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FILED
DEC 14 2001

DEPARTMENT OF REAL ESTATE

By *Kathleen Contreras*

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
IMF LOANS, INC., and)
BRUCE EDWARD EISENBERG,) NO. H-7972 SF
)
Respondents.)
)

ORDER ACCEPTING VOLUNTARY SURRENDER
OF BRUCE EDWARD EISENBERG

On June 28, 2001, an Accusation was filed in this matter against Respondent BRUCE EDWARD EISENBERG.

By Declaration signed September 7, 2001, BRUCE EDWARD EISENBERG petitioned the Commissioner to voluntarily surrender his real estate license(s) pursuant to Section 10100.2 of the Business and Professions Code.

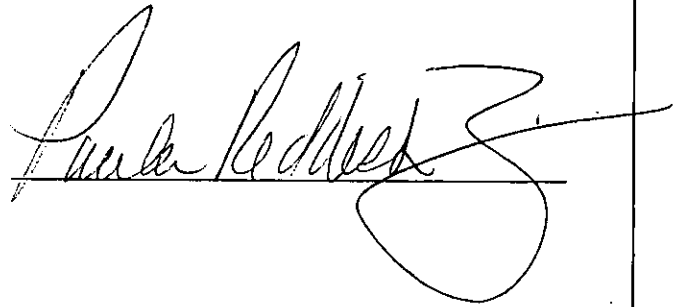
IT IS HEREBY ORDERED that the petition of BRUCE EDWARD EISENBERG for the voluntary surrender of his real estate license(s) is accepted as of the effective date of this Order

1 as set forth below, based upon the understanding and agreement
2 expressed in the Declaration of BRUCE EDWARD EISENBERG dated
3 September 7, 2001 (attached hereto as Exhibit "A").

4 This Order shall become effective at 12 o'clock noon
5 on January 3, 2002.

6 DATED: November 6, 2001
7

8 PAULA REDDISH ZINNEMANN
9 Real Estate Commissioner

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

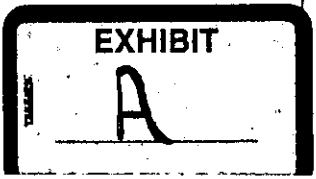
* * *

In the Matter of the Accusation of) No. H-7972 SF
IMF LOANS, INC., and)
BRUCE EDWARD EISENBERG,)
Respondents.)

DECLARATION

My name is BRUCE EDWARD EISENBERG. I am currently licensed as a real estate broker, and as a designated broker officer, and/or have license rights with respect to said license(s). I am represented by Stevan C. Adelman, Attorney at Law. I am one of the Respondents in the above-entitled matter and make this petition solely on my own behalf, and not on behalf of the corporation IMF LOANS, INC.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Business and Professions Code) I wish to



1 voluntarily surrender my real estate license(s) issued by the
2 Department of Real Estate ("Department"), pursuant to Business
3 and Professions Code Section 10100.2.

4 I understand that, by so voluntarily surrendering my
5 license(s), it can only be reinstated in accordance with the
6 provisions of Section 11522 of the Government Code. I also
7 understand that by so voluntarily surrendering my license(s), I
8 agree to the following:

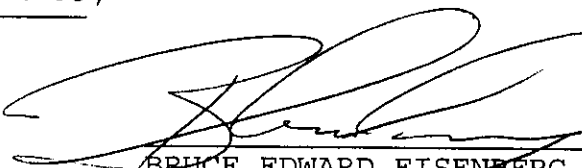
9 The filing of this Declaration shall be deemed as my
10 petition for voluntary surrender. It shall also be deemed to be
11 an understanding and agreement by me that I waive all rights I
12 have to require the Commissioner to prove the allegations
13 contained in the Accusation filed in this matter at a hearing
14 held in accordance with the provisions of the Administrative
15 Procedures Act (Government Code Sections 11400 et seq.), and that
16 I also waive other rights afforded to me in connection with the
17 hearing such as the right to discovery, the right to present
18 evidence in defense of the allegations in the Accusation, and the
19 right to cross examine witnesses. I further agree that upon
20 acceptance by the Commissioner, as evidenced by an appropriate
21 order, all affidavits and all relevant evidence obtained by the
22 Department in this matter prior to the Commissioner's acceptance,
23 and all allegations contained in the Accusation filed in the
24 Department Case No. H-7972 SF may be considered by the Department
25 to be true and correct for the purpose of deciding whether or not
26 to grant reinstatement of my license pursuant to Government Code
27 Section 11522. In the interests of expedience and economy, I

1 choose not to contest the evidence and allegations, but to remain
2 silent, and my petition for voluntary surrender shall not be
3 construed to be an admission for any civil or criminal purpose.

