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FILED
MAY 28 2003
DEPARTMENT OF REAL ESTATE
By 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

| | |
|--------------------------------------|-----------------------|
| In the Matter of the Accusation of) | NO. H-21931 LA |
|) | |
|) | DECISION AFTER REMAND |
| STEPHEN GARY GOLDFIELD,) | FROM SUPERIOR COURT |
|) | CASE NO. BS071598 |
| Respondent.) | |
|) | |

On August 7, 2001, the Real Estate Commissioner ("Commissioner") of the Department of Real Estate of the State of California ("Department") rendered an Order Denying Reinstatement of License After Reconsideration ("Order") denying Respondent STEPHEN GARY GOLDFIELD's ("GOLDFIELD" or "Respondent") petition for reinstatement of his real estate salesperson license. Said Order which was filed on August 8, 2001, became effective August 28, 2001.

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1 GOLDFIELD thereafter filed a Petition for Writ of
2 Administrative Mandate ("Writ") from the Department's Decision,
3 in the Superior Court of California, for the County of
4 Los Angeles ("Superior Court"), Case No. BS071598.

5 On April 2, 2003, the Superior Court filed a Judgment
6 Granting Peremptory Writ of Mandamus. The Superior Court
7 remanded the matter back to the Department and ordered the
8 Department to set aside its Order and to reconsider it in light
9 of the Superior Court's Minute Order of March 4, 2003 and
10 Judgment.

11 In accordance with the Superior Court's Decision,
12 the Department makes the following Decision in this matter as
13 to Respondent GOLDFIELD:

14 On October 25, 1984, a Decision was rendered herein
15 revoking the real estate salesperson license of Respondent, but
16 granting Respondent the right to apply for and be issued a
17 restricted real estate salesperson license. A restricted real
18 estate salesperson license was issued to Respondent on April 26,
19 1985.
20

21 On August 5, 1987, Respondent petitioned for
22 reinstatement of his real estate salesperson license. The
23 Petition was withdrawn.

24 Respondent's restricted license expired on April 26,
25 1989, and was not renewed.

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27 ///

1 On July 22, 1992, Respondent again petitioned for
2 reinstatement of his real estate salesperson license. On
3 July 17, 1995, an Order Denying Reinstatement of License was
4 signed, effective August 11, 1995. Said Order denied
5 Respondent's petition for reinstatement pursuant to Section
6 2911(i) of Title 10, Chapter 6, California Code of Regulations
7 ("Regulations").

8 Respondent was granted the right to apply for and be
9 issued a restricted real estate salesperson license on terms and
10 conditions, including the condition that Respondent pay \$9,000
11 to the Real Estate Recovery Fund. Respondent made said payment
12 and a restricted real estate salesperson license was issued to
13 Respondent on December 7, 1995.

14 On October 15, 1997, Respondent again petitioned for
15 reinstatement of his real estate salesperson license. The
16 Petition was withdrawn.

17 On February 17, 2000, Respondent once again petitioned
18 for reinstatement of said license and the Attorney General of
19 the State of California was given notice of the filing of the
20 petition.
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1 I have reconsidered the petition of Respondent and
2 the evidence and arguments in support thereof. Respondent
3 has demonstrated to my satisfaction that Respondent meets
4 the requirements of law for the issuance to Respondent of an
5 unrestricted real estate salesperson license and that it would
6 not be against the public interest to issue said license to
7 Respondent STEPHEN GARY GOLDFIELD.

8 NOW, THEREFORE, IT IS ORDERED that Respondent's
9 petition for reinstatement is granted and that a real estate
10 salesperson license be issued to Respondent, if Respondent
11 satisfies the following conditions within nine (9) months from
12 the date of this Order:

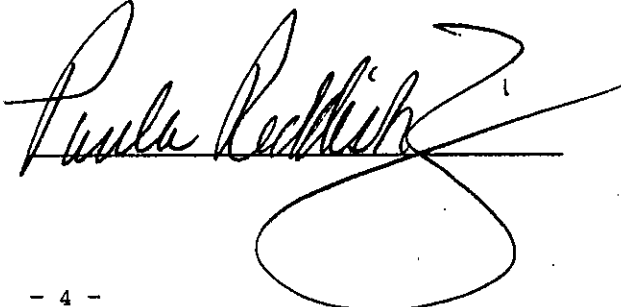
13 1. Submittal of a completed application and payment
14 of the fee for a real estate salesperson license.

