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FILED
AUG 03 1993

DEPARTMENT OF REAL ESTATE

By Victoria Dillon
Victoria Dillon

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-6789 SF
12	CALIFORNIA MORTGAGE FINANCIAL)	FIRST AMENDMENT
13	SERVICES, INC.,)	TO
14	DAVID ALAN MORGENSEN and)	<u>ACCUSATION</u>
15	JAMES ARTHUR CAMPAGNA,)	
	Respondents.)	

16 The Accusation filed in this matter on September 23,
17 1992 as it relates to Respondent JAMES ARTHUR CAMPAGNA only is
18 hereby amended as follows.

19 The Complainant, Edward V. Chiolo, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against CALIFORNIA MORTGAGE FINANCIAL SERVICES, INC., DAVID ALAN
22 MORGENSEN and JAMES ARTHUR CAMPAGNA (hereafter Respondents), is
23 informed and alleges as follows:

24 . I

25 Respondents CALIFORNIA MORTGAGE FINANCIAL SERVICES, INC.

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27

1 (hereafter CMFS), DAVID ALAN MORGENSEN (hereafter MORGENSEN) and
2 JAMES ARTHUR CAMPAGNA (hereafter CAMPAGNA) are presently licensed
3 and/or have license rights under the Real Estate Law, Part 1 of
4 Division 4 of the Business and Professions Code (hereafter the
5 Code).

6 II

7 The Complainant, Edward V. Chiolo, a Deputy Real Estate
8 Commissioner of the State of California, makes this Accusation
9 against Respondents in his official capacity and not otherwise.

10 III

11 Respondent CMFS was and is licensed by the Department of
12 Real Estate of the State of California (hereafter Department) as a
13 corporate real estate broker, and was so licensed by and through
14 MORGENSEN as its designated broker officer from December 8, 1989
15 through February 10, 1992. CMFS was licensed through CAMPAGNA
16 from September 26, 1989 through December 7, 1989.

17 IV

18 Respondent MORGENSEN was and is licensed by the
19 Department as an individual real estate broker. Respondent was
20 also licensed as the designated broker officer of CMFS from
21 December 8, 1989 through February 10, 1992.

22 V

23 Respondent CAMPAGNA was and is licensed by the
24 Department as an individual real estate broker. He was also
25 licensed as the designated officer of CMFS from September 26, 1989
26 through December 7, 1989.

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VI

1 At all times herein mentioned, CMFS engaged in the
2 business of, acted in the capacity of, advertised and assumed to
3 act as a real estate broker within the State of California,
4 including the operation and conduct of a mortgage loan brokerage
5 business with the public wherein lenders and borrowers were
6 solicited for loans secured directly or collaterally by liens on
7 real property, and such loans were arranged, negotiated, processed
8 and consummated on behalf of others, for or in expectation of
9 compensation.

VII

11 In October 1991 an audit was done by the Department on
12 the books and records of CMFS (the audit). The following facts
13 were ascertained by the audit for the period of November 1, 1989
14 through January 31, 1990:

15 a. Between November 1, 1989, and January 31, 1990, CMFS
16 collected processing fees in advance from at least one hundred
17 borrowers. Prior to collecting such advance fees, as that term is
18 defined in Section 10026 of the Code, Respondents did not request
19 and receive the Department's approval of Respondents' written
20 advance fee agreement, as required by Section 2970 of the
21 Regulations.

VIII

23 CAMPAGNA was the designated officer of CMFS from
24 September 26, 1989 through December 7, 1989 and was responsible
25 under Section 10159.2 of the Code for the supervision and control
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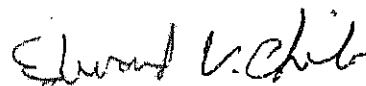
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1 of the activities conducted by the corporation, its officers and
2 employees to secure full compliance with the Real Estate Law
3 during that period. CAMPAGNA was negligent or incompetent in the
4 performance of the above responsibilities, and/or failed to
5 exercise reasonable supervision and control of the activities of
6 the company, in that he knew or should have known all of the facts
7 alleged above which occurred during that period and could and
8 should have taken steps to assure CMFS's compliance.

9 IX

10 The acts and/or omissions of Respondent CAMPAGNA as
11 alleged in Paragraphs V through VIII above violate Section 2970 of
12 the Regulations and constitute grounds for disciplinary action
13 under the provisions of Section 10177(d) of the Code.

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

21 

22 EDWARD V. CHIOLO
23 Deputy Real Estate Commissioner

24 Dated at San Francisco, California

25 this 3RD day of August, 1993.