

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187000
3 Sacramento, CA 95818-7000
4 Telephone: (916) 227-0789

FILED
MAY 15 2001

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 To:)
12) NO. H- 2633 SD
13) PRIORITY FIRST FUNDING, INC.,)
14) and DOMINIC ANDERSON.) ORDER TO DESIST AND REFRAIN
) (B&P §10086)
)

15 The Real Estate Commissioner of the State of California
16 has determined from the findings herein set forth below that you,
17 PRIORITY FIRST FUNDING, INC., have violated Sections 10137,
18 10145, 10240, 10085, 10146, and 10177(d) of the California
19 Business and Professions Code (hereafter the Code), and Sections
20 2970 and 2972 of Title 10, California Code of Regulations
21 (hereafter the Regulations); and you, DOMINIC ANDERSON, have
22 violated Section 10130 of the Code, by engaging in the business
23 of a real estate broker within the State of California without a
24 real estate license.

25 I

26 At all times herein mentioned, you, PRIORITY FIRST
27 FUNDING, INC. (hereafter PFF) were and are licensed by the

1 Department of Real Estate (hereafter the Department) as a real
2 estate broker corporation.

3 II

4 At no time herein were you, DOMINIC ANDERSON (hereafter
5 ANDERSON), licensed by the Department as either a real estate
6 broker or salesperson. Complainant is informed and believes
7 and thereon alleges that at all times herein mentioned, you,
8 ANDERSON, were and are an owner and shareholder of PFF, and
9 direct and control its activities.

10 III

11 At all times herein mentioned, you, PFF and ANDERSON,
12 engaged in the business of, acted in the capacity of, advertised
13 or assumed to act as a real estate broker within the State of
14 California, for or in expectation of compensation as follows:

15 (a) Under Section 10131(a) of the Code, you sold
16 or offered to sell, bought or offered to buy,
17 solicited prospective sellers or purchasers
18 of, and/or negotiated the purchase, sale or
19 exchange of real property (hereafter resale
20 activities); and

21 (b) Under Sections 10131(d) and/or (c), you
22 solicited lenders and/or borrowers for loans
23 secured directly or collaterally by liens on
24 real property, and arranged, negotiated,
25 processed, and/or consummated such loans.

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IV

Beginning in or about January of 1999, the Department conducted an audit of the books and records of PFF. During the course of the mortgage loan activities described above, you, PFF and ANDERSON, received and disbursed funds in trust on behalf of others, including but not limited to credit report and appraisal fees, and earnest money deposits.

V

At least within the last three years, in connection with the collection and disbursement of trust funds, you, PFF and ANDERSON, failed to deposit and maintain some or all of the above trust funds in a trust account or neutral escrow depository, or to deliver them into the hands of the owners of the funds, as required by Section 10145 of the Code. You deposited into, caused the deposit into, or processed some or all trust funds through a general bank account at Bank of America, Bonita, California, Account No. 1155710719, entitled "PRIORITY FIRST FUNDING INC.", commingled trust funds with the general funds of the company, and/or converted trust funds to purposes not authorized by the owners of the funds, including but not limited to:

DATE	CLIENT	AMOUNT
5/18/98	Wolch	\$ 355
6/1/98	Wolch	\$2,000
6/10/98	Wolch	\$8,000

VI

You, PFF, failed to prepare and deliver to borrowers, or cause to be delivered, a written borrower disclosure statement

1 as required by Section 10240 containing all of the information
2 required by Section 10241 of the Code prior to the borrower
3 becoming obligated to complete the loan, and/or failed to retain
4 timely executed copies of such statements with the records of the
5 company, including but not limited to the following loan
6 transactions:

