of Paragraphs 1 through 98, inclusive, hereinabove

7 The Clark/Obregon Loan

8 99

9 Edgar A. Clark, at eighty years old, sought to borrow
10 \$5,000 from GOLDEN PACIFIC to pay for an anticipated jaw surgery.
11 When he discovered its true cost, Clark refused the loan: it
12 included fees in excess of those allowable for junior liens
13 against real property less than \$20,000. BROCK had solicited
14 funds from Francisco and Ruth Ann Obregon on September 28, 1992 to
15 fund the loan. Additionally, it was discovered that Clark was
16 issued an incorrect Department of Corporations Consumer Finance
17 Loan license disclosure statement as opposed to the correct
18 Department of Real Estate approved Borrower Disclosure Statement.

19 FIFTHTEENTH CAUSE OF ACTION

20 Complainant incorporates herein the Preamble and the allegations
21 of Paragraphs 1 through 99, inclusive, hereinabove

22 The Mimms/Capital Group Ltd., Loan

23 100

24 BROCK formed Capital Group Limited, a group of private
25 investors, with the main purport of investing in trust deeds
26 secured by real property. BROCK placed Capital Group Limited in
27 the Mimms loan. On behalf of GOLDEN PACIFIC he sold and assigned

1 a second deed of trust in amount of \$23,000 owned by Capital Group
2 Ltd., a California Limited Partnership. The Mimms note and
3 second deed of trust were secured by property located 14067 Shadow
4 Drive, Fontana, California belonging to borrower Estella Mimms.

5 101

6 BROCK, who signed the LPDS on behalf of GOLDEN PACIFIC,
7 checked "No," that the Seller of the note, GOLDEN PACIFIC, had not,
8 received a notice of default on any senior encumbrances in the
9 last twelve months.

10 102

11 A review of GOLDEN PACIFIC's loan file revealed that on
12 the Borrower Disclosure Statement, signed on February 5, 1993, by
13 Estella Mimms, the borrower and BLESSENSKI, the designated officer
14 of GOLDEN PACIFIC, that the first deed to HomeFed was \$5,300 in
15 arrears and that \$5,300 of the sought after \$23,000 loan would be
16 paid to HomeFed to cure that default.

17 103

18 Also checked "No," on the LPDS beside the statement,
19 "Trustor has filed for bankruptcy in the last twelve months." A
20 review of the loan file revealed that Mimms had filed for relief
21 in bankruptcy by Chapter 13.

22 104

23 BROCK failed to disclose the arrearage and bankruptcy
24 filing on the LPDS when he originally placed Capital Group Ltd.,
25 in the Mimms loan.

26 /

27 /

1
2 On September 20, 1993 GOLDEN PACIFIC solicited borrowers
3 and lenders by placing two advertisements in the San Diego Union-
4 Tribune and on March 6, 1994, GOLDEN PACIFIC solicited lenders by
5 placing an advertisement in the San Diego Union-Tribune. These
6 ads were placed without prior approval from the Department.

7 Escrow Audit Violations

8 Golden Pacific Funding, Inc.

9
10 The investigative audit, described in Paragraph 89,
11 revealed that BLESHEFSKI failed to review, initial and date each
12 document prepared by real estate salespersons under his
13 supervision and including but not limited to escrow documentation
14 in the below listed loans, in violation of Regulation 2725. This
15 conduct is cause to suspend or revoke his licenses and license
16 rights under Sections 10177(d), 10177(h) and 10159.2 of the Code:

17

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
18 Escrow Audit	Foster	Charlton
18 Escrow Audit	Charles	Coates
19 Escrow Audit	Goldbaum	Cooper
19 Escrow Audit	Green	Cunningham Family Trust
20 Escrow Audit	Bazzel/Gish	Capital Group Ltd.

21
22 The audit revealed that GOLDEN PACIFIC and BROCK failed
23 to advise all parties to the escrow operation of their ownership
24 of GOLDEN PACIFIC's escrow operation, in violation of Regulation
25 2950(h). This conduct, in failing to disclose that the escrow
26 division was operation under the same Departmental license as the
27 broker handling the loan negotiation is cause to suspend or revoke

1 Respondents' GOLDEN PACIFIC and BROCK licenses and license rights
2 under Section 10177(d) of the Code.

3 Golden Pacific Funding, Inc.
4 Mortgage Loan Operations Audit

5 108

6 On December 31, 1993, the Department completed an
7 investigative audit (Audit No. SD 930024) of GOLDEN PACIFIC's
8 books and records pertaining to its activities as a real estate
9 broker pursuant to Section 10131(d) of the Code engaged in
10 mortgage loan brokering covering a period from January 1, 1993
11 through July 31, 1993 which revealed the following violations of
12 the Code and Regulations.

13 Mortgage Loan Brokerage Violations

14 Golden Pacific Funding, Inc.

15 109

16 The investigative audit, described in Paragraph 107,
17 revealed that BLESSENSKI failed to review, initial and date each
18 document prepared by real estate salespersons under his
19 supervision and including but not limited to the documentation in
20 the below listed loans, in violation of Regulation 2725. This
21 conduct is cause to suspend or revoke his licenses and license
22 rights under Sections 10177(d), 10177(h) and 10159.2 of the Code:

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.
Mortgage Audit	Naify	Murray/Sawyers
Mortgage Audit	Alvarez	CMI/Deer Partners
Mortgage Audit	Ornela	Anderson/Griffin
Mortgage Audit	Baron	Viviano
Mortgage Audit	Clark	Obregon

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The audit examination further revealed that GOLDEN PACIFIC and BLESSENSKI, in reference to Paragraph 107, failed to notify the Department of the employment of Antero Rios, Teresa Mayhew, Milon Brock, real estate salespersons licensed to GOLDEN PACIFIC, as required by Section 10161.8 of the Code and Regulation 2752. This conduct is cause to suspend or revoke all licenses and license rights of the Respondents GOLDEN PACIFIC and BLESSENSKI pursuant to Section 10177(d) of the Code.