15 2. Submittal of proof that Respondent has taken and
16 passed the Professional Responsibility Examination administered
17 by the Department including the payment of the appropriate
18 examination fee.

19 This Decision shall become effective at 12 o'clock
20 noon on June 17, 2003

21 IT IS SO ORDERED May 23, 2003.

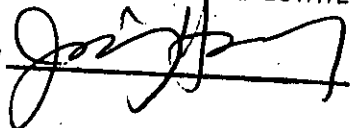
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24 PAULA REDDISH ZINNEMANN
Real Estate Commissioner

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FILED
AUG 8 2001

DEPARTMENT OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-21931 LA
STEPHEN GARY GOLDFIELD,)
Respondent.)

ORDER DENYING REINSTATEMENT OF
LICENSE AFTER RECONSIDERATION

On October 25, 1984, a Decision was rendered herein
revoking the real estate salesperson license of Respondent, but
granting Respondent the right to apply for and be issued a
restricted real estate salesperson license. A restricted real
estate salesperson license was issued to Respondent on April 26,
1985.

On August 5, 1987, Respondent petitioned for
reinstatement of his real estate salesperson license. The
Petition was withdrawn.

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1 Respondent's restricted license expired on April 26,
2 1989, and was not renewed.

3 On July 22, 1992, Respondent again petitioned for
4 reinstatement of his real estate salesperson license. On
5 July 17, 1995, an Order Denying Reinstatement of License was
6 signed, effective August 11, 1995. Said Order denied
7 Respondent's petition for reinstatement pursuant to Section
8 2911(i) of Title 10, Chapter 6, California Code of Regulations
9 ("Regulations").

10 Said denial was based on the following facts: on or
11 about November 14, 1990, in Recovery Fund action No. R-2290, the
12 license rights of Respondent were suspended after the Recovery
13 Fund paid out \$9,000 on a claim made by Gabor Essoe. The
14 judgment which was the basis for Essoe's claim was assigned to
15 the Department of Real Estate ("Department"). On August 6, 1991,
16 the suspension was released after Respondent had the unsecured
17 claim and judgment against him by the Department discharged in
18 bankruptcy. This claim or judgment had not been paid.

19 Respondent was granted the right to apply for and be
20 issued a restricted real estate salesperson license on terms and
21 conditions, including the condition that Respondent pay \$9,000 to
22 the Real Estate Recovery Fund. Respondent made said payment and a
23 restricted real estate salesperson license was issued to
24 Respondent on December 7, 1995.

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26 ///

1 On October 15, 1997, Respondent again petitioned for
2 reinstatement of his real estate salesperson license. The
3 Petition was withdrawn.

4 On February 17, 2000, Respondent once again petitioned
5 for reinstatement of said license and the Attorney General of the
6 State of California has been given notice of the filing of the
7 petition.

8 I have considered Respondent's petition and the
9 evidence submitted in support thereof. Respondent has failed to
10 demonstrate to my satisfaction that Respondent has undergone
11 sufficient rehabilitation to warrant the reinstatement of
12 Respondent's real estate salesperson license, in that:

13 I

14 On his petition application, Respondent failed to
15 disclose that he had been a defendant in six civil court actions
16 since 1995. This is cause to deny Respondent's application
17 pursuant to Code Section 10177(a).

18 II

19 On or about July 21, 2000, a small claims court
20 judgment was entered against Respondent in the amount of
21 \$2,658.04. Said judgment has not been discharged or completely
22 satisfied. This evidences lack of rehabilitation and is cause
23 to deny Respondent's application pursuant to Regulation 2911(i).

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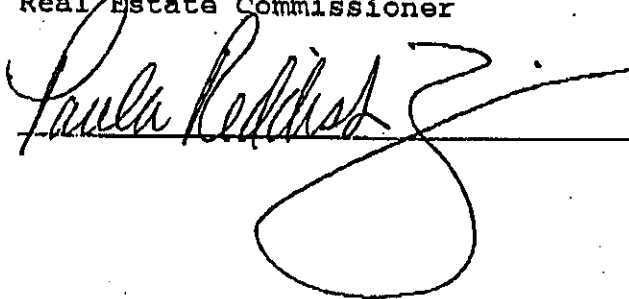
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1 NOW, THEREFORE, IT IS ORDERED that Respondent's
2 petition for reinstatement of Respondent's real estate
3 salesperson license is denied.

