

1 Department of Real Estate
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FILED
JUL 12 2001

DEPARTMENT OF REAL ESTATE

By *Muriel L. Jan*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 TO:

12 CREST SERVICES, INC.,
13 a California Corporation,
14 and JOHN DANIEL DALLENBACH,

) No. H-2652 SD
)
)

) ORDER TO DESIST AND REFRAIN
) (B&P Code Section 10086)
)
)

15 The Real Estate Commissioner of the State of
16 California (hereinafter "Commissioner") has determined from
17 evidence available to the Department of Real Estate (hereinafter
18 "the Department") that you, CREST SERVICES, INC. (hereinafter
19 "CSI"), and you, DANIEL JOHN DALLENBACH (hereinafter
20 "DALLENBACH"), while engaged in activities which require a real
21 estate broker license under the provisions of Sections 10131(b),
22 10131(d) and 10131(e) of the California Business and Professions
23 Code (hereinafter "the Code"), violated Sections 10145,
24 10161.8(a), and 10236.4 of the Code and Sections 2715, 2832(a)
25 and 2834(b) of Chapter 6, Title 10, California Code of
26 Regulations (hereinafter "the Regulations"), and that you,
27 DALLENBACH, while acting as the designated officer-broker of

1 CSI, violated Sections 10177(g) and 10177(h) of the Code in
2 conjunction with Section 10159.2 of the Code.

3 I

4 At all times herein mentioned, you, CSI, were and now
5 are licensed by the Department of Real Estate of the State of
6 California (hereinafter "the Department") as a corporate real
7 estate broker by and through you, DALLENBACH, as designated
8 officer-broker of CSI to qualify said corporation and to act for
9 said corporation as a real estate broker.

10 II

11 At all times herein mentioned, you, DALLENBACH, were
12 licensed by the Department as a real estate broker, individually
13 and as designated officer-broker of CSI. As said designated
14 officer-broker, you, DALLENBACH, were at all times mentioned
15 herein responsible pursuant to Section 10159.2 of the Code for
16 the supervision of the activities of the officers, agents, real
17 estate licensees and employees of CSI for which a license is
18 required.

19 III

20 At all times herein mentioned, you, and each of you,
21 engaged in the business of, acted in the capacity of,
22 advertised, or assumed to act as real estate brokers within the
23 State of California within the meaning of Sections 10131(b),
24 10131(d) and 10131(e) of the Code, including:

25 (a) The operation and conduct of a property
26 management business with the public wherein, on behalf of
27 others, for compensation or in expectation of compensation, you

1 leased or rented and offered to lease or rent, and placed for
2 rent, and solicited listings of places for rent, and solicited
3 for prospective tenants of real property or improvements
4 thereon, and collected rents from real property or improvements
5 thereon; and

6 (b) The operation and conduct of a mortgage loan
7 brokerage business with the public wherein, on behalf of others,
8 for compensation or in expectation of compensation, you
9 solicited lenders and borrowers for loans secured directly or
10 collaterally by liens on real property, wherein you arranged,
11 negotiated, processed, and consummated such loans, wherein you
12 serviced and collected payments on such loans, and wherein you
13 conducted the escrows consummating such loans.

14 IV

15 In so acting as a real estate broker, as described in
16 Paragraph III, above, you accepted or received funds entrusted
17 to CSI (hereinafter "trust funds") from or on behalf of owners,
18 tenants, lenders or investors, borrowers, and others in
19 connection with CSI's property management, mortgage loan
20 brokerage and escrow handling activities, and thereafter from
21 time to time made disbursements of said funds.

22 V

23 The aforesaid trust funds entrusted to CSI accepted or
24 received by you, were deposited or caused to be deposited by you
25 into one or more bank accounts (hereinafter "trust fund
26 accounts") maintained by you for the handling of trust funds,
27 including but not necessarily limited to:

1 (a) The "Crest Services, Inc. Trust Account", account
2 number 0304568401, maintained by you at the San Diego,
3 California, branch of Grossmont Bank (hereinafter "T/A #1"); and

4 (b) The "Crest Services, Inc. Valley View Properties"
5 account, account number 0304571401, maintained by you at the San
6 Diego, California, branch of California Bank Trust (hereinafter
7 "T/A #2").