The audit examination revealed that in each of the loan transactions described below Respondents GOLDEN PACIFIC and BLESSENSKI released the invested funds to the borrowers without timely recording the trust deed securing such loan or without ever recording the full amount of a trust deed securing such loan in a timely manner as set forth below. This conduct constitutes a violation of Section 10234 of the Code and is cause to suspend or revoke their real estate licenses and license rights under Section 10177(d):

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.

The audit examination revealed that, GOLDEN PACIFIC, failed to provide certified written mortgage loan disclosure statements to various borrowers including but not limited to loan transactions set forth below before these borrowers became obligated to perform under the terms of their respective loans.

1 Instead, GOLDEN PACIFIC utilized the improper Department of
 2 Corporation Consumer Finance Lender Disclosure Forms for these
 3 real estate related transactions. This conduct constitutes a
 4 violation of Section 10240 of the Code and Regulation 2840 and is
 5 cause to suspend or revoke Respondent GOLDEN PACIFIC's respective
 6 real estate licenses and license rights under Section 10177(d).

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.
Mortgage Audit	Murray/Sawyers	Naify
Mortgage Audit	CMI/Deer Partners	Alvarez
Mortgage Audit	Anderson/Griffin	Ornela

10 113

11 In connection with the activities set forth below
 12 respondent GOLDEN PACIFIC failed to provide pertinent information
 13 concerning all encumbrances which constitute liens against the
 14 securing property and recording of correct assignment of said
 15 trust deeds, to wit, using a "Loan Origination" form instead of
 16 the proper "Sales of Existing Note" form. This conduct constitutes
 17 a violation of Section 10232.5 of the Code and is cause to suspend
 18 or revoke GOLDEN PACIFIC's respective real estate licenses and
 19 license rights under Section 10177(d):

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.
Mortgage Audit	Naify	Murray/Sawyers
Mortgage Audit	Alvarez	CMI/Deer Partners
Mortgage Audit	Ornela	Anderson/Griffin
Mortgage Audit	Baron	Viviano
Mortgage Audit	Clark	Obregon

24 114

25 The audit examination further revealed that respondent
 26 GOLDEN PACIFIC and BLESSENSKI charged expenses to borrowers below
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in excess of the maximum statutorily allowable amount of all costs and expenses referred to in Section 10241. This conduct is in violation of Section 10242 of the Code and is cause to suspend or revoke their real estate licenses and license rights under Section 10177(d) of the Code:

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Naify	Murray/Sawyers
Mortgage Audit	Alvarez	CMI/Deer Partners

115

The audit also revealed that GOLDEN PACIFIC's and BLESSENSKI's failure to submit in advance the newspaper advertisements, as set forth in Mortgage Audit in Paragraph 108, is in violation of Sections 10232.1, 10140.6 and 10235 of the Code and Regulations 2848(2) and 2770.1. This conduct is cause to suspend or revoke Respondent's licenses and license rights.

116

The conduct of GOLDEN PACIFIC, BLESSENSKI and BROCK as set forth below in misrepresenting the status of the following loans to the investors by means of inaccurate, incomplete, negligent, false and fraudulent Investment Opportunity Sheets and the Lender Purchaser Disclosure Statements into believing that the factual representations contained therein were true and accurate whereby in reliance thereon, the investors entered into said loan transaction to their pecuniary detriment, constitutes a violation of Section 10176(a). This conduct and violation are cause to suspend or revoke the real estate license and license rights of these respondents:

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.
Mortgage Audit	Naify	Murray/Sawyers
Mortgage Audit	Alvarez	CMI/Deer Partners
Mortgage Audit	Ornela	Anderson/Griffin
Mortgage Audit	Baron	Viviano
Mortgage Audit	Clark	Obregon

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
92-97	Shippy	Gross
98	Clark	Obregon

117

The conduct of respondents GOLDEN PACIFIC, BLESSENSKI and BROCK as set forth below, constitutes fraud and/or dishonest dealing and is cause for the suspension or revocation of all real estate licenses and license rights of said respondents under the provisions of Section 10176(i) and/or 10177(j) of the Code:

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.
Mortgage Audit	Naify	Murray/Sawyers
Mortgage Audit	Alvarez	CMI/Deer Partners
Mortgage Audit	Ornela	Anderson/Griffin
Mortgage Audit	Baron	Viviano
Mortgage Audit	Clark	Obregon

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
92-97	Shippy	Gross
98	Clark	Obregon

118

The conduct of respondents GOLDEN PACIFIC, BLESSENSKI and BROCK as set forth below in engaging in a course of conduct that constitutes the making of false promises of a character likely to influence, persuade or induce an investor to enter into

1 the respective loan transactions is cause for the suspension or
2 revocation of all real estate licenses and license rights of said
3 respondents under the provisions of Section 10176(b) of the Code:

