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FILED
MAR 21 2002

DEPARTMENT OF REAL ESTATE

By *Kathleen Contreras*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
DARRELL CLARK HUNTER,)	NO. H-7965 SF
Respondent.)	OAH NO. N 2001070279

DECISION AFTER REJECTION

A hearing was held in the above-referenced matter on October 10, 2001, before the Office of Administrative Hearings at Oakland, California.

Complainant was represented by Larry A. Alamao, Assistant Chief Counsel, Department of Real Estate.

Respondent was present at the hearing and represented himself.

In a Proposed Decision dated October 24, 2001, the Administrative Law Judge recommended the revocation of Respondent's real estate broker license and the granting of a right to obtain a restricted real estate salesperson license upon terms and conditions. On November 15, 2001, I declined to adopt

1 the Proposed Decision. Pursuant to Section 11517(c) of the
2 Government Code of the State of California, Respondent was served
3 with notice of my determination not to adopt the Proposed
4 Decision of the Administrative Law Judge along with a copy of
5 said Proposed Decision. Respondent was notified that the case
6 would be decided by me upon the record, the transcript of
7 proceedings held on October 10, 2001, and upon any written
8 argument offered by Respondent and Complainant.

9 Complainant has submitted written argument but
10 Respondent has not submitted written argument.

11 I have given careful consideration to the record in
12 this case including the transcript of proceedings held on
13 October 10, 2001, and the written argument from Complainant.

14 The following shall constitute the Decision of the Real
15 Estate Commissioner in this proceeding:

16
17 FACTUAL FINDINGS

18 1. Complainant Les R. Bettencourt, a Deputy Real
19 Estate Commissioner of the State of California, made the
20 Accusation in his official capacity.

21 2. On August 21, 2000, in the Superior Court of
22 California, County of Santa Clara, a final judgment was rendered
23 against Respondent in a civil action entitled Ronald G. Hiatt v.
24 Darrell C. Hunter, et al. That judgment found that Respondent,
25 acting in his capacity as a real estate licensee, had acted
26 fraudulently toward Hiatt by taking money from him through false
27 pretenses and false representations.

1 3. In about 1997, in his capacity as a real estate
2 licensee, Respondent arranged a hard money loan by which Ronald
3 Hiatt loaned \$15,000.00 to Man Reynolds. Respondent managed the
4 loan, receiving interest payments from Reynolds on Hiatt's
5 behalf. In May 1999, Reynolds made an early payoff of the loan.
6 Respondent did not advise Hiatt that the loan had been paid.
7 Instead of turning the principal over to Hiatt, Respondent
8 "rolled over" the funds he received from Reynolds into a new loan
9 to himself. Respondent admits he did this in part because he
10 earned points on this new loan. Respondent continued to make
11 interest payments to Hiatt as if Reynolds were still making
12 payments on the loan. When Hiatt learned that the loan had been
13 paid off, he demanded full payment from Respondent. Respondent
14 was unable to pay. Hiatt refused Respondent's offers to resolve
15 the situation through a payment plan and Hiatt filed suit in
16 March 2000.

17 4. Respondent allowed a default to be taken against
18 him in the civil suit. Finding that Respondent had "admitted in
19 writing that he took the funds and used them for his own
20 purposes," the court entered judgment against Respondent in the
21 amount of \$31,948.14. This included the \$15,000.00 principal on
22 the loan, \$1,948.14 in interest, and punitive damages of
23 \$15,000.00.

24 5. Hiatt subsequently agreed to accept a lesser amount
25 in payment of the judgment. Respondent paid him between
26 \$24,000.00 and \$25,000.00. The final payment, of \$21,000.00, was
27 made on September 14, 2001. It came from the proceeds of the

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2. Respondent offered no explanation for his fraudulent actions other than to explain that he was under financial and personal pressures. While he did not seek to excuse his actions, he seemed not to truly accept responsibility for them. Although it may be true that Respondent has satisfied thousands of clients during his career as a mortgage broker, it is certainly true that he defrauded one. Respondent did not present satisfactory evidence to show that, if again faced with financial and/or personal pressures, he would not again defraud a client. It is determined that protection of the public interest demands revocation of Respondent's broker license.

