

1 Department of Real Estate
2 P. O. Box 187007
3 Sacramento, CA 95818-7007

4 Telephone: (916) 227-0789

FILED
OCT -4 2007

DEPARTMENT OF REAL ESTATE

[Signature]

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of	) No. H-9906 SF
12 STRATEGIC LENDING CORPORATION	) <u>STIPULATION AND</u>
13 and BRUCE MICHAEL BLARDONY,	) <u>AGREEMENT IN</u>
14 Respondents.	) <u>SETTLEMENT AND ORDER</u>

15 It is hereby stipulated by and between STRATEGIC
16 LENDING CORPORATION (hereinafter "Respondent SLC") and BRUCE
17 MICHAEL BLARDONY (hereinafter "Respondent BLARDONY") and the
18 Complainant, acting by and through David B. Seals, Counsel for
19 the Department of Real Estate, as follows for the purpose of
20 settling and disposing of the Accusation filed on
21 February 23, 2007, in this matter:

22 1. All issues which were to be contested and all
23 evidence which was to be presented by Complainant and
24 Respondents at a formal hearing on the Accusation, which hearing
25 was to be held in accordance with the provisions of the
26 Administrative Procedure Act (APA), shall instead and in place

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1 thereof be submitted solely on the basis of the provisions of
2 this Stipulation and Agreement in Settlement.

3 2. Respondents have received, read and understand the
4 Statement to Respondent, the Discovery Provisions of the APA and
5 the Accusation filed by the Department of Real Estate in this
6 proceeding.

7 3. A Notice of Defense was filed on March 7, 2007 by
8 Respondents, pursuant to Section 11505 of the Government Code
9 for the purpose of requesting a hearing on the allegations in
10 the Accusation. Respondents hereby freely and voluntarily
11 withdraw said Notice of Defense. Respondents acknowledge that
12 they understand that by withdrawing said Notice of Defense they
13 will thereby waive their right to require the Commissioner to
14 prove the allegations in the Accusation at a contested hearing
15 held in accordance with the provisions of the APA and that they
16 will waive other rights afforded to them in connection with the
17 hearing such as the right to present evidence in defense of the
18 allegations in the Accusation and the right to cross-examine
19 witnesses.

20 4. This Stipulation is based on the factual
21 allegations contained in the Accusation. In the interests of
22 expedience and economy, Respondents choose not to contest these
23 allegations, but to remain silent and understand that, as a
24 result thereof, these factual allegations, without being
25 admitted or denied, will serve as a prima facie basis for the
26 disciplinary action stipulated to herein. The Real Estate

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1 Commissioner shall not be required to provide further evidence
2 to prove said factual allegations.

3 5. It is understood by the parties that the Real
4 Estate Commissioner may adopt the Stipulation and Agreement in
5 Settlement as his decision in this matter thereby imposing the
6 penalty and sanctions on Respondents' real estate licenses and
7 license rights as set forth in the below "Order". In the event
8 that the Commissioner in his discretion does not adopt the
9 Stipulation and Agreement in Settlement, it shall be void and of
10 no effect, and Respondents shall retain the right to a hearing
11 and proceeding on the Accusation under all the provisions of the
12 APA and shall not be bound by any admission or waiver made
13 herein.

14 6. The Order or any subsequent Order of the Real
15 Estate Commissioner made pursuant to this Stipulation and
16 Agreement in Settlement shall not constitute an estoppel, merger
17 or bar to any further administrative or civil proceedings by the
18 Department of Real Estate with respect to any matters which were
19 not specifically alleged to be causes for accusation in this
20 proceeding.

21 7. Respondents have received, read and understand the
22 "Notice Concerning Costs of Subsequent Audits". Respondents
23 understand that by agreeing to this Stipulation and Agreement in
24 Settlement, the findings set forth below in the DETERMINATION OF
25 ISSUES become final, and that the Commissioner may charge
26 Respondents for the costs of any audit for which they are
27 charged pursuant to Section 10148 of the Business and

1 Professions Code (hereinafter the "Code"). The reasonable cost
2 of the audits which led to this disciplinary action is
3 \$3,697.80. The maximum cost of the subsequent audits will not
4 exceed \$3,697.80.