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.
Mortgage Audit	Naify	Murray/Sawyers
Mortgage Audit	Alvarez	CMI/Deer Partners
Mortgage Audit	Ornela	Anderson/Griffin
Mortgage Audit	Baron	Viviano
Mortgage Audit	Clark	Obregon

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
92-97	Shippy	Gross
98	Clark	Obregon

11 119

12 The conduct of respondents GOLDEN PACIFIC, BLESSENSKI
13 and BROCK as set forth below in engaging in a course of conduct
14 that constitutes a continued and flagrant course of
15 misrepresentation or making of false promises through real estate
16 agents or salesmen and is cause for the suspension or revocation
17 of all real estate licenses and license rights of said respondents
18 under the provisions of Section 10176(c) of the Code:

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.
Mortgage Audit	Naify	Murray/Sawyers
Mortgage Audit	Alvarez	CMI/Deer Partners
Mortgage Audit	Ornela	Anderson/Griffin
Mortgage Audit	Baron	Viviano
Mortgage Audit	Clark	Obregon

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
92-97	Shippy	Gross
98	Clark	Obregon

1 The conduct of respondents GOLDEN PACIFIC, BLESSENSKI
 2 and BROCK as set forth below with reference to the respective
 3 loans they were engaged with constitutes negligence or
 4 incompetence and is cause for the suspension or revocation of
 5 their real estate licenses and license rights under the provisions
 6 of Section 10177(g) of the Code:
 7

<u>Loan Number</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
Mortgage Audit	Gonzales	Corbett et. al.
Mortgage Audit	Naify	Murray/Sawyers
Mortgage Audit	Alvarez	CMI/Deer Partners
Mortgage Audit	Ornela	Anderson/Griffin
Mortgage Audit	Baron	Viviano
Mortgage Audit	Clark	Obregon

<u>Paragraphs</u>	<u>Borrower/Loan Name</u>	<u>Investor</u>
92-97	Shippy	Gross
98	Clark	Obregon

16 The conduct of respondent BLESSENSKI, in failing to
 17 supervise GOLDEN PACIFIC and BROCK, during the time that
 18 BLESSENSKI was the designated officer of GOLDEN PACIFIC,
 19 constitutes a failure by respondent BLESSENSKI to exercise
 20 reasonable supervision of the activities of respondents GOLDEN
 21 PACIFIC and BROCK which require a real estate license and
 22 constitutes a violation of Section 10159.2 of the Code. This
 23 conduct and violation are cause to suspend or revoke the real
 24 estate license and license rights of respondent BLESSENSKI under
 25 Sections 10177(d) and 10177(h) of the Code.
 26
 27 /

Golden State Equity Corporation

TWELFTH CAUSE OF ACTION

Complainant incorporates herein the Preamble and the allegations of Paragraphs 1 through 121, hereinabove

122

GOLDEN STATE EQUITY CORPORATION, (GOLDEN STATE), MILON L. BROCK, sometimes collectively referred to as respondents, are presently licensed and/or have license rights under the Real Estate Law.

123

At all mentioned times, GOLDEN STATE was licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker by and through BROCK as designated officer.

124

At all mentioned times, BROCK was licensed by the Department as designated officer of GOLDEN STATE to qualify GOLDEN STATE and to act for GOLDEN STATE as a real estate broker and, as provided by Section 10159.2 of the Code, was responsible for the supervision and control of the activities conducted on behalf of GOLDEN STATE by its officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law including the supervision of the salespeople licensed to the corporation in the performance of acts for which a real estate license is required by Section 10159.2 of the Code.

/

/

1
2 Whenever reference is made in an allegation in the
3 accusation to an act or omission of GOLDEN STATE, such allegation
4 shall be deemed to mean that the officers, directors, managers,
5 employees, agents and real estate licensees employed by or
6 associated with GOLDEN STATE, including GOLD COAST and BUCKELS,
7 GOLDEN PACIFIC and BLESSENSKI, and HADLEY and BROCK individually,
8 as the case may be, committed such act or omission while engaged
9 in the furtherance of the business or operation of GOLDEN STATE
10 and while acting within the course and scope of its corporate
11 authority, agency and employment.

13 At all mentioned times, GOLD COAST and BUCKEL's, GOLDEN
14 PACIFIC and BLESENSHKI, GOLDEN STATE and BROCK, HADLEY and BROCK
15 individually, as the case may be, were acting as the agent or
16 employee of the other and within the course and scope of such
17 agency or employment.

19 At all mentioned times, in the cities of San Diego and
20 Encinitas, county of San Diego respondent GOLDEN STATE engaged in
21 the business of a corporate real estate broker and respondent
22 BROCK, a real estate broker, within the meaning of Section
23 10131(b) of the Code, including the operation of a property
24 management business including collecting rent for real property
25 and managing approximately five properties for five owners.

26 /

27 /

Golden State Equity Corporation Audit

128

On December 31, 1993, the Department completed an investigative audit (Audit No. SD 930023) of GOLDEN STATE's books and records pertaining to its activities as a corporate real estate broker engaged in property management covering a period from January 1, 1993 through July 31, 1993 which revealed the following violations of the Code and Regulations.

