

AUG - 5 2002

By Kathleen Contreras

* * *

ORDER GRANTING REINSTATEMENT OF LICENSE

I have considered the petition of Respondent and the evidence and arguments in support thereof including Respondent's

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

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

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

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

18 This Order shall be effective immediately.

19 DATED: July 29, 2002.

20
21 PAULA REDDISH ZINNEMANN
22 Real Estate Commissioner
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FILED
JAN 21 1999

DEPARTMENT OF REAL ESTATE

By Shelly Ely

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	NO. H-2442 SD
THOMAS DANIEL BOVENSIEP and,)	
STONERIDGE MORTGAGE CORP.)	
)	OAH NO. L-1998100391
Respondents.)	
_____)	

DECISION

The Proposed Decision dated January 6, 1999, of the Administrative Law Judge of the Office of Administrative Hearings is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock noon
on February 10, 1999.

DATED: January 15, 1999.

JOHN R. LIBERATOR
Acting Real Estate Commissioner

John R. Liberator

**BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

In the Matter of the Accusation)	
Against:)	No. H-2442 SD
)	
THOMAS DANIEL BOVENSIEP)	OAH No. L-1998100391
and STONERIDGE MORTGAGE)	
CORPORATION,)	
)	
Respondents.)	
<hr/>		

PROPOSED DECISION

On December 21, 1998, in San Diego, California, Vallera J. Johnson, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter.

David B. Seals, Counsel, represented complainant.

Respondent Thomas Daniel Bovensiep appeared and represented himself and respondent Stoneridge Mortgage Corporation.

Evidence was received, the record was closed, and the matter was submitted on December 21, 1998.

FACTUAL FINDINGS

1. J. Chris Graves filed Accusation No. H-2442 SD, dated September 21, 1998, against Thomas Daniel Bovensiep (respondent Bovensiep) and Stoneridge Mortgage Corporation (respondent Stoneridge) in his official capacity as Deputy Real Estate Commissioner of the Department of Real Estate, State of California (Department). Respondent filed a Notice of Defense, dated October 14, 1998, requesting a hearing in this matter.

2. As of December 1, 1996, broker license number 00697423 was issued to respondent Bovensiep and expired on November 2, 1997.

As of December 1, 1996, respondent Bovensiep was licensed as an officer of respondent Stoneridge. At all times relevant herein, said license was in full force and effect and will expire on June 23, 1999, unless renewed.

As of December 1, 1996, license number 01197432 was issued to respondent Stoneridge with respondent Bovensiep as its designated officer. At all times relevant herein, said license was in full force and effect and will expire on June 23, 1999, unless renewed.

3. At all times relevant herein, as the designated officer of respondent Stoneridge, respondent Bovensiep was responsible for the supervision and control of the activities conducted on behalf of respondent Stoneridge by its officers and employees as necessary to secure full compliance with the provisions of the Real Estate Law.

4. Respondents Stoneridge and Bovensiep, and both of them, engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers in the State of California for or in the expectation of compensation.

5. Respondents Stoneridge and Bovensiep accepted or received funds in trust (trust funds) from and on behalf of their principals placing them in trust accounts and made disbursements of such funds.

6. The Department made an investigative audit of the business and bank records of Respondent Stoneridge for the period from January 1, 1997 through May 31, 1998, as said records related to their activities as a real estate broker.

7. During the audit period, respondent Stoneridge maintained four trust accounts into which trust funds related to business transactions were placed, one in Las Vegas, Nevada, one in Reno, Nevada and two in San Diego, California, that included activity at all three locations. The audit included the two trust accounts into which trust funds related to California transactions. These accounts were placed at Valle de Oro Bank, 9832 Campo Road, Spring Valley, CA 91977. One account was Account number 01660152 (Trust Account 1) and the other was Account number 01654705 (Trust Account 2).

8. Respondent Stoneridge failed to maintain proper trust account records in that respondent Stoneridge did not maintain a control record of all trust funds received and disbursed with dates received and by whom, amounts and dates of deposits, check numbers and dates of disbursements.