8 VI

9 Between on or about February 1, 1998 and on or about
10 January 31, 2001, in connection with the collection and
11 disbursement of said trust funds, you:

12 (a) Failed to place trust funds entrusted to CSI into
13 the hands of a principal on whose behalf the funds were
14 received, into a neutral escrow depository, or into a trust fund
15 account in the name of CSI as trustee at a bank or other
16 financial institution, in conformance with the requirements of
17 Section 10145 of the Code and Section 2832(a) of the
18 Regulations, in that you placed such funds in T/A #2, an account
19 that was not in the name of CSI as trustee; and

20 (b) Authorized Daniel Smith, a person who is not one
21 of the persons described in paragraphs (1), (2) or (3) of
22 subdivision (a) of Section 2834 of the Regulations, to make
23 disbursements from T/A #1 and T/A #2, in violation of Section
24 2834(b) of the Regulations.

25 VII

26 Between on or about February 1, 1998 and on or about
27 January 31, 2001, in course of the property management, mortgage

1 loan brokerage and escrow handling activities described above,
2 you:

3 (a) Changed the location and address of the principal
4 place of business of CSI from 6070 Mission Gorge Road #4, San
5 Diego, California, to 6136 Mission Gorge Road #230, San Diego,
6 California, without notifying the Real Estate Commissioner
7 thereof within one business day following the change, in
8 violation of Section 2715 of the Regulations; and

9 (b) Failed to immediately notify the Real Estate
10 Commissioner in writing when three real estate salespersons,
11 Melvin Rex Thompson, Tanya M. Hopson, and Janet Y. Ballard -
12 Richardson, entered the employ of CSI, in violation of Section
13 10161.8(a) of the Code.

14 VIII

15 Between on or about February 1, 1998 and on or about
16 January 31, 2001, in course of the mortgage loan brokerage and
17 escrow handling activities described above, you failed to
18 include the Department's license information telephone number in
19 disclosures required by Sections 10232.4 and 10240 of the Code,
20 in violation of Section 10236.4 of the Code.

21 IX

22 You, DALLENBACH, failed to exercise reasonable
23 supervision over the acts of CSI in such a manner as to allow
24 the acts and events described in Paragraphs VI through VIII,
25 inclusive, above, to occur.

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XI

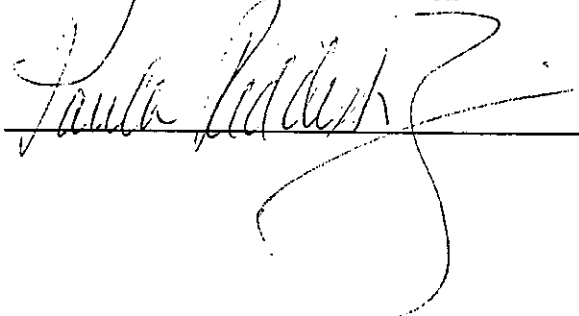
By virtue of the acts and/or omissions set out above, you, and each of you, have subjected yourself to discipline for violating Sections 10145, 10161.8(a), and 10236.4 of the Code and Sections 2715, 2832(a) and 2834(b) of the Regulations, and you, DALLENBACH, have subjected yourself to discipline pursuant to the provisions of Sections 10177(g) and 10177(h) of the Code in conjunction with Section 10159.2 of the Code.

NOW, THEREFORE, YOU, CSI AND DALLENBACH, AND YOUR AGENTS AND EMPLOYEES, ARE HEREBY ORDERED TO DESIST AND REFRAIN from performing any activities for which a real estate license is required under Sections 10131(a), 10131(d) or 10131(e) of the Code unless you comply with Sections 10145, 10161.8(a), and 10236.4 of the Code and Sections 2715, 2832(a) and 2834(b) of the Regulations;

AND YOU, DALLENBACH, ARE HEREBY ORDERED TO DESIST AND REFRAIN from acting as the designated officer-broker of CSI unless you comply with Sections 10177(g) and 10177(h) of the Code with respect to the activities of CSI for which a real estate license is required.

DATED: June 29, 2001

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



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1 cc: JOHN DANIEL DALLENBACH
2 CREST SERVICES, INC.
3 6070 Mission Gorge Road, #4
4 San Diego, CA 92120

5 JOHN DANIEL DALLENBACH
6 CREST SERVICES, INC.
7 6136 Mission Gorge Road, #230
8 San Diego, CA 92120
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