4 I declare under penalty of perjury under the laws of
5 the State of California that the above is true and correct, and
6 that I freely and voluntarily surrender my license(s) and all
7 license rights attached thereto.

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DATED: September 7, 2001



BRUCE EDWARD EISENBERG
Respondent

APPROVED AS TO FORM:

DATED: September 7, 2001



STEVAN C. ADELMAN
Counsel for Respondent

FILED
AUG 15 2001

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

In the Matter of the Accusation of

IMF LOANS, INC., and
BRUCE EDWARD EISENBERG,

}

Case No. H-7972 SF

OAH No. N-2001080090

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, the Elihu Harris State

Building, 1515 Clay Street, Suite 206, Oakland, California 94612

on September 25, September 26 & September 27, 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: August 10, 2001

By Deidre L. Johnson
DEIDRE L. JOHNSON Counsel

1 DEIDRE L. JOHNSON, Counsel
2 State Bar No. 66322
3 Department of Real Estate
4 P. O. Box 187000
5 Sacramento, CA 95818-7000
6 Telephone: (916) 227-0789

FILED
JUN 28 2001

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

8 BEFORE THE
9 DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 IMF LOANS, INC., and) NO. H-7972 SF
14 BRUCE EDWARD EISENBERG,) ACCUSATION
15 Respondents.)

16 The Complainant, Steve Ellis, a Deputy Real Estate
17 Commissioner of the State of California, for causes of Accusation
18 against IMF LOANS, INC., and BRUCE EDWARD EISENBERG, is informed
19 and alleges as follows:

20 PRELIMINARY ALLEGATIONS

21 I

22 The Complainant, Steve Ellis, a Deputy Real Estate
23 Commissioner of the State of California, makes this Accusation
24 against Respondents in his official capacity and not otherwise.

25 II

26 Respondents IMF LOANS, INC., and BRUCE EDWARD EISENBERG
27 are presently licensed and/or have license rights under the Real

1 Estate Law, Part 1 of Division 4 of the California Business and
2 Professions Code (hereafter the Code).

3 III

4 At all times herein mentioned, Respondent IMF LOANS,
5 INC. (hereafter IMF) was and is licensed by the State of
6 California Department of Real Estate (hereafter Department)
7 as a real estate broker corporation.

8 IV

9 At all times herein mentioned, Respondent BRUCE EDWARD
10 EISENBERG (hereafter EISENBERG) was and is licensed by the
11 Department as a real estate broker, individually and doing
12 business as IRONMOUNTAIN FINANCIAL and/or IRON MOUNTAIN
13 FINANCIAL, and as the designated broker-officer of IMF. At all
14 times herein mentioned, EISENBERG was also the President of IMF,
15 but did not own any shares of the corporation. Hereafter, any
16 reference to "IMF" shall be deemed to refer to either the
17 corporation or to the fictitiously named business, or both.

18 V

19 At all times herein mentioned, Respondents IMF and
20 EISENBERG engaged in the business of, acted in the capacity of,
21 advertised or assumed to act as real estate brokers within the
22 State of California, including the operation and conduct of a
23 mortgage loan brokerage business with the public wherein lenders
24 and borrowers were solicited for loans secured directly or
25 collaterally by liens on real property, and wherein such loans
26 were arranged, negotiated, processed, consummated and/or serviced
27 on behalf of others, for or in expectation of compensation.

1 FIRST CAUSE OF ACTION

2 VI

3 In or about September of 1997, Respondents IMF and
4 EISENBERG were working with a builder, Kevin Hampton,
5 individually and/or doing business as L&A Enterprises (hereafter
6 Hampton), regarding the purchase, renovation, and sale of real
7 properties, including but not limited to real property located at
8 2847 McGee Avenue (hereafter McGee), Berkeley, California, and
9 solicited an investor, Gerald Geiselhart (Geiselhart).