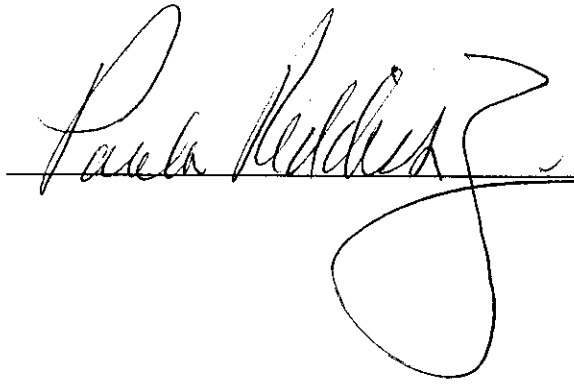
ORDER

All licenses and licensing rights of Respondent Darrell Clark Hunter under the Real Estate Law are revoked.

This Decision shall become effective at 12 o'clock noon on April 10, 2002.

IT IS SO ORDERED March 11, 2002.

PAULA REDDISH ZINNEMAN
Real Estate Commissioner



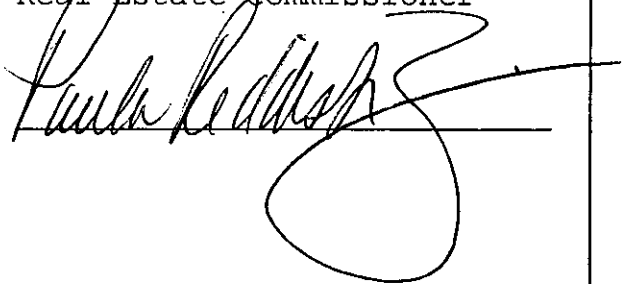
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Written argument of Respondent to be considered by me must be submitted within 15 days after receipt of the transcript of the proceedings of October 10, 2001, at the Sacramento office of the Department of Real Estate unless an extension of the time is granted for good cause shown.

Written argument of Complainant to be considered by me must be submitted within 15 days after receipt of the argument of Respondent at the Sacramento office of the Department of Real Estate unless an extension of the time is granted for good cause shown.

DATED: November 15, 2001

PAULA REDDISH ZINNE MANN
Real Estate Commissioner



BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of:

DARRELL CLARK HUNTER,

Respondent.

Case No. H-7965 SF

OAH No. N2001070279

PROPOSED DECISION

This matter was heard before Michael C. Cohn, Administrative Law Judge, State of California, Office of Administrative Hearings, in Oakland, California on October 10, 2001.

Complainant Les R. Bettencourt, Deputy Real Estate Commissioner, State of California was represented by Larry A. Alamao, Assistant Chief Counsel, Department of Real Estate.

Respondent Darrell Clark Hunter represented himself.

The matter was submitted on October 10, 2001.

FACTUAL FINDINGS

1. Darrell Clark Hunter (respondent) is presently licensed and has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) as a real estate broker. Respondent's license is scheduled to expire on February 13, 2004.

2. On August 21, 2000, in the Superior Court of California, County of Santa Clara, a final judgment was rendered against respondent in a civil action entitled Ronald G. Hiatt v. Darrell C. Hunter, et al. That judgment found that respondent, acting in his capacity as a real estate licensee, had acted fraudulently toward Hiatt by taking money from him through false pretenses and false representations.

3. In about 1997, in his capacity as a real estate licensee, respondent arranged a hard money loan by which Ronald Hiatt loaned \$15,000 to Mari Reynolds. Respondent managed the loan, receiving interest payments from Reynolds on Hiatt's behalf. In May 1999, Reynolds made an early payoff of the loan. Respondent did not advise Hiatt that the loan had been paid. Instead of turning the principal over to Hiatt, respondent rolled over the funds he received from Reynolds into a new loan to himself. Respondent admits he did this in part because he earned points on this new loan. Respondent continued to make interest payments to Hiatt as if Reynolds were still making payments on the loan. When Hiatt

learned that the loan had been paid off, he demanded full payment from respondent. Respondent was unable to pay. Hiatt refused respondent's offers to resolve the situation through a payment plan and Hiatt filed suit in March 2000.

4. Respondent allowed a default to be taken against him in the civil suit. Finding that respondent had "admitted in writing that he took the funds and used them for his own purposes," the court entered judgment against respondent in the amount of \$31,948.14. This included the \$15,000 principal on the loan, \$1,948.14 in interest and punitive damages of \$15,000.

5. Hiatt subsequently agreed to accept a lesser amount in payment of the judgment. Respondent paid him between \$24,000 and \$25,000. The final payment, of \$21,000, was made on September 14, 2001. It came from the proceeds of the sale of respondent's residence and cleared a lien that had been placed on the property.

6. Respondent was first licensed as a real estate salesperson in 1977 and as a broker in 1991, doing business as Hunter Investment Group. He is the sole employee of that entity, which is engaged in the business of a mortgage broker. Respondent's business consists primarily of arranging refinance loans. He also occasionally handles residential sales transactions for friends. While in the past he also occasionally arranged hard money loans, respondent no longer does so. At the present time, respondent handles one or two refinances a month.