129

In connection with the aforesaid real estate activities described in Paragraph 127, GOLDEN STATE and BROCK, accepted or received funds in trust (trust funds) from or on behalf of tenants and owners and thereafter made disbursements of such funds. Said respondents deposited certain of these funds into the following account at the Bank of America, Mission Valley Branch 0818, San Diego, California 92108:

Golden State Equity Corporation
Account No. 08181-16614

130

With respect to the trust funds referred to in Paragraph 129, it is alleged that GOLDEN STATE and BROCK:

(a) Failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited, and disbursed by the trust account, as required by Regulation 2831.1.

/
/

1
2 The conduct of Respondents GOLDEN STATE and BROCK,
3 described in Paragraph 130, above, violated the Code and the
4 Regulations as set forth below:

5 PARAGRAPH PROVISIONS VIOLATED

6 130(a) Sec. 2831.1 of the Regulations.

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

11 THIRTEENTH CAUSE OF ACTION

12 Complainant incorporates herein the Preamble and the allegations
13 of Paragraphs 1 through 131, hereinabove

14 **Golden State Equity Corporation**

15 Audit Violations

16
17 The audit examination further revealed that GOLDEN STATE
18 and BROCK failed to notify the Department of the employment of
19 Craig Brock, real estate salespersons licensed to GOLDEN STATE, as
20 required by Section 10161.8 of the Code and Regulation 2752. This
21 conduct is cause to suspend or revoke all licenses and license
22 rights of the Respondents GOLDEN STATE and BROCK pursuant to
23 Section 10177(d) of the Code.

24
25 During the audit investigation, a designated
26 representative of the Department gave notice and made demand to
27

1 examine and inspect the books, accounts, and records received or
2 generated by respondents GOLDEN STATE and BROCK, and by and
3 through their agents and employees, in the course of the
4 activities described in Paragraph 127, above. At all times since
5 said notice and demand, through their agents and employees,
6 respondents GOLDEN STATE and BROCK have failed or been unable to
7 provide all the said books, accounts, records such as invoices,
8 check duplicates and reports, vouchers to verify disbursements as
9 requested and further failed to keep the documentation relating to
10 said property management transactions for three years with
11 specific reference to the loans set forth below. This conduct
12 constitutes a violation of Section 10148 of the Code and is cause
13 to suspend or revoke respondents GOLDEN STATE and BROCK's
14 respective real estate licenses and license rights under Section
15 10177(d).

16 134

17 The conduct of respondents GOLDEN STATE and BROCK as set
18 forth above in Paragraphs 127 through 133 constitutes negligence
19 or incompetence and is cause for the suspension or revocation of
20 their real estate licenses and license rights under the provisions
21 of Section 10177(g) of the Code.

22 135

23 The conduct of respondent BROCK as set forth above in
24 Paragraphs 127 through 133, in failing to supervise GOLDEN STATE
25 during the time that he was the designated officer of GOLDEN
26 STATE, constitutes a failure by respondent BROCK to exercise
27 reasonable supervision of the activities of respondent GOLDEN

1 STATE which require a real estate license and constitutes a
2 violation of Section 10159.2 of the Code. This conduct and
3 violation are cause to suspend or revoke the real estate license
4 and license rights of respondent BROCK under Sections 10177(d) and
5 10177(h) of the Code.

6 Prior Discipline

7 FOURTEENTH CAUSE OF ACCUSATION

8 Complainant incorporates herein the allegations of
9 paragraphs 1 through 135, above.

10 136

11 On April 25, 1983, in Case No. H-1190 SD, then pending
12 before the Department, a Decision was entered and became effective
13 on March 13, 1984, revoking all the real estate licenses and
14 license rights of respondents GOLDEN STATE and BROCK for
15 violations of Business and Professions Code Sections 10145,
16 10177(d), 10177(g) and 10177(h) and Regulation Sections 2830,
17 2831.1 and 2832.1. The Decision granted respondents the right to
18 the issuance of restricted broker licenses upon terms and
19 conditions specified in said Decision.

20 137

21 On March 4, 1985, in Case No. H-1337 SD, then pending
22 before the Department, a Decision was entered and became effective
23 on February 4, 1986, revoking all the real estate licenses and
24 license rights of respondents GOLDEN STATE and BROCK for
25 violations of Business and Professions Code Sections 10176(a),
26 10176(i), 10177(d), 10177(g) and 10177(h) and Regulation Sections
27 2950(g) and 2950(i). The Decision granted respondents the right

1 to the issuance of restricted broker licenses upon terms and
2 conditions specified in said Decision.

3 WHEREFORE, Complainant prays that a hearing be conducted
4 on the allegations made by the accusation and, that upon proof
5 thereof, a decision be rendered imposing disciplinary action
6 against all licenses and license rights of respondents GOLD COAST
7 TITLE & TRUST DEED INC., ERNEST DOUGLAS BUCKELS, individually and
8 as designated officer of Gold Coast Title & Trust Deed, Inc. ;
9 GOLDEN PACIFIC FUNDING, INC., SCOTT DAVID BLESSENSKI, individually
10 and as designated officer of Golden Pacific Funding, Inc. ; GOLDEN
11 STATE EQUITY CORPORATION, MILON L. BROCK, individually and as
12 designated officer of Golden State Equity Corporation and ALBERT
13 ROGERS HADLEY, JR., under the Real Estate Law (Part 1 of Division
14 4 of the Business and Professions Code) and for such other and
15 further relief as may be proper under other applicable provisions
16 of law.

