

By Kathleen Contreras

* * *

In the Matter of the Accusation of)
)
 CONSOLIDATED HOME LOANS,) No. H-2642 SD
)
 Respondent.)
)

I have considered said petition and said Decision and have concluded that pursuant to Section 10175.2 of the Business and Professions Code the public interest and public welfare will be adequately served by permitting Respondent herein to pay a monetary penalty to the Department in lieu of an actual license suspension. Reconsideration is hereby granted and the Order in said Decision is modified to read as follows:

1 All licenses and licensing rights of Respondent
2 CONSOLIDATED HOME LOANS under the Real Estate Law are suspended
3 for a period of five (5) days from the effective date of this
4 Decision, provided, however, that if Respondent petitions, said
5 suspension (or a portion thereof) shall be stayed upon condition
6 that:

7 A. Respondent pays a monetary penalty pursuant to
8 Section 10175.2 of the Business and Professions
9 Code at the rate of \$250.00 for each day of the
10 suspension for a total monetary penalty of
11 \$1,250.00.

12 B. Said payment shall be in the form of a cashier's
13 check or certified check made payable to the
14 Recovery Account of the Real Estate Fund. Said
15 check must be received by the Department prior
16 to the effective date of the Decision in this
17 matter.

18 C. No further cause for disciplinary action against
19 the real estate license of Respondent occurs within
20 one year from the effective date of the Decision in
21 this matter.

22 D. If Respondent fails to pay the monetary penalty in
23 accordance with the terms and conditions of the
24 Decision, the Commissioner may, without a hearing,
25 order the immediate execution of all or any part of
26 the stayed suspension in which event the Respondent
27 shall not be entitled to any repayment nor credit,

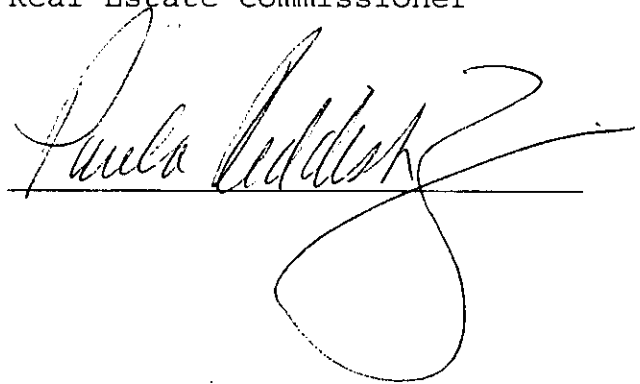
1 prorated or otherwise, for money paid to the
2 Department under the terms of this Decision.

3 E. If Respondent pays the monetary penalty and if no
4 further cause for disciplinary action against the
5 real estate license of Respondent occurs within one
6 year from the effective date of the Decision, the
7 stay hereby granted shall become permanent.

8 This Decision shall become effective at 12 o'clock
9 noon on April 4, 2002.

10 DATED: March 14, 2002.
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12 PAULA REDDISH ZINNEMANN
13 Real Estate Commissioner
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A large, stylized handwritten signature of Paula Reddish Zinnemann, written in dark ink, positioned over a horizontal line. The signature is fluid and cursive, with a large loop at the bottom.

FILED
FEB 23 2002

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
) NO. H-2642 SD
CONSOLIDATED HOME LOANS,)
) OAH NO. L-2001070109
Respondent.)

ORDER STAYING EFFECTIVE DATE

On January 23, 2002, a Decision was rendered in the above-entitled matter to become effective on February 25, 2002.

On February 13, 2002, Respondent petitioned for reconsideration of the decision of January 23, 2002.

IT IS HEREBY ORDERED that the effective date of the Decision is stayed for a period of thirty (30) days. The Decision of January 23, 2002, shall become effective at 12 o'clock noon on March 27, 2002.

DATED: February 21, 2002.

PAULA REDDISH ZINNEBANN
Real Estate Commissioner

By:

John R. Liberator

JOHN R. LIBERATOR
Chief Deputy Commissioner

FEB - 5 2002

DEPARTMENT OF REAL ESTATE

B. Kathleen Contreras

* * *

NO. H-2642 SD

OAH NO. L-2001070109

The Proposed Decision dated January 7, 2002, 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.

IT IS SO ORDERED January 23, 2002.

Paula Reddesh

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of:

CONSOLIDATED HOME LOANS,

Respondents.

Case No. H-2642 SD

OAH No. L2001070109

PROPOSED DECISION

On December 18, 2001, in San Diego, California, Alan S. Meth, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter.