5
6 DETERMINATION OF ISSUES

7 I

8 By reason of the foregoing stipulations, admissions
9 and waivers and solely for the purpose of settlement of the
10 pending Accusation without a hearing, it is stipulated and
11 agreed that the facts alleged above are grounds for the
12 suspension or revocation of the licenses and license rights of
13 Respondent BRUCE MICHAEL BLARDONY under Section 10177(h) of the
14 Code and, as to Respondent STRATEGIC LENDING CORPORATION under
15 Section 10176(e) of the Code and Section 10177(d) of the Code in
16 conjunction with Section 2831.1, Title 10, California Code of
17 Regulations.

18 ORDER

19 I

20 All licenses and licensing rights of Respondent
21 STRATEGIC LENDING CORPORATION under the Real Estate Law are
22 revoked; provided, however, a restricted corporate real estate
23 broker license shall be issued to Respondent pursuant to Section
24 10156.5 of the Business and Professions Code if Respondent makes
25 application therefore and pays to the Department of Real Estate
26 the appropriate fee for the restricted license within 90 days
27 from the effective date of this Decision. The restricted license

1 issued to Respondent shall be subject to all of the provisions
2 of Section 10156.7 of the Business and Professions Code and to
3 the following limitations, conditions and restrictions imposed
4 under authority of Section 10156.6 of that Code:

5 A. The restricted license issued to Respondent SLC
6 may be suspended prior to hearing by Order of the
7 Real Estate Commissioner in the event of
8 Respondent SLC's conviction or plea of nolo
9 contendere to a crime which is substantially
10 related to Respondent SLC's fitness or capacity
11 as a real estate licensee.

12 B. The restricted license issued to Respondent may
13 be suspended prior to hearing by Order of the
14 Real Estate Commissioner on evidence satisfactory
15 to the Commissioner that Respondent SLC has
16 violated provisions of the California Real Estate
17 Law, the Subdivided Lands Law, Regulations of the
18 Real Estate Commissioner or conditions attaching
19 to the restricted license.

20 C. Respondent SLC shall not be eligible to apply for
21 the issuance of an unrestricted corporate real
22 estate license nor for the removal of any of the
23 conditions, limitations or restrictions of a
24 restricted license until two years have elapsed
25 from the effective date of this Decision.

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1 D. Pursuant to Section 10148 of the Business and
2 Professions Code, Respondents BRUCE MICHAEL
3 BLARDONY and STRATEGIC LENDING CORPORATION shall
4 pay the Commissioner's reasonable cost for the
5 audit which led to this disciplinary action
6 (\$3,697.80) and a subsequent audit (not to exceed
7 \$3,697.80) to determine if Respondent STRATEGIC
8 LENDING CORPORATION has corrected the trust fund
9 violation(s) found in Paragraph I of the
10 Determination of Issues. In calculating the
11 amount of the Commissioner's reasonable cost, the
12 Commissioner may use the estimated average hourly
13 salary for all persons performing audits of real
14 estate brokers, and shall include an allocation
15 for travel time to and from the auditor's place
16 of work. Respondents BRUCE MICHAEL BLARDONY and
17 STRATEGIC LENDING CORPORATION shall pay such cost
18 within 60 days of receiving an invoice from the
19 Commissioner detailing the activities performed
20 during the audit and the amount of time spent
21 performing those activities. The Commissioner
22 may suspend the licenses of Respondents BRUCE
23 MICHAEL BLARDONY and STRATEGIC LENDING
24 CORPORATION pending a hearing held in accordance
25 with Section 11500, et seq., of the Government
26 Code, if payment is not timely made as provided
27 for herein, or as provided for in a subsequent

1 agreement between Respondents BRUCE MICHAEL
2 BLARDONY and STRATEGIC LENDING CORPORATION and
3 the Commissioner. The suspension shall remain in
4 effect until payment is made in full or until
5 Respondents BRUCE MICHAEL BLARDONY and STRATEGIC
6 LENDING CORPORATION enter into an agreement
7 satisfactory to the Commissioner to provide for
8 payment, or until a decision providing otherwise
9 is adopted following a hearing held pursuant to
10 this condition.