9. Respondent Stoneridge failed to maintain proper separate records in that respondent Stoneridge did not include the balance after posting transactions on any date and some check numbers and payees.

10. Respondent Stoneridge failed to reconcile the balance of all separate beneficiary records with the record of all trust funds received on a monthly basis.

11. Respondents Bovensiep and Stoneridge caused the disbursement of trust funds from Trust Account 2 without the written consent of every principal who was an owner of the funds, causing the balance of the funds in the account to be an amount less than the existing aggregate trust fund liability of respondent Stoneridge to all owners of said funds.

12. Respondent Stoneridge failed to provide mortgage loan disclosure statements to various borrowers.

13. Respondents Bovensiep and Stoneridge failed to timely notify the Department of the employment of salesperson licensees Kurtis Branstetter, Michael Litton and Anthony Tyson and the termination of salesperson licensee Christin Vido.

14. As of May 31, 1998, Trust Account 2 had a shortage in the amount of five thousand two hundred fifty-five dollars and sixty-five cents (\$5,255.65). Such shortage consisted of bank charges and fees of four hundred seventy dollars and three cents (\$470.03) and four thousand seven hundred eighty-five dollars and sixty-two cents (\$4,785.62) was unidentified.

15. Respondent Bovensiep readily acknowledged that, during the audit period, i.e., January 1, 1997 through May 31, 1998, the bank records of respondent Stoneridge did not fully comply with the Department's record keeping requirements. However, he offered evidence of mitigation and rehabilitation.

Respondent Bovensiep described respondent Stoneridge and his relationship to the business. Respondent Stoneridge began in May 1995 as a one-man office. As of the hearing date, there were three offices and 25 employees. Respondent Stoneridge is a corporation, and respondent Bovensiep is the sole shareholder and serves as its president, secretary and chief executive officer. He testified that he does business with the highest ethical standards and integrity, and his employees are aware of this standard and his expectation that they will conduct business in the same fashion. In 1996, respondent Stoneridge closed \$53 million in loans, has grown continuously over time, closing \$140 million in loans in 1998. Respondent

Bovensiep hopes that respondent Stoneridge will continue to grow in a responsible, legal, manageable manner, complying with all Federal and State legal requirements.

By way of mitigation, respondent Bovensiep established that, as president, chief executive officer and sole owner of respondent Stoneridge, during the audit period, he was distracted by litigation involving a former employee. This employee demanded one-half ownership interest in respondent Stoneridge. When respondent Bovensiep refused this demand, the former employee filed a lawsuit in March 1997. The trial was held in June 1998. In his various capacities with respondent Stoneridge, respondent Bovensiep devoted the majority of his time and considerable resources of respondent Stoneridge defending this lawsuit. Respondent Bovensiep testified that, during the four or five months prior to trial, he was consumed with defending his corporation, determined that the former employee would not win. As a consequence, he spent over \$180,000.00 in costs associated with the litigation, including attorneys' fees; and he did not focus on his business, reducing some of the services provided to respondent Stoneridge, such as the part-time accountant.

Respondent Bovensiep testified that he recognized the record keeping problems associated with Trust Account 2; and this was the reason that he opened Trust Account 1 in February 1997, prior to the Department's audit.

16. After notification of the results of the audit and learning about the shortage in Trust Account 2, respondent Bovensiep directed his employees to investigate and determine how the shortage could have occurred. Respondent Bovensiep determined that he did not properly understand master card transactions. Certain clients paid for their appraisal and/or credit report with a master card. Respondent Stoneridge was required to obtain authorization for a charge, go in and capture it. The employees of respondent Stoneridge obtained authorization, but did not capture the money. Therefore, the money was not in the client's account. However, because the records reflected the money in the individual's escrow account, bills were paid on behalf of the client from another client's escrow account.