4 This Order shall become effective at 12 o'clock noon on
5 August 28, 2001

6 DATED: August 7, 2001.

7 PAULA REDDISH ZINNEMANN
8 Real Estate Commissioner

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25 cc: Stephen Gary Goldfield
26 23586 Calabasas Rd., Suite 201
27 Calabasas, CA 91302

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FILED
JUL 6 2001
DEPARTMENT OF REAL ESTATE

By *Laura B. Crow*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) NO. H-21931 LA
)
STEPHEN GARY GOLDFIELD,)
)
)
Respondent.)

ORDER STAYING EFFECTIVE DATE

On June 5, 2001, an Order Denying Reinstatement of License was rendered in the above-entitled matter to become effective July 9, 2001.

IT IS HEREBY ORDERED that the effective date of the Order of June 5, 2001, is stayed for a period of 30 days.

The Order of June 5, 2001, shall become effective at 12 o'clock noon on August 8, 2001.

DATED: July 6, 2001

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

By: *Dolores Ramos*
DOLORES RAMOS
Regional Manager

1 On August 5, 1987, Respondent petitioned for
2 reinstatement of his real estate salesperson license. The
3 Petition was withdrawn and another Petition was filed on July 22,
4 1992. On July 17, 1995, an Order Denying Reinstatement of
5 License was signed, effective August 11, 1995. Said Order denied
6 Respondent's petition for reinstatement pursuant to Section
7 2911(i) of Title 10, Chapter 6, California Code of Regulations
8 ("Regulations"), but granted Respondent the right to apply for
9 and be issued a restricted real estate salesperson license. A
10 restricted real estate salesperson license was issued to
11 Respondent on December 17, 1995.

12 On October 15, 1997, Respondent again petitioned for
13 reinstatement of his real estate salesperson license. The
14 Petition was withdrawn.

15 On February 17, 2000, Respondent again petitioned for
16 reinstatement of said license and the Attorney General of the
17 State of California has been given notice of the filing of the
18 petition.

19 I have considered Respondent's petition and the
20 evidence submitted in support thereof. Respondent has failed to
21 demonstrate to my satisfaction that Respondent has undergone
22 sufficient rehabilitation to warrant the reinstatement of
23 Respondent's real estate salesperson license, in that:

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I

1 On his petition application, Respondent failed to
2 disclose that he had been a defendant in six civil court actions
3 since 1995. This evidences cause to deny Respondent's
4 application pursuant to Code Section 10177(a).
5

II

6 On or about July 21, 2000, small claims court judgment
7 was entered against Respondent in the amount of \$2,658.04. Said
8 judgment has not been completely satisfied. This is cause to
9 deny Respondent's application pursuant to Regulation 2911(i).
10

II

11 On or about November 14, 1990, Recovery Fund action No.
12 R-2290, the license rights of Respondent were suspended after the
13 Recovery Fund paid out \$9,000 on a claim made by Gabor Essoe.
14 The judgment which was the basis for Essoe's claim was assigned
15 to the Department of Real Estate ("Department"). On August 6,
16 1991, the suspension was released after Respondent had the
17 unsecured claim and judgment against him by the Department
18 discharged in bankruptcy. This claim or judgment has not been
19 paid. This is cause to deny Respondent's application pursuant to
20 Regulation 2911(i).
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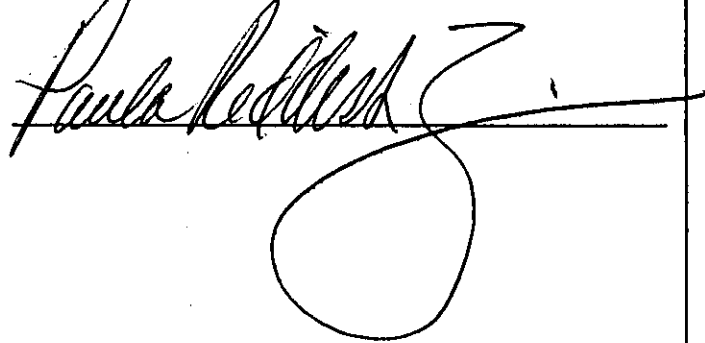
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1 NOW, THEREFORE, IT IS ORDERED that Respondent's
2 petition for reinstatement of Respondent's real estate
3 salesperson license is denied.