11 II

12 All licenses and licensing rights of Respondent BRUCE
13 MICHAEL BLARDONY under the Real Estate Law are revoked;
14 provided, however, a restricted real estate broker license shall
15 be issued to Respondent BLARDONY pursuant to Section 10156.5 of
16 the Business and Professions Code if Respondent BLARDONY makes
17 application therefore and pays to the Department of Real Estate
18 the appropriate fee for the restricted license within 90 days
19 from the effective date of this Decision. The restricted license
20 issued to Respondent BLARDONY shall be subject to all of the
21 provisions of Section 10156.7 of the Business and Professions
22 Code and to the following limitations, conditions and
23 restrictions imposed under authority of Section 10156.6 of that
24 Code:

- 25 A. The restricted license issued to Respondent
26 BLARDONY may be suspended prior to hearing by
27 Order of the Real Estate Commissioner in the

1 event of Respondent BLARDONY's conviction or plea
2 of nolo contendere to a crime which is
3 substantially related to Respondent BLARDONY's
4 fitness or capacity as a real estate licensee.

5 B. The restricted license issued to Respondent
6 BLARDONY may be suspended prior to hearing by
7 Order of the Real Estate Commissioner on evidence
8 satisfactory to the Commissioner that Respondent
9 BLARDONY has violated provisions of the
10 California Real Estate Law, the Subdivided Lands
11 Law, Regulations of the Real Estate Commissioner
12 or conditions attaching to the restricted
13 license.

14 C. Respondent BLARDONY shall not be eligible to
15 apply for the issuance of an unrestricted real
16 estate license nor for the removal of any of the
17 conditions, limitations or restrictions of a
18 restricted license until two (2) years have
19 elapsed from the effective date of this Decision.

20 D. Respondent BLARDONY shall, within nine months
21 from the effective date of this Decision, present
22 evidence satisfactory to the Real Estate
23 Commissioner that Respondent BLARDONY has, since
24 the most recent issuance of an original or
25 renewal real estate license, taken and
26 successfully completed the continuing education
27 requirements of Article 2.5 of Chapter 3 of the

1 Real Estate Law for renewal of a real estate
2 license. If Respondent BLARDONY fails to satisfy
3 this condition, the Commissioner may order the
4 suspension of the restricted license until the
5 Respondent BLARDONY presents such evidence. The
6 Commissioner shall afford Respondent BLARDONY the
7 opportunity for a hearing pursuant to the
8 Administrative Procedure Act to present such
9 evidence.

10 E. Pursuant to Section 10148 of the Business and
11 Professions Code, Respondents BRUCE MICHAEL
12 BLARDONY and STRATEGIC LENDING CORPORATION shall
13 pay the Commissioner's reasonable cost for the
14 audit which led to this disciplinary action
15 (\$3,697.80) and a subsequent audit (not to exceed
16 \$3,697.80) to determine if Respondent STRATEGIC
17 LENDING CORPORATION has corrected the trust fund
18 violation(s) found in Paragraph I of the
19 Determination of Issues. In calculating the
20 amount of the Commissioner's reasonable cost, the
21 Commissioner may use the estimated average hourly
22 salary for all persons performing audits of real
23 estate brokers, and shall include an allocation
24 for travel time to and from the auditor's place
25 of work. Respondents BRUCE MICHAEL BLARDONY and
26 STRATEGIC LENDING CORPORATION shall pay such cost
27 within 60 days of receiving an invoice from the

1 Commissioner detailing the activities performed
2 during the audit and the amount of time spent
3 performing those activities. The Commissioner
4 may suspend the licenses of Respondents BRUCE
5 MICHAEL BLARDONY and STRATEGIC LENDING
6 CORPORATION pending a hearing held in accordance
7 with Section 11500, et seq., of the Government
8 Code, if payment is not timely made as provided
9 for herein, or as provided for in a subsequent
10 agreement between Respondents BRUCE MICHAEL
11 BLARDONY and STRATEGIC LENDING CORPORATION and
12 the Commissioner. The suspension shall remain in
13 effect until payment is made in full or until
14 Respondents BRUCE MICHAEL BLARDONY and STRATEGIC
15 LENDING CORPORATION enter into an agreement
16 satisfactory to the Commissioner to provide for
17 payment, or until a decision providing otherwise
18 is adopted following a hearing held pursuant to
19 this condition.