17 Dated at San Diego, California
18 this day of , 1994.

19
20 _____
21 Deputy Real Estate Commissioner

22
23
24 cc: Gold Coast Title & Trust Deed, Inc.
25 c/o Ernest Douglas Buckels,
26 Albert Rogers Hadley, Jr.
27 Sacto.
FJF & JF

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cc: Golden Pacific Funding, Inc.
c/o Scott David Bleshenski
Milon L. Brock
Sacto.
FJF & JF

cc: Golden State Funding Corporation
c/o Milon L. Brock
Sacto.
FJF & JF

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

(213) 897-3194

FILED

MAR 13 1994

DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
)	
GOLD COAST TITLE & TRUST)	No. H-2034 SD
DEED INC.;)	
ERNEST DOUGLAS BUCKELS,)	
individually and as designated)	FIRST AMENDMENT
officer of Gold Coast Title)	TO ACCUSATION
& Trust Deed, Inc.; and)	
ALBERT ROGERS HADLEY, JR.,)	
)	
Respondents.)	
)	

The Accusation filed July 23, 1993 is amended as follows:

The Complainant, J. Chris Graves, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against GOLD COAST TITLE & TRUST DEED INC.; ERNEST DOUGLAS BUCKELS, individually and as designated officer of Gold Coast Title & Trust Deed, Inc., and ALBERT ROGERS HADLEY, JR., is informed and alleges in his official capacity as follows:

I

GOLD COAST TITLE & TRUST DEED INC., (GOLD COAST) ERNEST DOUGLAS BUCKELS, (BUCKELS), and ALBERT ROGERS HADLEY, JR.,

1 sometimes collectively referred to as respondents, are presently
2 licensed and/or have license rights under the Real Estate Law
3 (Part 1 of Division 4 of the California Business and Professions
4 Code).

5 II

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

9 III

10 At all mentioned times, GOLD COAST was licensed by the
11 Department of Real Estate of the State of California (Department)
12 as a corporate real estate broker by and through BUCKELS as
13 designated officer.

14 IV

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

25 V

26 Whenever reference is made in an allegation in the
27 accusation to an act or omission of GOLD COAST, such allegation

1 shall be deemed to mean that the officers, directors, managers,
2 employees, agents and real estate licensees employed by or
3 associated with GOLD COAST, including BUCKELS, committed such act
4 or omission while engaged in the furtherance of the business or
5 operation of GOLD COAST and while acting within the course and
6 scope of its corporate authority, agency and employment.

7 VI

8 At all mentioned times, GOLD COAST and BUCKELS were
9 acting as the agent or employee of the other and within the course
10 and scope of such agency or employment.

11 VII

12 At all mentioned times, in the city and county of San
13 Diego, respondent GOLD COAST and respondent BUCKELS engaged in the
14 business of, acted in the capacity of, advertised, or assumed to
15 act as real estate brokers, within the meaning of Section 10131(d)
16 of the Code, including the operation of a mortgage loan brokerage
17 business with the public wherein lenders and borrowers were
18 solicited for loans secured directly or collaterally by liens on
19 real property, wherein such loans were arranged, negotiated,
20 processed, and consummated on behalf of others for compensation or
21 in expectation of compensation.

22 FIRST CAUSE OF ACTION

23 VIII

24 In October 1990, respondent HADLEY solicited Kenneth Paul
25 Baer (Baer), an investor to invest \$25,200 to be secured by a note
26 and trust deed on property commonly known as 31941 Sauvignon
27 Circle, Temecula, California (subject property). The note was for

1 a term of thirty-six (36) months and was interest only, plus a
2 balloon payment of \$25,578 due October 23, 1993.

3 IX

4 On October 23, 1990 respondent HADLEY prepared a
5 Lender/Purchaser Disclosure Statement (LPDS) reflecting the
6 credit status of the borrower, Steven Bailey, and that of the
7 subject property.

8 X

9 Answering the question in Part 6 of the LPDS "Are taxes
10 delinquent?" respondent HADLEY denoted "No." In reality, the
11 subject property was tax delinquent in the amount of \$2,604.67
12 for the years 1988 and 1989. This was a material fact that was
13 known, or should have been known, by respondent HADLEY. In
14 addition, respondent failed to inform Steven Bailey that the
15 borrower was in arrears in payments to a lender holding a deed of
16 trust in first position.

17 XI

18 On October 23, 1990, acting in reliance upon the
19 representations made by HADLEY's including the aforementioned
20 denoted omissions or representations in the LPDS, Paul Baer gave
21 HADLEY a check in the amount of \$25,200. On November 8, 1990, an
22 Assignment of Note and Deed of Trust from GOLD COAST to Paul Baer
23 was recorded on the subject property.

24 SECOND CAUSE OF ACTION

25 XII

26 In or about February and March of 1991, respondent HADLEY
27 solicited Margaret Damico (Damico), an investor to invest \$11, 649

1 in a loan to Claude and Glennis Mimes (Mimes) by means of the
2 purchase of an existing note to be secured by a note and trust
3 deed on property commonly known as 2465 54th Street, San Diego,
4 California (subject property). HADLEY told Mrs. Damico that the
5 loan would be a "very good investment," and that Mr. and Mrs.
6 Mimes, the borrowers, had an excellent credit rating and longtime
7 employment history.

8 XIII

9 On or about March 8, 1991, Mrs. Damico met with HADLEY
10 and was given an Investment Opportunity Sheet which made the same
11 representations HADLEY had made to her orally, to wit, that the
12 investment was "safe and secure" because both Mr. and Mrs. Mimes
13 had good job histories with good pay. Additionally, HADLEY
14 informed Damico the subject property had \$23,351 in equity.