Respondent Bovensiep testified that he now understands the master card system. His employees have taken each such transaction, again, attempted to obtain authorization, and this time, capture the money. In most, but not all cases, he was able to do so. He offered documentary evidence in support of this position. However, some of the documents were outside the audit period, and some funds remain uncollected. Based on the foregoing information and the testimony of respondent Bovensiep, it is determined that, as of the hearing date, Trust Account 2 had not been reconciled.

Respondent Bovensiep was not aware of the State laws governing mortgage disclosure requirements. He purchased Contour software, a complete processing computer program used by many of the State's brokers and assumed that it provided sufficient information and/or forms to satisfy the Department's requirements. He has since learned that the computer software does not.

After his own investigation, respondent Bovensiep verified that respondents Bovensiep and Stoneridge failed to timely notify the Department of the employment of salesperson licensees Kurtis Branstetter, Michael Litton and Anthony Tyson and the termination of salesperson licensee Christin Vido.

17. By way of rehabilitation, respondents offered the following evidence:

A. The lawsuit is now over; in respondent Bovensiep's mind, he was successful; the employee was not granted an ownership interest in his business, and findings were made against this employee.

B. Respondent Bovensiep has hired a full-time accountant and has retained the services of Cashuk, Wiseman and Goldberg, an accounting firm. This firm did an audit of respondent Stoneridge's records for 1997 and is scheduled to do another for 1998.

C. Respondent Bovensiep has a managing officer whose responsibilities include monitoring respondent Stoneridge's record keeping to assure compliance with State statutes and regulations.

D. Respondent Bovensiep now understands the State laws and regulations governing disclosure statement requirements and has taken appropriate action to assure compliance therewith.

18. It is not clear from the evidence that the litigation was the principal cause of the record-keeping problem or that it has now been resolved. Though respondent Bovensiep asserts that his part-time accountant was phased out, he did not have records and could not clearly recall the dates or hours that she worked or discontinued working. This accountant could have been on his staff during the time that the problems existed. He asserts that he now has a full-time accountant on staff. He testified that the new staff accountant provided him with documentation regarding the shortage in Trust Account 2. However, the documentation provided was confusing and did not explain this shortage in Trust Account 2, as set forth in Finding 16. It appears from the testimony that the managing officer responsible for monitoring record keeping requirements had this responsibility during the audit period. Despite respondent Bovensiep's testimony that his outside auditors will assist with compliance with the Department's requirements, the letter that summarizes instructions to the auditors (Exhibit B) explains that they will review the records to assure compliance with Housing and Urban Development requirements and generally accepted accounting principles. Nothing in the instructions discusses review of respondents Stoneridge and Bovensiep's records or any other obligation to assure that respondent Stoneridge's records comply with State laws and regulations.

According to respondent Bovensiep, no borrower lost funds. However, as set forth in Finding 16, Trust Account 2 has not been reconciled, and no evidence was offered to establish that it ever will be. Though some evidence was offered to establish that respondents Stoneridge and Bovensiep recognize the responsibility to comply with the Department's requirements, no evidence was offered to establish that respondents Stoneridge and Bovensiep now comply with the Department's record keeping requirements. No evidence was offered to establish the procedure that would be utilized to assure timely reporting of salespersons who are associated or no longer associated with respondent Stoneridge. The success of respondents Stoneridge and Bovensiep's efforts in obtaining compliance with the Department's record keeping requirements may only be ascertained after a subsequent audit by the Department.

LEGAL CONCLUSIONS

1. Cause exists to discipline respondent Bovensiep's broker's license, his license as an officer of respondent Stoneridge and the license of respondent Stoneridge in that respondents Stoneridge and Bovensiep violated Business and Professions Code sections 10177(d) in conjunction with Business and Professions Sections 10145, 10161.8 and 10240 and Title 10, California Code of Regulations sections 2710, 2831, 2831.1, 2831.2, 2832.1, 2840 and 2840.1 by reason of Findings 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14.

2. Cause exists to discipline respondent Bovensiep's broker's license and his license as an officer of respondent Stoneridge in that he violated Business and Professions Code sections 10177(g) and 10177(h) by reason of Findings 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14.