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1 F. Respondent BLARDONY shall, prior to the date this
2 Stipulation becomes effective, submit proof
3 satisfactory to the Commissioner of having taken
4 and successfully completed the continuing
5 education course on trust fund accounting and
6 handling specified in subdivision (a) of Section
7 10170.5 of the Business and Professions Code.
8 Proof of satisfaction of this requirement
9 includes evidence that Respondent BLARDONY has
10 successfully completed the trust fund account and
11 handling continuing education course within 120
12 days prior to the effective date of the
13 Stipulation in this matter. If Respondent
14 BLARDONY fails to satisfy this condition, the
15 Commissioner may order suspension of Respondent
16 BLARDONY's license until Respondent BLARDONY
17 submits satisfactory proof of completion of the
18 course.

19
20 DATED: Aug. 29, 2007


21 DAVID B. SEALS, Counsel
22 DEPARTMENT OF REAL ESTATE
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I have read the Stipulation and Agreement, have discussed it with my counsel, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509, and 11513 of the Government Code), and I willingly, intelligently, and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

DATED: 8-22-07 Bruce M. Blardony
BRUCE MICHAEL BLARDONY
Respondent

DATED: 8-22-07 Bruce M. Blardony
STRATEGIC LENDING CORPORATION
Respondent

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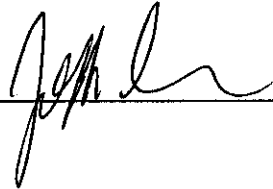
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The foregoing Stipulation and Agreement in Settlement
is hereby adopted by the Real Estate Commissioner as his
Decision and Order and shall become effective at 12 o'clock noon
on **OCT 24 2007**.

IT IS SO ORDERED

9-28-07

JEFF DAVI
Real Estate Commissioner

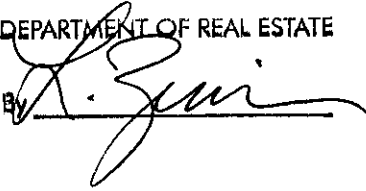


1 DAVID B. SEALS, Counsel (SBN 69378)
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3 P. O. Box 187007
4 Sacramento, CA 95818-7007

5 Telephone: (916) 227-0789
6 -or- (916) 227-0792 (Direct)

FILED
FEB 23 2007

DEPARTMENT OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-9906 SF
12 STRATEGIC LENDING CORPORATION) ACCUSATION
13 and BRUCE MICHAEL BLARDONY,)
14 Respondents.)

15 The Complainant, E. J. Haberer II, a Deputy Real
16 Estate Commissioner of the State of California for cause of
17 Accusation against STRATEGIC LENDING CORPORATION (hereinafter
18 "Respondent STRATEGIC") and BRUCE MICHAEL BLARDONY (hereinafter
19 "Respondent BLARDONY "), is informed and alleges as follows:

20 FIRST CAUSE OF ACCUSATION

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22 The Complainant, E. J. Haberer II, a Deputy Real
23 Estate Commissioner of the State of California, makes this
24 Accusation against Respondents in his official capacity.

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II

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

III

Respondent BLARDONY is licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate broker and as the designated officer of Respondent STRATEGIC.

IV

On or about May 14, 2004, and continuing, Ali Alan Weichler, while in the employee of Respondent STRATEGIC, solicited borrowers or lenders for or negotiated loans or performed services for borrowers or lenders, including but not limited to, Alan Wilcox and Edward Soria, in connection with loans secured directly or collaterally by liens on real property.

V

The acts described in Paragraph IV above, are acts for which a real estate license is required.