4 This Order shall become effective at 12 o'clock noon on
5 JUL 9 2007

6 DATED: June 5, 2001.

7 PAULA REDDISH ZINNEMANN
8 Real Estate Commissioner

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25 cc: Stephen Gary Goldfield
26 23586 Calabasas Rd., Suite 201
27 Calabasas, CA 91302

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DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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| In the Matter of the Accusation of) | No. H-21931 LA |
|) | |
|) | |
| STEPHEN GARY GOLDFIELD) | |
|) | |
| Respondent.) | |
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|) | |

ORDER DENYING REINSTATEMENT OF LICENSE

On October 25, 1984, a Decision was rendered herein revoking the real estate salesperson license of STEPHEN GARY GOLDFIELD, (hereinafter referred to as Respondent), effective November 27, 1984. Respondent was given the right to apply for and receive a restricted real estate salesperson license which was issued to him on April 26, 1985. This restricted license expired on April 26, 1989, and was not renewed.

On August 5, 1987, Respondent first petitioned for reinstatement of said real estate salesperson license. This petition was withdrawn and a new petition was filed on July 22,

1 1992, and the Attorney General of the State of California has
2 been given notice of the filing of said Petition.

3 I have considered the petition of Respondent and the
4 evidence submitted in support thereof. Respondent has failed to
5 demonstrate to my satisfaction that he has undergone sufficient
6 rehabilitation to warrant the reinstatement of his real estate
7 salesperson license at this time. This determination has been
8 made in light of Respondent's history of acts and conduct which
9 are substantially related to the qualifications, functions and
10 duties of a real estate licensee. That history includes:

11 I

12 On or about November 14, 1990, in Recovery Fund action
13 No. R-2290, the license rights of Respondent were suspended
14 after the Recovery Fund paid out \$9,000 on a claim made by Gabor
15 Essoe. The judgment which was the basis for Essoe's claim was
16 assigned to the Department. On August 6, 1991, this suspension
17 was released after Respondent had the unsecured claim and
18 judgment against him by the Department discharged in bankruptcy.
19 This claim or judgment has never been paid. This is evidence of
20 a lack of rehabilitation and is cause to deny his petition for
21 reinstatement pursuant to Section 2911(i) of Chapter 6, Title
22 10, California Code of Regulations.

23
24 NOW, THEREFORE, IT IS ORDERED that Respondent's
25 petition for reinstatement of license is denied. However, it
26 appears that Respondent will pose no danger to the public if
27 issued a properly restricted license.

1 Therefore, a restricted real estate salesperson
2 license shall be issued to Respondent pursuant to Section
3 10156.5 of the Code after Respondent satisfied the following
4 conditions within one (1) year from the date of this Order:

5 1. Submittal of evidence satisfactory to the Real
6 Estate Commissioner that he has successfully passed the
7 examination given by the Department for licensure as a real
8 estate salesperson since his license was revoked.

9 2. Submittal of a completed application and payment of
10 the fee for a real estate salesperson license.

11 3. Payment of \$9000.00 to the Real Estate Recovery
12 Fund.

13 The restricted license issued to Respondent shall be
14 subject to all of the provisions of Section 10156.7 of the Code
15 and to the following limitations, conditions and restrictions
16 imposed under authority of Section 10156.5 of said Code:

17 1. The restricted license shall not confer any
18 property right in the privileges to be exercised thereunder and
19 the Real Estate Commissioner may by appropriate order suspend
20 prior to hearing the right of Respondent to exercise any
21 privileges granted under the restricted license in the event of:

22 (a) The conviction of Respondent (including a plea of
23 nolo contendere) of a crime which bears a significant
24 relationship to Respondent's fitness or capacity as a real
25 estate licensee.

26 (b) The receipt of evidence satisfactory to the Real
27 Estate Commissioner that subsequent to the date of the Order

1 herein Respondent has violated provisions of the California Real
2 Estate Law, Regulations of the Real Estate Commissioner, or
3 conditions attaching to said restricted license.