BORROWER	LOAN AMOUNT	DATE CLOSED
Cohen, Robert	\$136,950	6/2/98
Dowhan Bruce	\$157,500	7/1/98
Stewart, Walter	\$188,100	7/7/98
Gee, David	\$ 90,000	7/22/98
Johnson, Michael	\$130,000	9/3/98
Abrenica, Nicanor	\$227,000	9/4/98
Bae, Hosung	\$220,000	10/1/98
Gynn, Sheryl	\$ 61,700	10/28/98

15 VII

16 Beginning at least in May of 1998, you, PFF, employed
17 or associated ANDERSON as a loan agent when you, ANDERSON, were
18 not duly licensed. You, ANDERSON, performed activities for PFF
19 for which a real estate license is required, for or in
20 expectation of compensation, and solicited and/or negotiated
21 loans to be secured by real property, and/or the sale or purchase
22 of real property, including but not limited to loan and purchase
23 transactions with Bruce Wolf beginning on or about May 18, 1998.

24 VIII

25 In or about May of 1998, Bruce Wolch (hereafter Wolch)
26 was in the process of purchasing residential real property, and
27 negotiated with PFF to obtain a purchase money loan. On or about

1 May 18, 1998, Wolch met with you, ANDERSON, as an agent of PFF
2 regarding the above loan.

3 IX

4 In connection with the above loan you, PFF, and
5 ANDERSON, also charged or demanded the sum of \$2,000 as an
6 advance deposit for the costs to close escrow on the loan. On
7 or about June 1, 1998, Wolch paid the requested sum of \$2,000
8 to PFF.

9 X

10 The \$2,000 deposit alleged above is an advance fee as
11 defined under Sections 10026 and/or 10131.2 of the Code. Prior
12 to soliciting or negotiating the above advance fee agreement, and
13 prior to collecting such advance fee you, PFF, failed to obtain
14 approval from the Department for written agreements and related
15 materials.

16 XI

17 The acts and/or omissions of you, PFF, as alleged above
18 violate the following provisions of the Code:

- 19 (a) As to Paragraph V, Sections 10145 and 10176(e) of
20 the Code;
- 21 (b) As to Paragraph VI, Section 10240 of the Code;
- 22 (c) As to Paragraph VII, Section 10137 of the Code; and
- 23 (d) As to Paragraph VIII, Sections 10085 and 10146 of
24 the Code and Sections 2970 and 2972 of the
25 Regulations.

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XII

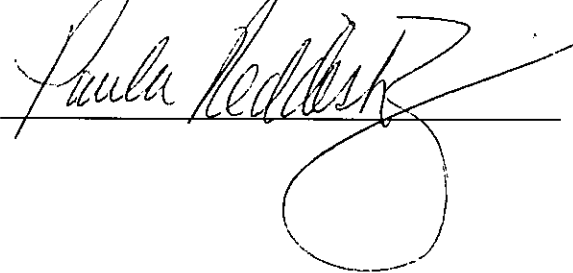
The acts and/or omissions of you, ANDERSON, as alleged in Paragraphs III, V, VII, VIII, and IX above violate Section 10130 of the Code.

NOW, THEREFORE, YOU, PRIORITY FIRST FUNDING, INC., AND YOUR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS, ARE HEREBY ORDERED TO DESIST AND REFRAIN from performing any and all acts for which a real estate license is required unless and until you comply with Sections 10137, 10145, 10240, 10085, and 10146 of the Code, and Sections 2970 and 2972 of the Regulations, in conjunction with Section 10177(d) of the Code.

FURTHER, YOU, DOMINIC ANDERSON, ARE HEREBY ORDERED TO DESIST AND REFRAIN from performing any and all acts for which a real estate license is required until such time as you may obtain the required license from the Department.

DATED: May 14, 2001.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



cc: PRIORITY FIRST FUNDING, INC.
250 E. Douglas Avenue
El Cajon, CA 92020

PRIORITY FIRST FUNDING, INC.
591 Camino De La Reina, Suite 920
San Diego, CA 92108

DOMINIC ANDERSON
1220 Rosecrans Street #183
San Diego, CA 92106

ATTY/DLJ