VI

Ali Alan Weichler was paid for performing the acts described in Paragraph III by Respondent STRATEGIC.

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VII

At no time while performing the acts described in Paragraph III above was Ali Alan Weichler licensed as either a California real estate salesperson or broker.

VIII

At all times mentioned herein, Respondent BLARDONY failed to exercise reasonable supervision over the activities of Respondent STRATEGIC and its employees, and permitted, ratified and/or caused the conduct described above. Respondent BLARDONY failed to reasonably or adequately review, oversee, inspect and manage the persons under the employ of Respondent STRATEGIC and/or to establish reasonable policies, rules, procedures and systems for such review, oversight, inspection and management.

IX

The acts and/or omissions of Respondents described above are grounds for the suspension or revocation of Respondents' licenses and license rights as follows:

- (1) as to Respondent STRATEGIC under Sections 10130, 10131(d), and 10137 of the Code in conjunction with Section 10177(d) of the Code; and
- (2) as to Respondent BLARDONY under Section 10177(h) of the Code.

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1 XIII

2 From October 13, 2005 to November 10, 2005 an
3 investigative audit (#OK 05-0024) was conducted by the
4 Department of the records and bank records of Respondent
5 STRATEGIC for the period from January 1, 2004 to July 26, 2005,
6 as said records related to their activities as a real estate
7 broker described above.

8 XIV

9 Respondent STRATEGIC maintained one trust account for
10 its real estate activities at Bank of America, 200 The
11 Pruneyard, Campbell, CA 95008, Acct. # 06229-05306.

12 XV

13 The adjusted balance of the trust account as of July
14 26, 2005 was Four Thousand One Hundred and 84/100 Dollars
15 (\$4,100.84) and the trust fund accountability in the account as
16 of July 26, 2005 was One Thousand Nine Hundred Five and 50/100
17 Dollars (\$1,905.50). Therefore, Respondent, as of July 26,
18 2005, had a trust fund overage of Two Thousand One Hundred
19 Ninety-Five and 34/100 Dollars (\$2,195.34).

20 XVI

21 The overage in Trust #1 was caused by broker funds
22 (\$2,195.34) that had accumulated from 1999 but were not removed
23 in violation of Section 10176(e) of the Code in conjunction with
24 Section 2835 of the Regulations.

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1 XVIII

2 During the period covered by the audit, Respondent
3 STRATEGIC failed to include their broker license number and a
4 "...conspicuous statement on the face of the document stating that
5 the 'good faith estimate' does not constitute a loan
6 commitment..." on all of the "Good Faith Estimates" provided to
7 borrowers in place of the Mortgage Loan Disclosure Statement in
8 violation of Section 10240 of the Code.

9 XVIII

10 At all times mentioned herein, Respondent BLARDONY
11 failed to exercise reasonable supervision over the activities of
12 Respondent STRATEGIC and its employees, and permitted, ratified
13 and/or caused the conduct described above in the SECOND CAUSE OF
14 ACCUSATION. Respondent BLARDONY failed to reasonably or
15 adequately review, oversee, inspect and manage the persons under
16 the employ of Respondent STRATEGIC and/or to establish
17 reasonable policies, rules, procedures and systems for such
18 review, oversight, inspection and management.

19 XIX

20 The acts and/or omissions of Respondent's as described
21 above in the SECOND CAUSE OF ACCUSATION are grounds for the
22 suspension or revocation of Respondent STRATEGIC'S licenses and
23 license rights under Section 10176(e) of the Code and Section
24 10240 of the Code in conjunction with Section 10177(d) of the
25 Code and of Respondent BLARDONY'S licenses and license rights
26 under Section 10177(h) of the Code.

27 ///

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof a decision be rendered imposing disciplinary
4 action against all licenses and license rights of Respondents,
5 under the Real Estate Law (Part 1 of Division 4 of the Business
6 and Professions Code) and for such other and further relief as
7 may be proper under other provisions of law.

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10 
E. J. HABERER II
Deputy Real Estate Commissioner

11 Dated at Oakland, California,
12 this 29th day of January, 2007.
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