3. The facts set forth in Findings 15, 16, 17, and 18 have been considered in making the following Orders.

ORDER

1. All licenses and licensing rights issued to respondent Thomas Daniel Bovensiep under the Real Estate Law are revoked; provided, however, pursuant to Business and Professions Code section 10156.5, a restricted real estate broker license shall be issued to respondent Bovensiep if he makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within ninety (90) days from the effective date of this Decision. The restricted license issued to respondent Bovensiep shall be subject to all of the provisions of Business and Professions Code section 10156.7 and to the following limitations, conditions and restrictions imposed under authority of Business and Professions Code section 10156.6, to wit:

A. The restricted license issued to respondent Bovensiep may be suspended prior to hearing by Order of the Real Estate Commissioner (Commissioner) in the event of respondent's conviction or plea of nolo

contendere to a crime that is substantially related to respondent Bovensiep's fitness or capacity as a real estate licensee.

B. The restricted license issued to respondent Bovensiep may be suspended prior to hearing by Order of the Commissioner on evidence satisfactory to the Commissioner that respondent Bovensiep had violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner or conditions attaching to the restricted license.

C. Respondent Bovensiep shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two years has elapsed from the effective date of this Decision.

D. Within nine (9) months from the effective date of this Decision, respondent Bovensiep shall present evidence satisfactory to the Commissioner that, since the most recent issuance of an original or renewal license, respondent Bovensiep has taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent Bovensiep fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until respondent Bovensiep presents such evidence. The Commissioner shall afford respondent Bovensiep the opportunity for a hearing to present evidence pursuant to the Administrative Procedure Act.

E. If the Department's audit reveals that respondent Stoneridge, respondent Bovensiep, its designated officer, has not corrected the trust fund violations found in Legal Conclusions 1, all licenses and licensing rights of respondents Stoneridge and respondent Bovensiep shall be suspended and remain suspended pending a hearing held in accordance with Government Code section 11500 et. seq. The suspension shall remain in effect until the subsequent audit reveals that the trust fund violations have been corrected or until a decision providing otherwise is adopted following a hearing held pursuant to this condition. All costs of the subsequent audit shall be paid in accordance with Paragraph 2C of this Order.

If the Department's second audit reveals that respondent Stoneridge, respondent Bovensiep, its designated officer, has not corrected the trust fund violations found in Legal Conclusion 1, all licenses and licensing rights of respondents Stoneridge and Thomas Bovensiep shall be revoked or until a decision providing otherwise is adopted following a

hearing held in accordance with Government Code section 11500 et. seq.

2. All licenses and licensing rights of respondent Stoneridge Mortgage Corporation, Thomas Daniel Bovensiep, designated officer, under the Real Estate Law are revoked; provided, pursuant to Business and Professions Code section 10156.5, a restricted real estate broker license shall be issued to respondent Stoneridge, Thomas Daniel Bovensiep, designated officer, if respondent Stoneridge makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within ninety (90) days from the effective date of this Decision. The restricted license issued to respondent Stoneridge shall be subject to the provisions of Business and Professions Code section 10156.7 and to the following limitations, conditions and restrictions imposed under the authority of Business and Professions Code section 10156.6:

A. The restricted license issued to respondent Stoneridge may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent Stoneridge has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

B. Respondent Stoneridge shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two years has elapsed from the effective date of this Decision.