7. Respondent admits he was wrong in keeping the funds due Hiatt. He asserts he "wasn't thinking correctly" at the time, in part because he was under financial pressures and in part because his father was very ill. He maintains that he has satisfied "thousands" of clients and that this situation was just due to an "unfortunate set of circumstances."

LEGAL CONCLUSIONS

1. Business and Professions Code section 10177.5 provides that a real estate licensee is subject to discipline when a final judgment is obtained in a civil action against him upon grounds of fraud, misrepresentation or deceit with reference to any transaction for which a real estate license is required. Based upon the matters set forth in Finding 2, cause for discipline of respondent's license exists pursuant to section 10177.5.

2. Respondent offered no explanation for his fraudulent actions other than to explain that he was under financial and personal pressures. While he did not seek to excuse his actions, he seemed not to truly accept responsibility for them. Although it may be true that respondent has satisfied thousands of clients during his career as a mortgage broker, it is certainly true that he defrauded one. Respondent did not present satisfactory evidence to show that, if again faced with financial and/or personal pressures, he would not again defraud a client. It is determined that protection of the public interest demands revocation of respondent's broker license. However, it would not be against the public interest to permit

respondent to hold a restricted real estate salesperson license, which would ensure that his activities as a real estate licensee be supervised by a qualified broker.

ORDER

All licenses and licensing rights of respondent Darrell Clark Hunter under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to respondent pursuant to section 10156.5 of the Business and Professions Code if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to respondent shall be subject to all of the provisions of section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of section 10156.6 of that Code:

1. The restricted license issued to respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of respondent's conviction or plea of nolo contendere to a crime which is substantially related to respondent's fitness or capacity as a real estate licensee.
2. The restricted license issued to respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.
3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license not for the removal of any of the conditions, limitations or restrictions of a restricted license until two (2) have elapsed from the effective date of this Decision.
4. Respondent shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Department of Real Estate which shall certify:
 - (a) That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and
 - (b) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.
5. Respondent shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that respondent

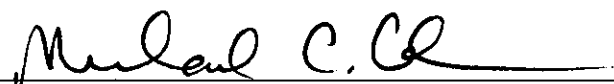
NOT ADAPTED

NOT RECORDED



has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until respondent presents such evidence. The Commissioner shall afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

DATED: October 24, 2007



MICHAEL C. COHN
Administrative Law Judge
Office of Administrative Hearings

FILED
JUL 13 2001

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

By Shelly Ely

In the Matter of the Accusation of

DARRELL CLARK HUNTER

}
}

Case No. H-7965 SF

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, ELIHU M. HARRIS BUILDING, 1515 CLAY STREET, SUITE 206, OAKLAND, CALIFORNIA 94612 on WEDNESDAY--OCTOBER 10, 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 13, 2001

By Deidre L. Johnson
DEIDRE L. JOHNSON, 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
6
7 Telephone: (916) 227-0789

FILED
JUN 19 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)
12 DARRELL CLARK HUNTER,) NO. H- 7965 SF
13 Respondent.) ACCUSATION

14 The Complainant; LES R. BETTENCOURT, a Deputy Real
15 Estate Commissioner of the State of California, for cause of
16 Accusation against DARRELL CLARK HUNTER (hereinafter
17 "Respondent"), is informed and alleges as follows:

18 I

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

23 II

24 The Complainant, LES R. BETTENCOURT, a Deputy Real
25 Estate Commissioner of the State of California, makes this
26 Accusation against Respondent in his official capacity and not
27 otherwise.

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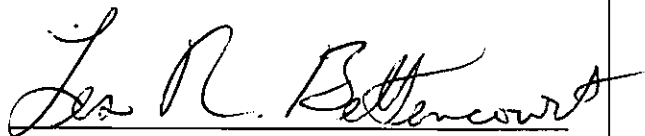
III

On or about August 21, 2000, in the Superior Court, County of Santa Clara, State of California, in Case No. DC00 391404, a final judgment was entered against Respondent based on grounds of fraud, misrepresentation, or deceit with reference to a transaction for which a real estate license is required.

IV

The facts set forth in Paragraph III, above, constitute cause under Section 10177.5 of the Code for the suspension or revocation of all licenses and license rights of Respondent under the Real Estate Law.

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.


LES R. BETTENCOURT
Deputy Real Estate Commissioner

Dated at Oakland, California,
this 29th day of May, 2001