15 XIV

16 Mrs. Damico made a decision to invest in the Mimes loan
17 in reliance on the representations made to her by HADLEY and by
18 GOLD COAST's Investment Opportunity Sheet. She gave HADLEY a
19 check for \$11,649 and he gave her a receipt and Assignment of
20 Note on the subject property. The seller/assignor of the Note
21 was Golden Pacific Funding, Inc.

22 XV

23 Mrs. Damico received from GOLD COAST and HADLEY a
24 Lender/Purchaser Disclosure Statement (LPDS) prepared by them and
25 signed by HADLEY on behalf of GOLD COAST. The LPDS represented
26 that there had been no payments in arrears past sixty days during
27 the previous twelve months; no property tax delinquency; that the

1 seller of the note had not received notice of default on any
2 senior encumbrances in the past twelve months; that there were no
3 remaining senior encumbrances; and, that the broker, GOLD COAST,
4 was not aware of any junior encumbrances. Again, GOLD COAST and
5 HADLEY represented that the equity in the subject property after
6 this loan was made would be \$23,351, leaving a loan-to-value
7 ration of 82%. The LPDS also represented that Mrs. Mimes was a
8 nurse at Hillside Hospital and had been so employed for the
9 previous four years. The LPDS was signed by HADLEY purportedly
10 on March 7, 1991.

11 XVI

12 Mrs. Damico subsequently learned that the Mimes had
13 file a prior Chapter 13 bankruptcy on February 20, 1990; that the
14 first trust deed holder was granted relief from stay on January
15 24, 1991; and, that the bankruptcy case was dismissed on March
16 29, 1991 after a third trust deed was recorded on March 28, 1991:
17 after Damico made a decision to invest in the loan and twenty-one
18 days after the dating of the LPDS by HADLEY wherein he and GOLD
19 COAST represented that there was no trustor (Mimes) bankruptcy
20 filing, no broker notice of default on senior encumbrances, and
21 no broker notice of any junior encumbrances-all in direct
22 contraction to the representations set out in the LPDS.
23 Additionally, Mrs. Damico discovered that the Mimes had made no
24 payments on the first deed of trust since April 1990, again in
25 contradiction to the representations contained in the LPDS.

26 /

27 /

XVII

1
2 After discovering the delinquency on the loan she
3 purchased from GOLD COAST and HADLEY, Damico spoke with Mr. Mimes
4 who informed her that he wife had not worked since November of
5 1990 and in fact was on unemployment disability insurance. This
6 is in contraction to the representation made by GOLD COAST and
7 HADLEY in the LPDS to Mrs. Damico that Mrs. Mimes was employed as
8 a nurse at Hillside Hospital.

9 XVIII

10 On February 20, 1991, GOLD COAST recorded the original
11 trust deed securing the loan they sold Mrs. Damico but failed to
12 record the Assignment of Trust Deed to Mrs. Damico within ten
13 working days thereafter and in fact did not record it until May
14 28, 1991. GOLD COAST delivered the said Assignment of Trust
15 Deed to Mrs. Damico on June 14, 1991.

16 XIX

17 In or around July of 1992, the first trust deed holder
18 foreclosed on the Mimes property after another subsequent default
19 by the Mimes. Mrs. Damico's investment of \$11, 649 was
20 extinguished.

21 XX

22 The conduct of respondents GOLD COAST and HADLEY, as
23 described in Paragraphs VII through XI, and Paragraphs XII through
24 XIX, above, constitutes a violation of Section 10176(i). This
25 conduct and violation are cause to suspend or revoke the real
26 estate license and license rights of each respondent.

27 /

XXI

1
2 The conduct of respondents GOLD COAST and HADLEY, as
3 described in Paragraphs VII through XI, and Paragraphs XII through
4 XIX, above, constitutes a violation of Section 10176(a). This
5 conduct and violation are cause to suspend or revoke the real
6 estate license and license rights of each respondent.

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XXIII

The conduct of respondent HADLEY, as described in Paragraphs VII through XI, and Paragraphs XII through XIX, above, constitutes negligence or incompetence in violation of Section 10177(g). This conduct and violation are cause for the suspension or revocation of all real estate licenses and license rights of respondent HADLEY.

XXIV

The conduct of respondent BUCKELS, in failing to supervise HADLEY and in failing to sign or initial the LPDS, as described above, during the time that BUCKELS was the designated officer of GOLD COAST, constitutes a failure by respondent BUCKELS to exercise reasonable supervision of the activities of respondent GOLD COAST which require a real estate license and constitutes a violation of Section 10159.2 of the Code. This conduct and violation are cause to suspend or revoke the real estate license and license rights of respondent BUCKELS under Sections 10177(d) and 10177(h) of the Code.

XXV

The conduct of respondent HADLEY, as described in Paragraph XVIII, above, constitutes a violation of Section 10234.

1 This conduct and violation are cause for the suspension or
2 revocation of all real estate licenses and license rights of
3 respondent HADLEY under Section 10177(d).

4 WHEREFORE, Complainant prays that a hearing be conducted
5 on the allegations made by the accusation and, that upon proof
6 thereof, a decision be rendered imposing disciplinary action
7 against all licenses and license rights of respondents GOLD COAST
8 TITLE & TRUST DEED INC., ERNEST DOUGLAS BUCKELS, individually and
9 as designated officer of Gold Coast Title & Trust Deed, Inc., and
10 ALBERT ROGERS HADLEY, JR., under the Real Estate Law (Part 1 of
11 Division 4 of the Business and Professions Code) and for such
12 other and further relief as may be proper under other applicable
13 provisions of law.