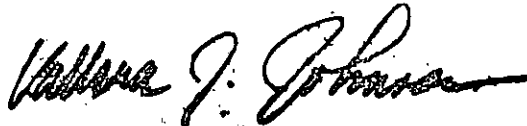
C. Pursuant to Business and Professions Code section 10148, respondent Stoneridge shall pay the Commissioner's reasonable cost for an audit to determine if respondent Stoneridge, respondent Bovensiep, its designated officer, has corrected the trust fund violations found in Legal Conclusions 1. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers and shall include an allocation for travel time to and from the auditor's place of work. Respondent Stoneridge shall pay such cost within forty-five (45) days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may suspend the restricted license issued to respondent Stoneridge pending a hearing held in accordance with Government Code section 11500 et. seq. if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between Respondent Stoneridge and the Commissioner. The suspension shall remain in effect until payment is made in full or until respondent Stoneridge enters into an agreement

satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

D. If the Department's audit reveals that respondent Stoneridge, respondent Bovensiep, its designated officer, has not corrected the trust fund violations found in Legal Conclusions 1, all licenses and licensing rights of respondents Stoneridge and Bovensiep shall be suspended and remain suspended pending a hearing held in accordance with Government Code section 11500 et. seq. The suspension shall remain in effect until the subsequent audit reveals that the trust fund violations have been corrected or until a decision providing otherwise is adopted following a hearing held pursuant to this condition. All costs of the subsequent audit shall be paid in accordance with Paragraph 2C of this Order.

If the Department's second audit reveals that respondent Stoneridge, respondent Bovensiep, its designated officer, has not corrected the trust fund violations found in Legal Conclusion 1, all licenses and licensing rights of respondents Stoneridge and Thomas Bovensiep shall be revoked or until a decision providing otherwise is adopted following a hearing held in accordance with Government Code section 11500 et. seq.

Dated: January 6, 1999



VALLERA J. JOHNSON
Administrative Law Judge
Office of Administrative Hearings

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
NOV 3 1998

DEPARTMENT OF REAL ESTATE

Shelly Ely

In the Matter of the Accusation of

THOMAS DANIEL BOVENSIEP and
STONERIDGE MORTGAGE CORPORATION

Case No. H-2442 SD

OAH No. L-1998100391

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at _____
The Office of Administrative Hearings, 1350 Front Street, Room 6022,
San Diego, California 92101

on Monday--December 21, 1998, at the hour of 9:00 AM,
or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of
hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten
(10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days
will deprive you of a change in the place of the hearing.

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

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

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

DEPARTMENT OF REAL ESTATE

Dated: November 3, 1998

By

David B. Seals
DAVID B. SEALS

Counsel

1 DAVID B. SEALS, Counsel
2 State Bar No. 69378
3 Department of Real Estate
4 P. O. Box 187000
5 Sacramento, CA 95818-7000
6 Telephone: (916) 227-0789

FILED
SEP 29 1998
DEPARTMENT OF REAL ESTATE

By Jean Arnold

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	NO. H-2442 SD
THOMAS DANIEL BOVENSIEP)	
and STONERIDGE MORTGAGE)	
CORPORATION,)	<u>ACCUSATION</u>
)	
Respondents.)	

The Complainant, J. Chris Graves, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against THOMAS DANIEL BOVENSIEP (hereinafter "BOVENSIEP") and STONERIDGE MORTGAGE CORPORATION (hereinafter "STONERIDGE"), is informed and alleges as follows:

I

STONERIDGE MORTGAGE CORPORATION is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code"), as a corporate real estate broker with Respondent BOVENSIEP as its designated officer.

II

THOMAS DANIEL BOVENSIEP is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code"), as the designated officer of Respondent STONERIDGE.

III

The Complainant, J. Chris Graves, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondent in his official capacity.

IV

At all times mentioned herein, as the designated officer of Respondent STONERIDGE, Respondent BOVENSIEP was responsible for the supervision and control of the activities conducted on behalf of Respondent STONERIDGE by its officers and employees as necessary to secure full compliance with the provisions of the Real Estate Law.

V

Whenever reference is made in an allegation in this Accusation to an act or omission of Respondent STONERIDGE, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with Respondent STONERIDGE committed such act or omissions while engaged in furtherance of the business or operation of Respondent STONERIDGE and while acting within the course and scope of their corporate authority and employment.

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VI

That at all times herein mentioned, Respondent STONERIDGE and Respondent BOVENSIEP, and both of them, engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers in the State of California within the meaning of Section 10131 of the Code for or in expectation of compensation.

