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FILED

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BUREAU OF REAL ESTATE

By *@Selorio*

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Application of) NoH-04800 SD
12 CHRISTOPHER E. MARX,)
13) STATEMENT OF ISSUES
14 Respondent.) Real Estate Salesperson
15) Application
16)

17 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
18 State of California, for cause of Statement of Issues against CHRISTOPHER E. MARX, a.k.a.
19 Chris E. Marx or Christopher Ellis Marx, ("Respondent") is informed and alleges as follows:
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21 1.

22 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
23 State of California, makes this Statement of Issues against Respondent in her official capacity.

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28 CalBRE Statement of Issues – Christopher E. Marx

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REAL ESTATE SALESPERSON LICENSE APPLICATIONS

2.

On or about July 27, 2015, Respondent submitted an application ("first application") to the Bureau of Real Estate for real estate salesperson license. On or about September 8, 2015, Respondent submitted another real estate salesperson license application ("second application") to the Bureau of Real Estate.

CAUSE FOR LICENSE DENIAL

(LICENSE DISCIPLINE BY OTHER GOVERNMENT AGENCIES)

3.

State of Arizona Department of Insurance

On or about March 13, 2007, the State of Arizona Department of Insurance ("ADI"), in a Consent Order in Case No. 07A-060-INS, revoked Respondent's ADI license for violation of Arizona Revised Statutes ("A.R.S.") §20-295(A)(8) (demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in the state or elsewhere), based on a November 14, 2006 Order to Cease and Desist ("Order") issued by the Arizona Corporation Commission Securities Division ("ACCS") in Docket No. S-20476A-06-0557/ Decision Nos. 69126 and 69124 against Respondent and his Arizona corporation, Easy Street Financial Group Inc. ("ESFGI"), respectively, for violation of securities fraud by selling unregistered securities and for not being registered as a salesman.

4.

State of Arizona Department of Real Estate

On or about May 13, 2013, the State of Arizona Department of Real Estate ("ADRE"), in a Consent Order in Case No. 13F-DI-246, denied Respondent's application for a plenary ADRE real estate salesperson license, but issued Respondent a two-year provisional real estate salesperson with a real estate practice monitor license. The ADRE's Consent Order found

1 grounds for denial of Respondent's ADRE real estate salesperson license based on the ACCSD's
2 November 14, 2006 Order to Cease and Desist, pursuant to A.R.S. §§32-2153(A)(3)(disregard or
3 violation of the commissioner's rules), (B)(3)(substantial misrepresentation), (B)(5)(guilty of
4 fraud or dishonest dealing), (B)(7)(not shown as an applicant to be of good character), and
5 (B)(10)(violated any federal or state law, regulation or rule that relates to real estate or
6 securities).

8 5.

9 The acts resulting in the foregoing actions taken with respect to Respondent's
10 ADI and ADRE licenses, as alleged herein above in Paragraphs 3 and 4, respectively, constitute
11 cause for the denial of a license to Respondent under Business and Professions Code Section
12 10177(f).

13 AGGRAVATION

14 (ORDERS TO CEASE AND DESIST)

15 6.

16 State of Arizona Department of Insurance

17 On or about November 14, 2006, in Docket No. S-20476A-06-0557/ Decision
18 Nos. 69126 and 69124, and pursuant to A.R.S. §§44-2032 and 44-2036 , the ACCSD issued an
19 Order to Cease and Desist against Respondent and his corporation, ESFGI, respectively, for
20 violations of the Securities Act of Arizona, A.R.S. §44-1801 *et seq.* ("Securities Act"),
21 including:
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- 23 - A.R.S. §§44-1801(15), 44-1801(21), and 44-1801(26) (offering or selling
24 securities within or from Arizona);
- 25 - A.R.S. §44-1841 (offering or selling securities that were neither registered nor
26 exempt from registration);
- 27 - A.R.S. §44-1842 (offering or selling securities while not registered as a
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1 salesman nor exempt from registration); and

- 2 - §44-1991 ((a) employing a device, scheme or artifice to defraud, (b) making
3 untrue statements or misleading omissions of material facts, and (c) engaging
4 in transactions, practices or courses of business which operate or would
5 operate as a fraud or deceit.
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7 Respondent was ordered to, pursuant to A.R.S. §44-2032: (1) cease and desist from violating the
8 Securities Act; (2) not sell any securities in or from Arizona without being registered in Arizona
9 as a dealer or salesmen, or exempt from such registration; (3) not sell securities in or from
10 Arizona unless the securities are registered in Arizona or exempt from registration; (4) comply
11 with the Consent to Entry of Order; (5) pay restitution to the ACCSD in the amount \$590,428.71
12 on the date of the Order for the ACCSD, with an interest accrual rate of ten percent (10%) per
13 annum for any amount not paid on the date of the Order; and (6) pursuant to A.R.S. §44-2036,
14 pay an administrative penalty in the amount of \$50,000.00, with an interest accrual rate of 10%
15 per annum for any amount not paid on the date of the Order.
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17 7.

18 State of Nevada Department of Insurance

19 On or about September 21, 2004, in File No. I03-054, the Nevada Secretary of
20 State ("NSOS") issued a Summary Order to Cease and Desist against Respondent and his
21 Nevada corporation, ESFGI, for violations including:

- 22 - Nevada Revised Statutes ("N.R.S."), §90.460 (offering and/or selling and/or
23 allowing to the offer and/or sale of securities not registered to be sold in or from
24 the State of Nevada);
25 - N.R.S. §§90.310 and 90.330 (ESFGI is not licensed in Nevada as either a
26 broker-dealer or an investment advisor); and
27 - N.R.S. §§90.310 (1) and (2) and 90.310(1) and (2) (unlicensed representatives
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1 of ESFGI hired or contracted with and/or engaged unlicensed sales
2 representatives and/or unlicensed representatives of investment advisers).
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4 On or about December 1, 2004, pursuant to the November 22, 2004 Consent Agreement signed
5 by Respondent and the NSOS Administrator, the NSOS issued a Permanent Order to Cease and
6 Desist in File No. I03-054.

7 (CRIMINAL CONVICTION)

8 8.

9 State of Arizona, City of Phoenix Case No. 2563840

10 On or about March 6, 2002, in the Superior Court of the State of Arizona, City of
11 Phoenix, in Case No. 2563840, Respondent pled guilty to and was convicted for violation of 28-
12 1381A1 (driving under the influence).

13 9.

14 These proceedings are brought under the provisions of Section 10100, Division 4
15 of the Business and Professions Code of the State of California and sections 11500 through
16 11528 of the California Government Code.

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1 WHEREFORE, the Complainant prays that the above-entitled matter be set for
2 hearing and, upon proof of the charges contained herein, that the Commissioner refuse to
3 authorize the issuance of, and deny the issuance of, a real estate salesperson license to
4 Respondent, CHRISTOPHER E. MARX, and for such other and further relief as may be proper
5 under other applicable provisions of law.
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7 Dated at San Diego, California

8 this 26 day of May, 2016.
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10 
11 Veronica Kilpatrick
12 Supervising Special Investigator
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15 cc: Christopher E. Marx
16 San Diego Smart Sale, Inc.
17 Veronica Kilpatrick
18 Sacto.
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