4 2. Respondent shall submit with his application for
5 said restricted license under an employing broker or any
6 application in the future for a transfer of said restricted
7 license to a new employing broker, a statement signed by the
8 prospective employing broker which shall certify:

9 (a) That said employing broker has read the Order of
10 the Commissioner which granted the right to a restricted
11 license; and

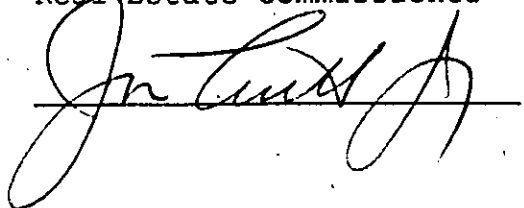
12 (b) That said employing broker will exercise close
13 supervision over the performance of the restricted license of
14 activities for which a real estate license is required.

15 Respondent shall not be eligible to apply for the
16 issuance of an unrestricted real estate license nor the removal
17 of any of the conditions, limitations or restrictions attaching
18 to the restricted license until at least one year has elapsed
19 from the effective date of this Order.

20 This Order shall become effective at 12 o'clock
21 noon on July 21, _____ 1995.

22
23 DATED; 7-17-95

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25 JIM ANTT JR.
26 Real Estate Commissioner

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STEPHEN GARY GOLDFIELD
23995 Plover Lane
Laguna Niguel, California 92677

FILED

NOV-2 1984

DEPARTMENT OF REAL ESTATE ^{DEPARTMENT OF REAL ESTATE}

H. Medesholt

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)
)
STEPHEN GARY GOLDFIELD)
and HANOVER MORTGAGE)
INCORPORATED,)
)
Respondents.)

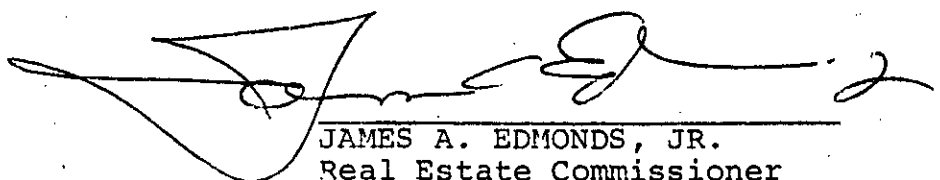
No. H-21931 LA

DECISION

The Proposed Decision dated October 11, 1984,
of Robert Arnold, Regional Manager, Department of Real
Estate, is hereby adopted as the Decision of the Real
Estate Commissioner.

This Decision shall become effective at 12 o'clock
noon on November 27, 1984

IT IS SO ORDERED 10-25-84


JAMES A. EDMONDS, JR.
Real Estate Commissioner

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) No. H-21931 LA
)
STEPHEN GARY GOLDFIELD)
and HANOVER MORTGAGE)
INCORPORATED,)
)
Respondents.)
)

PROPOSED DECISION

This matter was presided over as an uncontested case by Robert Arnold, Regional Manager, Department of Real Estate, as the designee of the Real Estate Commissioner, in Los Angeles, California, on October 11, 1984. Complainant was represented by Sean Crahan, Counsel. Respondent STEPHEN GARY GOLDFIELD appeared personally and he and respondent HANOVER MORTGAGE INCORPORATED were represented by Steven Gourley, Attorney at Law, of Feinstein, Gourley & Mandel.

The matter was submitted upon the written stipulation of the parties, and pursuant thereto it is found, determined and ordered as follows:

I

The complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, made this Accusation in his official capacity.

II

Each respondent presently has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code").

III

At all times mentioned herein, STEPHEN GARY GOLDFIELD (hereinafter "GOLDFIELD") was the owner of HANOVER MORTGAGE INCORPORATED (hereinafter "HANOVER") but was licensed by the Department of Real Estate only as a real estate salesperson. At all times mentioned herein, GOLDFIELD acted within the scope and course of his employment with HANOVER, and as its representative.

IV

At all times mentioned herein, HANOVER was licensed by the Department of Real Estate as a corporate real estate broker, and was engaged in the business of, acted in the capacity of, and assumed to act as a real estate broker as defined in Section 10131(d) of the Code, including the operation of a mortgage loan business with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were negotiated, processed, packaged and consummated on behalf of others for compensation, and wherein agreements were made with lenders for the collection of payments and the performance of services in connection with such loans.