Larry A. Alamao, Assistant Chief Counsel, represented complainant.

Frank M. Buda, attorney at law, represented respondent.

The matter was submitted on December 18, 2001.

FACTUAL FINDINGS

1. J. Chris Graves, Deputy Real Estate Commissioner of the State of California (hereafter, "Department") filed Accusation No. H-2642 SD in his official capacity on May 29, 2001. Respondent filed a Notice of Defense dated June 29, 2001. Complainant filed a First Amended Accusation on July 10, 2001.

2. The Department issued corporation license number 01213277 to respondent, with Matthew Todd Compton the designated officer on October 19, 1996. Robert Wade Thompson was added as the designated officer as of March 27, 1997, and at all relevant times the license was in full force and effect.

3. Respondent is in the business of doing mortgage loans and in 1997, did 14 loans in the State of Indiana. Respondent had no physical presence in Indiana. Thompson maintained an office in Oceanside, California. For the years 1998, 1999, and 2000, respondent made one loan each year in Indiana. Meanwhile, in California in 1997, respondent made about 150 loans and so far in 2001, had made about 65 loans.

The Department of Financial Institutions for the State of Indiana decided to perform an examination of respondent's consumer credit transactions subject to the Indiana Uniform

Credit Code, and in connection with that examination, requested respondent produce 15 of its files. At that time, respondent was a licensee of the Indiana Department of Financial Institutions and obligated to provide access to its records. The request was made in writing several times. Respondent did not comply with the request. The final notice for respondent to produce the loan records was made in a letter dated July 18, 2000. When respondent failed to comply, the Department of Financial Institutions on August 1, 2000 issued a Temporary Emergency Order of License Revocation in which respondent's license was revoked. The Department of Financial Institutions determined that respondent was unable to maintain its business in compliance with Indiana law and the requirements of the regulatory agency, creating a clear and present emergency condition, and this conclusion was based on respondent's failure to provide records for examination and indifference to the regulatory authority. Respondent was given 15 days to request an administrative hearing or the order would become permanent.

4. Respondent provided the requested records, shipping them from Oceanside on August 8, 2000. Respondent did not request a hearing in writing. Thompson spoke to an official of the Department of Financial Institutions by telephone and requested a hearing, but that was apparently deemed insufficient.

5. At the time of the request for the records, respondent had reduced the size of its staff from eight employees to just one, Thompson. Respondent virtually stopped doing business in Indiana. Meanwhile, Thompson was trying to keep up with the business he had in California. He was struggling financially and did not have the time to respond to the request. Thompson had gotten married in Indiana and had lived there for a period of time before coming to California, and this sentimental attachment to the state made it difficult for him to simply stop doing business there.

6. Thompson apologized for not responding to the request for records in a more timely manner and promised such a thing would not happen in California. His California license is important to him and is his sole source of income.

7. Thompson has been involved with Kiwanis and the Rotary Clubs for about six years, and has been active in his church for 20 years, including a period when he was a senior pastor.

8. Respondent submitted several letters from friends and clients. His clients complimented him on the professional and timely manner in which he handled their loan transactions. One of his clients is the pastor of his church and a Navy Chaplain for 30 years and described the business respondent did as demonstrating honesty, integrity, and expertise.

9. In assessing the penalty, a number of factors must be considered. First, there was no evidence to suggest any borrower was harmed by anything respondent did. Thompson testified the request for records was made arbitrarily and was not prompted by any consumer complaints. There is nothing in the records from Indiana to either substantiate or refute Thompson's testimony. Respondent eventually did comply with the request for

records, but the response was too late. At one point, representatives from the Department of Financial Institutions suggested respondent simply give up its license voluntarily, but Thompson had just paid \$600.00 to renew the license and was reluctant to give it up. The Department of Real Estate in California has never taken disciplinary action against respondent's California license.

There was no evidence of any aggravating circumstances. The mitigation factors described above point to a short suspension as an appropriate penalty.

LEGAL CONCLUSIONS

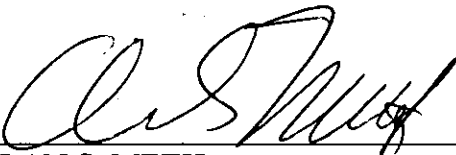
1. Cause to suspend respondent's corporate real estate license pursuant to Business and Professions Code section 10177(f), having a license revoked by another state for an act that would be the basis for disciplinary action if committed by a California licensee, was established by reason of Finding 3.

2. Cause to suspend respondent's corporate real estate license pursuant to Business and Professions Code sections 10177(f) was established by reason of Findings 4 through 9.