10 VII

11 In or about September of 1997, Respondents IMF and
12 EISENBERG structured Geiselhart's investment with Hampton as a
13 sale of the McGee property from Hampton's prior investors and
14 owners of record title, Carl and Michelle Renowitzky (the
15 Renowitzkys), to Geiselhart. Respondents prepared transfer
16 documents for Geiselhart that included a Grant Deed of the McGee
17 property to him, and an All Inclusive Trust Deed (AITD) recorded
18 September 16, 1997, in the amount of \$105,000.00 in favor of the
19 Renowitzkys. The AITD wrapped around an existing purchase money
20 deed of trust dated April 24, 1997, in the amount of \$104,500.00
21 from the Renowitzkys to lender Beneficial California.

22 VIII

23 In or about September of 1997, Respondents IMF and
24 EISENBERG negotiated and arranged another loan ostensibly to
25 Geiselhart in the total sum of \$30,000.00, from investor Mark
26 Stiver (Stiver). Respondents expressly or impliedly represented
27 to Stiver that the loan would be evidenced by a promissory note

1 secured by a second deed of trust to the McGee property; and that
2 Geiselhart was the owner of the property who would pay the loan
3 when due.

4 IX

5 Respondents IMF and EISENBERG failed to prepare or
6 cause to be prepared a lender disclosure statement required by
7 Section 10232.4 of the Code, containing all information required
8 by Section 10232.5 of the Code; and/or failed to deliver or cause
9 delivery of the statement to investor Stiver as early as
10 practicable before Stiver became obligated to make the loan and
11 before Respondents received the loan funds from Stiver.

12 X

13 On or about September 9, 1997, in reliance on the
14 above representations, Stiver tendered the sum of \$30,000.00 to
15 Respondents IMF and EISENBERG from his retirement fund, and
16 executed escrow instructions. On or about September 16, 1997,
17 a third deed of trust in favor of Stiver in the amount of
18 \$30,000.00 was recorded against the McGee property.

19 XI

20 The above representations of Respondents IMF and
21 EISENBERG were false, and were known or should have been known to
22 be false at the times they were made, and/or were made with
23 reckless disregard for their truth or falsity. The true facts
24 then existing were that Hampton, individually or as L&A
25 Enterprises, was the true owner of the McGee property; that
26 Geiselhart was a "strawbuyer" or passive partner who had no
27 intentions of making any payments on Stiver's loan; and that the

1 security for the loan would be a third deed of trust instead of a
2 second deed of trust.

3 XII

4 In or about June of 1998, Respondents IMF and EISENBERG
5 represented to Stiver that the McGee property was being sold,
6 that there were insufficient funds to repay Stiver's loan, and
7 that the borrower requested that Stiver agree to remove his lien
8 and exchange his interest in the above note and deed of trust,
9 secured by McGee, for a new note and deed of trust in the sum of
10 \$35,600.00 on other property owned by the borrower, located at
11 1615 Beau Rivage (Beau Rivage), San Pablo. Stiver agreed on the
12 condition that he would receive an interest payment of \$3,000.00,
13 and a new note and deed of trust for the remaining principal and
14 interest due of \$35,600.00 to be secured by the Beau Rivage
15 property. In reliance on representations by IMF and EISENBERG
16 that the borrower agreed, Stiver executed escrow instructions on
17 or about June 30, 1998, to release his lien from the McGee
18 property. On or about July 1, 1998, escrow on the sale of the
19 McGee property closed, and Stiver received \$3,000.00.

20 XIII

21 Respondents IMF and EISENBERG expressly or impliedly
22 represented to Stiver, in the course of the above negotiations,
23 that Geiselhart was the owner of the Beau Rivage property; that
24 Geiselhart had sufficient equity in the property to secure
25 Stiver's loan; and that the exchange was a good and safe
26 investment for Stiver. Said representations were false and
27 untrue, and were known or should have been known by Respondents

1 to be false and untrue at the times they were made, and/or were
2 made with reckless disregard for their truth or falsity. The
3 true facts then existing were that Hampton, individually or as
4 L&A Enterprises, and another investor Mark Powell (Powell) were
5 the true owners of the Beau Rivage property; that Geiselhart had
6 no intentions of securing Stiver's loan with another piece of
7 property; and that Hampton and/or Powell did not consent to an
8 encumbrance of the Beau Rivage property in favor of Stiver.