14 Dated at San Diego, California
15 this 18th day of March , 1994.

16
17
18 CHRIS GRAVES

19 Deputy Real Estate Commissioner
20
21
22

23 cc: Gold Coast Title & Trust Deed, Inc.
24 c/o Ernest Douglas Buckels,
25 Albert Rogers Hadley, Jr.
26 Sacto.
27 FJF

342-0227-003
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

*Sacto
Flag*

In the Matter of the Accusation of)
)
Gold Coast Title & Trust Deed Inc. and)
ERNEST DOUGLAS BUCKELS,)
individually and as designated officer of)
GCT& TDI and ALBERT ROGERS)
HADLEY, Jr.)
)
Respondent(s).)

Case No. H-2034 SD
OAH No. L-61530

DEC - 8 1993
DEPT. OF REAL ESTATE
[Signature]

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s)

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 1350 Front Street, Room 6018, San Diego, California, on May 20, 1994 at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

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. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: December 8, 1993

DEPARTMENT OF REAL ESTATE

By: *elliott mac lennan*
ELLIOTT MAC LENNAN, Counsel

cc: William R. Winship, Jr.
Sacto.
OAH-

SACTO
Flag

342-0227-003

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
)
Gold Coast Title & Trust Deed Inc. and)
ERNEST DOUGLAS BUCKELS,)
individually and as designated officer of)
GCT& TDI and ALBERT ROGERS)
HADLEY, Jr.)
)
Respondent(s).)

Case No. H-2034 SD
OAH No. L- 61530

DEC-8-1993
DEPT. OF REAL ESTATE
[Signature]

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s)

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 1350 Front Street, Room 6018, San Diego, California, on May 20, 1994 at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

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. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: December 8, 1993

DEPARTMENT OF REAL ESTATE

By: *Elliott MacLennan*
ELLIOTT MAC LENNAN, Counsel

cc: William R. Winship, Jr.
Sacto.
OAH-

Sacto
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392-0297-003

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED

DEC -8 1993

In the Matter of the Accusation of)
)
Gold Coast Title & Trust Deed Inc. and)
ERNEST DOUGLAS BUCKELS, individually)
and as designated officer oof GCT&TDI and)
ALBERT ROGERS HADLEY, JR.)
)
Respondent(s).)
_____)

Case No. 2034 SD
OAH No. L-61530

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

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 Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on May 20, 1994, at 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Statement of Issues served upon you.

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.

The burden of proof is upon you to establish that you are entitled to the license or other action sought. If you are not present nor represented at the hearing, the Department may act upon your application without taking evidence.

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. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: December 8, 1993

DEPARTMENT OF REAL ESTATE

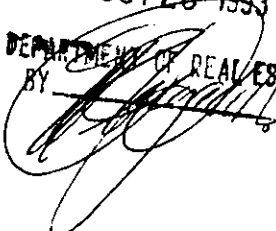
By: *[Signature]*
ELLIOTT MAC LENNAN, Counsel

SACTO

392-0227-003 ✓
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) Case No. H-2034 SD
) OAH No. L-
ALBERT ROGERS HADLEY, JR.)
)
Respondent(s).)
_____)

11103
OCT 28 1993
DEPARTMENT OF REAL ESTATE
BY 

NOTICE OF HEARING ON APPLICATION

To the above-named Respondent(s)

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 1350 Front Street, Room 6018, San Diego, California, on APRIL 11, 1993 at the hour of 9:00: p.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.


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. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: October 27, 1993

DEPARTMENT OF REAL ESTATE

By: 
ELLIOTT MAC LENNAN, Counsel

cc: Albert Rogers Hadley, Jr.
Sacto.
OAH-

*SACTO
Flag*

372-0321-000
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA
* * * *

In the Matter of the Accusation of)
)
ALBERT ROGERS HADLEY, JR.)
)
Respondent(s).)
_____)

Case No. 2034 SD
OAH No. 61530

FILED
OCT 15 1993

DEPARTMENT OF REAL ESTATE
BY *[Signature]*

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 Department of Real Estate at Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on **December 22, 1993**, at **9:00 a.m.** or as soon thereafter as the matter can be heard, upon the Statement of Issues served upon you.

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.

The burden of proof is upon you to establish that you are entitled to the license or other action sought. If you are not present nor represented at the hearing, the Department may act upon your application without taking evidence.

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. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: October 14, 1993

DEPARTMENT OF REAL ESTATE

By: *Elliott MacLennan*
ELLIOTT MACLENNAN, Counsel *R.D.*

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

FILED

JUL 23 1993

(213) 897-3194

DEPARTMENT OF REAL ESTATE
BY Laura B. Cron

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
GOLD COAST TITLE & TRUST)	No. H-2034 SD
DEED INC.;)	
ERNEST DOUGLAS BUCKELS,)	A C C U S A T I O N
individually and as designated)	
officer of Gold Coast Title)	
& Trust Deed, Inc.; and)	
ALBERT ROGERS HADLEY, JR.,)	
Respondents.)	