VII

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

VIII

An investigative audit was made by the Department of the records and bank records of Respondent STONERIDGE for the period from January 1, 1997 to May 31, 1998, as said records related to their activities as a real estate broker.

IX

Respondent STONERIDGE maintained two trust accounts into which trust funds related to California transactions were placed at Valle de Oro Bank, 9832 Campo Road, Spring Valley, CA 91977. One was Account No. 01660152 (hereinafter "Trust 1") and the other was Account No. 01654705 (hereinafter "Trust 2").

X

Respondent STONERIDGE failed to maintain trust account records in compliance with Section 2831 of the Regulations by

1 failing to maintain a control record of all trust funds received
2 and disbursed with dates received and by whom, amounts and dates
3 of deposits, check numbers and dates of disbursements.

4 XI

5 Respondent STONERIDGE failed to maintain separate
6 records in compliance with Section 2831.1 of the Regulations by
7 failing to include the balance after posting transactions on any
8 date and some check numbers and payees.

9 XII

10 Respondent STONERIDGE failed to reconcile the balance of
11 all separate beneficiary records with the record of all trust
12 funds received on a monthly basis in compliance with Section
13 2831.2 of the Regulations.

14 XIII

15 Respondents caused the disbursement of trust funds from
16 Trust 2 without the written consent of every principal who was an
17 owner of the funds, causing the balance of the funds in the
18 account to be an amount less than the existing aggregate trust
19 fund liability of Respondent STONERIDGE to all owners of said
20 funds in violation of Section 10145 of the Code and Section 2832.1
21 of the Regulations.

22 XIV

23 Respondent STONERIDGE failed to provide mortgage loan
24 disclosure statements to various borrowers in violation of Section
25 10240 of the Code in conjunction with Sections 2840 and 2840.1,
26 Title 10, California Code of Regulations (Regulations).

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1 XV

2 Respondents failed to timely notify the Department of
3 the employment of salesperson licensees Branstetter, Litton, and
4 Tyson and the termination of salesperson licensee Vido in
5 violation of Sections 10161.8 of the Code and 2710 of the
6 Regulations.

7 XVI

8 As of May 31, 1998, Trust 2 had a shortage in the amount
9 of Five Thousand Two Hundred Fifty-Five Dollars and Sixty-Five
10 Cents (\$5,255.65). Such shortage consisted of bank charges and
11 fees of \$470.03 and \$4,785.62 was unidentified.

12 XVII

13 The acts and/or omissions of Respondents described above
14 are grounds for the revocation or suspension of Respondents'
15 licenses under the following sections of the Business and
16 Professions Code and the Regulations:

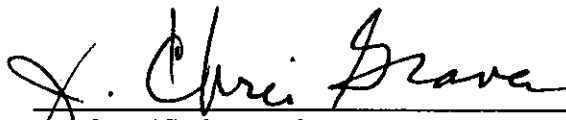
17 (a) As to Respondents STONERIDGE MORTGAGE CORPORATION and THOMAS
18 DANIEL BOVENSIEP, and each of them under Section 10177(d) in
19 conjunction with Sections 10145, 10161.8 and 10240 of the
20 Code, and Sections 2710, 2831, 2831.1, 2831.2, 2832.1, 2840
21 and 2840.1 of the Regulations; and

22 (b) As to Respondent THOMAS DANIEL BOVENSIEP only, under Section
23 10177(g) and/or 10177(h) of the Code.
24

25 WHEREFORE, Complainant prays that a hearing be
26 conducted on the allegations of this Accusation and, that upon
27 proof thereof, a decision be rendered imposing disciplinary



1 action against all licenses and license rights of Respondents
2 under the Real Estate Law (Part 1 of Division 4 of the Business
3 and Professions Code), and for such other and further relief as
4 may be proper under other applicable provisions of law.

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6 
7 J. CHRIS GRAVES
8 Deputy Real Estate Commissioner

9 Dated at San Diego, California,
10 this 21st day of September, 1998.
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