ORDER

All licenses and licensing rights of respondent Consolidate Home Loans under the Real Estate Law are suspended for a period of five (5) days from the effective date of this Decision

DATED: January 7, 2002



ALAN S. METH
Administrative Law Judge
Office of Administrative Hearings

1 MICHAEL B. RICH, Counsel
2 State Bar No. 84257
3 Department of Real Estate
4 P. O. Box 187000
5 Sacramento, CA 95818-7000
6
7 Telephone: (916) 227-0789
8

FILED
JUL 19 2001

DEPARTMENT OF REAL ESTATE

By Shelly Ely

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 CONSOLIDATED HOME LOANS,) NO. H-2642 SD
14 Respondent.) FIRST AMENDED
15 ACCUSATION

16 The Complainant, J. Chris Graves, a Deputy Real Estate
17 Commissioner of the State of California, for cause of accusation
18 against CONSOLIDATED HOME LOANS is informed and alleges as
19 follows:

20 I

21 Respondent is presently licensed and/or has license
22 rights under the Real Estate Law (Part 1 of Division 4 of the
23 California Business and Professions Code) (Code) as a corporate
24 real estate broker.

25 II

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

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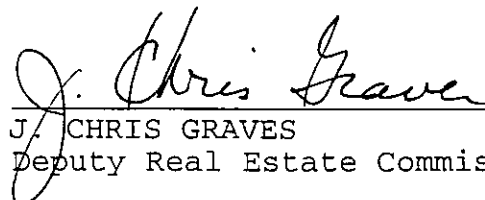
III

On or about August 2, 2000, the Department of Financial Institutions of the State of Indiana ordered that the license of Respondent to conduct consumer credit transactions in that state be revoked for violation of Section IC 24-4.5-6-106 of the Indiana Uniform Consumer Credit Code (Failure to Provide Records and Books for Examination and Audit).

IV

The revocation of Respondent's license to conduct consumer credit transactions in the State of Indiana, as described in Paragraph III above, constitutes cause for the suspension or revocation of all licenses and license rights of Respondent under the Real Estate Law under Section 10177(f) of the Business and Professions Code of the State of California.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof a decision be rendered imposing disciplinary action against all licenses and license rights of Respondent, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other provisions of law.


J. CHRIS GRAVES
Deputy Real Estate Commissioner

Dated at San Diego, California,
this 6th day of July, 2001

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUL 03 2001

DEPARTMENT OF REAL ESTATE

By Shelly Ely

In the Matter of the Accusation of

CONSOLIDATED HOME LOANS

} Case No. H-2642 SD

} OAH No.

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 TUESDAY--DECEMBER 18, 2001, 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: JULY 3, 2001

By Larry C. Beaver
JAMES L. BEAVER, Counsel

1 MICHAEL B. RICH, Counsel
2 State Bar No. 84257
3 Department of Real Estate
4 P. O. Box 187000
5 Sacramento, CA 95818-7000
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7 Telephone: (916) 227-0789

FILED
JUN 15 2001

DEPARTMENT OF REAL ESTATE

By Shelly Ely

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
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13 Respondent.) ACCUSATION
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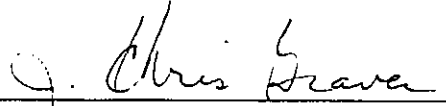
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2 On or about August 2, 2000, the Department of Financial
3 Institutions of the State of Indiana ordered that the license of
4 Respondent to conduct consumer credit transactions in that state
5 be revoked for violation of Section IC 24-4.5-6-106 of the
6 Indiana Uniform Consumer Credit Code (Failure to Provide Records
7 and Books for Examination and Audit).

8 IV

9 The revocation of Respondent's license to conduct
10 consumer credit transactions in the State of Indiana, as
11 described in Paragraph III above, constitutes cause for the
12 suspension or revocation of all licenses and license rights of
13 Respondent under the Real Estate Law under Sections 490 and
14 10177(f) of the Business and Professions Code of the State of
15 California. ,

16 WHEREFORE, Complainant prays that a hearing be
17 conducted on the allegations of this Accusation and that upon
18 proof thereof a decision be rendered imposing disciplinary action
19 against all licenses and license rights of Respondent, under the
20 Real Estate Law (Part 1 of Division 4 of the Business and
21 Professions Code) and for such other and further relief as may be
22 proper under other provisions of law.

23
24 
25 J. CHRIS GRAVES
Deputy Real Estate Commissioner

26 Dated at San Diego, California,
27 this 29th day of May, 2001