V

During or about October 10, 1980, Richard Watt (hereinafter "Watt") obtained loans secured by real property located at 24337 Mulholland Highway, Calabasas, California (hereinafter the "Property") as follows:

| <u>PRIORITY</u> | <u>BENEFICIARY</u> | <u>AMOUNT</u> |
|-----------------|---------------------|---------------|
| First | Home Savings & Loan | \$271,600 |
| Second | West Coast Bank | \$100,000 |

In connection with application for the second trust deed obtained from West Coast Bank, that institution arranged an appraisal of the Property, which was completed by R.E. Gould (hereinafter the "Gould appraisal"), and which estimated the market value of the property was \$630,000. The appraisal was based upon the use by Gould of an erroneous figure of 5,200 square feet for the interior of the dwelling house on the Property; the interior square footage was actually 3,787 square feet.

VI

Thereafter, Watt negotiated an additional loan, secured by a third trust deed on the property, in the amount of \$40,000 with respondents. Respondents approved the loan based on the Gould appraisal, and did not then conduct an independent appraisal of the property.

VII

The \$40,000 loan secured by the third trust deed was due and payable on or about January 1981. Watt, realizing that he could not pay the loan when due, requested Respondents to "rollover" his loan into a new loan in the sum of \$75,000, also to be secured by a trust deed on the Property.

VIII

GOLDFIELD, in response to Watt's "rollover" loan application, obtained an appraisal on the property from Robin D. Williams (hereinafter the "Williams appraisal"). The Williams appraisal was based upon the correct square footage of the property, and estimated the market value of the Property to be \$460,000.

X

The Williams appraisal was delivered to GOLDFIELD who was aware of said appraisal prior to soliciting lender, Gabor A. Essoe.

X

In or about January 1981 GOLDFIELD solicited Gabor A. Essoe (hereinafter "Essoe") to lend funds to be secured by a trust deed on the Property. In the course of that solicitation, GOLDFIELD represented to Essoe that:

A. The Property had a market value of \$630,000, as set forth in the Gould appraisal, and had a value by cost approach of at least \$610,600, based on the square footage of 5,200 square feet.

B. The aggregate of the existing approximate \$271,000 first trust deed, the \$100,000 second trust deed, and the proposed \$75,000 third trust deed in comparison to market value was a favorable loan to value ratio which left ample equity in the Property to cover Essoe's investment in the event of non-payment.

XI

Essoe did rely upon respondent's representations, as set forth in Paragraph X herein, and did deliver \$55,000 to respondents to be secured by a new third trust deed on the Property, in or about January of 1981.

XII

Respondents failed to disclose to Essoe the fact that Watt had been unable to repay the earlier \$40,000 on the trust deed without refinancing a further trust deed on the same Property. In truth and in fact:

A. The Property had a value, by both cost and market approach, substantially less than represented by respondents, and respondents knew that the Property did not have the value which they represented to Essoe.

B. The aggregate of the existing and proposed trust deeds to the actual value of the Property did not constitute a favorable loan to value ratio and did not provide adequate security for the proposed \$75,000 third trust deed.

XIII

Watt subsequently defaulted in payments on the \$75,000 third trust deed. In an attempt to rescue his investment, Essoe advanced an additional \$5,000 and, with Watt, liquidated the interests of the remaining beneficiaries on the \$75,000 third trust deed, and entered into a new payment schedule with Watt. Watt, however, was unable to make payments on the trust deeds, and all three loans became delinquent. Subsequently, the holder of the second trust deed, West Coast Bank, foreclosed their lien and acquired title to the Property.

XIV

Respondent's conduct, in failing to disclose the Williams' appraisal to Essoe, and in failing to disclose Watt's previous inability to retire the \$40,000 trust deed without additional financing overencumbering the Property and respondents' affirmative misrepresentations of the value of the Property, constitute a substantial misrepresentation within the meaning of Section 10176(a) of the Code, and is cause to suspend or revoke the real estate licenses and license rights of each respondent under the provisions of that Section.

DETERMINATION OF ISSUES

Based on the foregoing findings of fact, the following determination of issues is hereby made:

Cause for disciplinary action exists against the real estate licenses and license rights of respondents STEPHEN GARY GOLDFIELD and HANOVER MORTGAGE INCORPORATED pursuant to California Business and Professions (B&P) Code Section 10176(a).

ORDER

WHEREFORE, the following order is hereby made:

I

All licenses and license rights of respondent STEPHEN GARY GOLDFIELD under the provisions of Part 1 of Division 4 of the Business and Professions Code are hereby revoked.