The Complainant, J. Chris Graves, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against GOLD COAST TITLE & TRUST DEED INC.; ERNEST DOUGLAS BUCKELS, individually and as designated officer of Gold Coast Title & Trust Deed, Inc., and ALBERT ROGERS HADLEY, JR., is informed and alleges in his official capacity as follows:

I

GOLD COAST TITLE & TRUST DEED INC., (GOLD COAST) ERNEST DOUGLAS BUCKELS, (BUCKELS), and ALBERT ROGERS HADLEY, JR., sometimes collectively referred to as respondents, are presently licensed and/or have license rights under the Real Estate Law

1 (Part 1 of Division 4 of the California Business and Professions
2 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, GOLD COAST 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 BUCKELS as
11 designated officer.

12 IV

13 At all mentioned times, BUCKELS was licensed by the
14 Department as designated officer of GOLD COAST to qualify GOLD
15 COAST and to act for GOLD COAST as a real estate broker and, as
16 provided by Section 10159.2 of the Code, was responsible for the
17 supervision and control of the activities conducted on behalf of
18 GOLD COAST by its officers, managers and employees as necessary to
19 secure full compliance with the provisions of the Real Estate Law
20 including the supervision of the salespeople licensed to the
21 corporation in the performance of acts for which a real estate
22 license is 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 GOLD COAST, such allegation
26 shall be deemed to mean that the officers, directors, managers,
27 employees, agents and real estate licensees employed by or

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

5 VI

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

9 VII

10 At all mentioned times, in the city and county of San
11 Diego, respondent GOLD COAST and respondent BUCKELS engaged in the
12 business of, acted in the capacity of, advertised, or assumed to
13 act as 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.

20 VIII

21 In October 1990, respondent HADLEY solicited Kenneth Paul
22 Baer (Baer), an investor to invest \$25,200 to be secured by a note
23 and trust deed on property commonly known as 31941 Sauvignon
24 Circle, Temecula, California (subject property). The note was for
25 a term of thirty-six (36) months and was interest only, plus a
26 balloon payment of \$25,578 due October 23, 1993.
27 /

IX

1 On October 23, 1990 respondent HADLEY prepared a
2 Lender/Purchaser Disclosure Statement (LPDS) reflecting the
3 credit status of the borrower, Steven Bailey, and that of the
4 subject property.
5

X

6 Answering the question in Part 6 of the LPDS "Are taxes
7 delinquent?" respondent HADLEY denoted "No." In reality, the
8 subject property was tax delinquent in the amount of \$2,604.67
9 for the years 1988 and 1989. This was a material fact that was
10 known, or should have been known, by respondent HADLEY. In
11 addition, respondent failed to inform Steven Bailey that the
12 borrower was in arrears in payments to a lender holding a deed of
13 trust in first position.
14

XI

15 On October 23, 1990, acting in reliance upon the
16 representations made by HADLEY's including the aforementioned
17 denoted omissions or representations in the LPDS, Paul Baer gave
18 HADLEY a check in the amount of \$25,200. On November 8, 1990, an
19 Assignment of Note and Deed of Trust from GOLD COAST to Paul Baer
20 was recorded on the subject property.
21

XII

22 The conduct of respondents GOLD COAST and HADLEY, as
23 described in Paragraphs VII through XI, above, constitutes a
24 violation of Section 10176(i). This conduct and violation are
25 cause to suspend or revoke the real estate license and license
26 rights of each respondent.
27

XIII

1
2 The conduct of respondents GOLD COAST and HADLEY, as
3 described in Paragraphs VII through XI hereinabove, constitutes a
4 violation of Section 10176(a). This conduct and violation are
5 cause to suspend or revoke the real estate license and license
6 rights of each respondent.

7 XIV

8 The conduct of respondent HADLEY, as described above,
9 constitutes negligence or incompetence in violation of Section
10 10177(g). This conduct and violation are cause for the suspension
11 or revocation of all real estate licenses and license rights of
12 respondent HADLEY.

13 XV

14 The conduct of respondent BUCKELS, in failing to
15 supervise HADLEY and in failing to sign or initial the LPDS, as
16 described above, during the time that BUCKELS was the designated
17 officer of GOLD COAST, constitutes a failure by respondent BUCKELS
18 to exercise reasonable supervision of the activities of respondent
19 GOLD COAST which require a real estate license and constitutes a
20 violation of Section 10159.2 of the Code. This conduct and
21 violation are cause to suspend or revoke the real estate license
22 and license rights of respondent BUCKELS under Sections 10177(d)
23 and 10177(h) of the Code.

24 WHEREFORE, Complainant prays that a hearing be conducted
25 on the allegations made by the accusation and, that upon proof
26 thereof, a decision be rendered imposing disciplinary action
27 against all licenses and license rights of respondents GOLD COAST

1 TITLE & TRUST DEED INC., ERNEST DOUGLAS BUCKELS, individually and
2 as designated officer of Gold Coast Title & Trust Deed, Inc., and
3 ALBERT ROGERS HADLEY, JR., under the Real Estate Law (Part 1 of
4 Division 4 of the Business and Professions Code) and for such
5 other and further relief as may be proper under other applicable
6 provisions of law.

7 Dated at San Diego, California
8 this 23rd day of July, 1993.

9
10
11
12 J. CHRIS GRAVES

13 Deputy Real Estate Commissioner
14
15
16
17
18
19
20
21
22
23

24 cc: Gold Coast Title & Trust Deed, Inc.
25 c/o Ernest Douglas Buckels,
26 Albert Rogers Hadley, Jr.
27 Sacto.
FJF