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XIV

The true facts then existing were also that in or about
June of 1998, Hampton and Powell purchased the Beau Rivage
property, and that Respondents IMF and EISENBERG had negotiated
and arranged the financing for the purchase, in which Powell, as
purchaser of record, obtained a line-of-credit loan from
Beneficial California for renovation improvements to be completed
by Hampton. Escrow closed on the Beau Rivage purchase on or
about June 11, 1998, several weeks prior to Respondents' above
representations to Stiver.

XV

On or about March 10, 2000, Powell and Hampton sold the
Beau Rivage property free and clear from any lien in favor of
Stiver and no funds were paid to Stiver from the sale proceeds.
Respondents IMF and EISENBERG never recorded a deed of trust
against Beau Rivage for Stiver and failed to so inform him.

XVI

The acts and/or omissions of Respondents IMF and
EISENBERG as alleged above constitute grounds for disciplinary

1 action pursuant to the provisions of Sections 10176(a), 10176(c),
2 10176(i), and/or 10177(g) of the Code.

3 SECOND CAUSE OF ACTION

4 XVII

5 Beginning in about July of 2000, the Department
6 conducted an audit of the books and records of Respondent IMF for
7 the period from January 1, 1999, to July 31, 2000 (hereafter the
8 audit period). The results of the audit are set forth more
9 particularly in Audit No. OK99-0123, dated November 16, 2000, and
10 accompanying working papers and exhibits.

11 XVIII

12 During the audit period, Respondent IMF maintained
13 written loan servicing agreements with lenders and purchasers
14 which failed to contain all information required by Sections
15 10233 and 10229(j) of the Code, including but not limited to:

- 16 (a) A statement that payments received on the note and
17 deposited shall not be commingled with the assets of
18 Respondents as the servicing agent; and
19 (b) A statement that such payments would be transmitted to
20 the lenders or purchasers within twenty-five (25) days
21 after receipt thereof.

22 XIX

23 During the audit period, Respondent IMF failed to
24 prepare and deliver to borrowers, or cause to be delivered, a
25 written borrower disclosure statement as required by Section
26 10240 containing all of the information required by Section 10241
27 of the Code prior to the borrower becoming obligated to complete

1 the loan, and/or failed to retain timely executed copies of such
2 statements with the records of the company.

3 XX

4 The acts and/or omissions of Respondent IMF as alleged
5 above violate Sections 10233 and 10240 of the Code, and
6 constitute cause for disciplinary action under Section 10177(d)
7 of the Code.

8 THIRD CAUSE OF ACTION

9 XXI

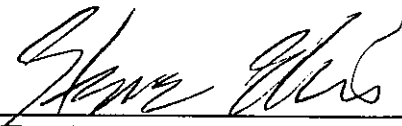
10 At all times above mentioned, EISENBERG was
11 responsible, as the officer designated by IMF, for the
12 supervision and control of the activities conducted on behalf of
13 the corporation by its officers and employees, and failed to so
14 exercise reasonable supervision and control. In particular,
15 EISENBERG permitted, ratified and/or caused some or all of the
16 conduct alleged in the Second Cause of Action above to occur,
17 and/or failed to take reasonable steps to oversee the daily
18 operations of IMF, including but not limited to the establishment
19 of policies, rules, procedures, and systems to review, oversee,
20 inspect and manage mortgage loan disclosure records and loan
21 servicing agreements, and systems to monitor compliance with the
22 above procedures to ensure compliance by the company with the
23 Real Estate Law.

24 XXII

25 The acts and/or omissions of EISENBERG as alleged above
26 constitute grounds for disciplinary action under the provisions
27 of Section 10177(h) of the Code.

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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 Respondents 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.


STEVE ELLIS
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 27th day of June, 2001.