However, respondent GOLDFIELD shall be entitled to apply for and be issued a restricted real estate salesperson license pursuant to Section 10156.5 of the B&P Code, no sooner than sixty (60) days after the effective date of the Decision herein, if respondent makes application therefor, and pays to the Department of Real Estate the appropriate fee for said license within one hundred and eighty (180) days from the effective date of the Decision herein. The restricted license issued to respondent GOLDFIELD 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 said Code:

A. The restricted license may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of respondent's conviction (including conviction on a plea of nolo contendere) of a crime which bears a significant relation to respondent's fitness or capacity as a real estate licensee.

B. The restricted license may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that, subsequent to the effective date of this Decision, respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to said restricted license.

C. The restricted license may be suspended by Order of the Real Estate Commissioner pending a final determination after a hearing if respondent fails to present evidence satisfactory to the Department within six months from the effective date of the Decision of having taken and completed 45 hours of approved continuing education offerings within the four-year period immediately preceding the date on which the respondent presents such evidence to the Department.

D. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor the removal of any of the conditions, limitations or restrictions of the restricted license until one year has elapsed from the date of issuance of the restricted license.

E. Respondent shall obey all laws of the United States, the State of California and its political subdivisions, and shall further obey and comply with all rules and regulations of the Real Estate Commissioner.

F. Respondent shall submit with his application for said salesperson license under an employing broker, or any application in the future for transfer to a new employing broker, a statement signed by the prospective employing broker which shall certify:

- (1) That he or she has read the Decision of the Commissioner which granted the right to a restricted license; and
- (2) That he or she will exercise close supervision over the performance by the restricted licensee of activities for which a real estate license is required.

G. Respondent shall report in writing to the Department of Real Estate as the Commissioner shall direct by his decision herein or by separate written order issued while the restricted license is in effect, such information concerning respondent's activities for which a real estate license is required as the Commissioner shall deem to be appropriate to protect the public interest.

II

All licenses and license rights of respondent HANOVER MORTGAGE INCORPORATED under the provisions of Part 1 of Division 4 of the Business and Professions Code are hereby revoked.

However, respondent HANOVER shall be entitled to apply for and be issued a restricted real estate broker license pursuant to Section 10156.5 of the B&P Code, no sooner than sixty (60) days after the effective date of the Decision herein, if respondent makes application therefor, and pays to the Department of Real Estate the appropriate fee for said license within one hundred and eighty (180) days from the effective date of the Decision herein. The restricted license issued to respondent HANOVER shall be subject to all 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 said Code:


A. The restricted license may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that, subsequent to the effective date of this Decision, respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to said restricted license.

B. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor the removal of any of the conditions, limitations or restrictions of the restricted license until one year has elapsed from the date of issuance of the restricted license to respondent.

C. Respondent shall obey all laws of the United States, the State of California and its political subdivisions, and shall further obey and comply with all rules and regulations of the Real Estate Commissioner.

D. Respondent shall report in writing to the Department of Real Estate as the Commissioner shall direct by his decision herein or by separate written order issued while the restricted license is in effect, such information concerning respondent's activities for which a real estate license is required as the Commissioner shall deem to be appropriate to protect the public interest.

DATED: 10/11/24



ROBERT ARNOLD
Regional Manager
Department of Real Estate

Sacto

FILED

JUN 15 1984

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE
BY [Signature]

In the Matter of the Accusation of
STEPHEN GARY GOLDFIELD,

Case No. H-21931 LA
L-31236

Respondent(s)

CORRECTED
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 _____

314 West First Street, Los Angeles, California 90012

on the 11th & 12th day of October, 1984, at the hour of 9:00 am.,
or as soon thereafter as the matter can be heard, upon the charges made in the
Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel,
but you are neither required to be present at the hearing nor to be represented by
counsel. If you are not present in person, nor represented by counsel at the hearing,
the Department may take disciplinary action against you upon any express admissions,
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.

DATED: June 15, 1984

cc: Stephen Gary Goldfield
Hanover Mortgage Inc.
Steven Gourley, Esq.
Sacto
OAH
JF

JAMES A. EDMONDS, JR.
DEPARTMENT OF REAL ESTATE

By

[Signature]
Counsel

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED

JUN-5 1984

DEPARTMENT OF REAL ESTATE
BY Ch. Drossin

In the Matter of the Accusation of

STEPHEN GARY GOLDFIELD,
et al.,

Case No. H-21931 LA
L-31236

Respondent(s)

CONTINUED
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 _____

314 West First Street, Los Angeles, California 90012

on the 10th & 11th day of October, 1984, at the hour of 9:00 a.m.,
or as soon thereafter as the matter can be heard, upon the charges made in the
Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel,
but you are neither required to be present at the hearing nor to be represented by
counsel. If you are not present in person, nor represented by counsel at the hearing,
the Department may take disciplinary action against you upon any express admissions,
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.

DATED: June 5, 1984

cc: Stephen Gary Goldfield
Hanover Mortgage Inc.
Steven Gourley, Esq.
Sacto
OAH
JF

JAMES A. EDMONDS, JR.
DEPARTMENT OF REAL ESTATE

By



Counsel

1 ROBERT F. HOWELL, Counsel
Department of Real Estate
2 107 South Broadway, Room 8107
Los Angeles, California 90012
3 (213) 620-4790

SEP 13 1973

Ch. Krasner

8 DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of) NO. H-21931 LA
12 STEPHEN GARY GOLDFIELD and)
13 HANOVER MORTGAGE INCORPORATED,) A C C U S A T I O N
14 Respondents.)

15 The Complainant, Thomas McCrady, a Deputy Real Estate
16 Commissioner of the State of California, for cause of accusation
17 against STEPHEN GARY GOLDFIELD and HANOVER MORTGAGE INCORPORATED,
18 alleges as follows:

19 1. The Complainant, Thomas McCrady, a Deputy Real Estate
20 Commissioner of the State of California, makes this Accusation in
21 his official capacity.

22 2. Each respondent presently has license rights under
23 the Real Estate Law (Part 1 of Division 4 of the Business and
24 Professions Code, hereinafter "Code").

25 3. At all times mentioned herein, STEPHEN GARY GOLDFIELD
26 (hereinafter "GOLDFIELD") was the owner of HANOVER MORTGAGE
27 INCORPORATED (hereinafter "HANOVER") but was licensed by the

1 Department of Real Estate only as a real estate salesperson.
2 At all times mentioned herein GOLDFIELD acted within the scope
3 and course of his employment with HANOVER, and as its representa-
4 tive.

5 4. At all times mentioned herein, HANOVER was licensed
6 by the Department of Real Estate as a corporate real estate broker,
7 and was engaged in the business of, acted in the capacity of, and
8 assumed to act as a real estate broker as defined in Section
9 10131(d) of the Code, including the operation of a mortgage
10 loan business with the public wherein lenders and borrowers were
11 solicited for loans secured directly or collaterally by liens on
12 real property wherein such loans were negotiated, processed,
13 packaged and consummated on behalf of others for compensation,
14 and wherein agreements were made with lenders for the collection
15 of payments and the performance of services in connection with
16 such loans.

17 5. During or about October of 1980, Richard Watt
18 (hereinafter "Watt") obtained loans secured by real property
19 located at 24337 Mulholland Highway, Calabasas, California
20 (hereinafter the "Property") as follows:

| <u>PRIORITY</u> | <u>BENEFICIARY</u> | <u>AMOUNT</u> |
|-----------------|---------------------|---------------|
| 22 First | Home Savings & Loan | \$271,600 |
| 23 Second | West Coast Bank | \$100,000 |

24 6. In connection with application for the second trust
25 deed obtained from West Coast Bank, that institution arranged an
26 appraisal of the Property, which was compelled by R.E. Gould
27 (hereinafter the "Gould appraisal"), and which estimated the market

1 value of the property was \$630,000. The appraisal was based upon
2 the use by Gould an erroneous figure of 5,200 square feet for the
3 interior of the dwelling house on the Property; the interior
4 square footage was actually 3,787 square feet.

5 7. Thereafter, Watt negotiated an additional loan,
6 secured by a third trust deed on the property, in the amount of
7 \$40,000 with respondents. Respondents approved the loan based on
8 the Gould appraisal, and did not then conduct an independent
9 appraisal of the property.

10 8. The \$40,000 loan secured by the third trust deed
11 was due and payable on or about January 1981. Watt, realizing
12 that he could not pay the loan when due, requested Respondents to
13 "rollover" his loan into a new loan in the sum of \$75,000, also
14 to be secured by a trust deed on the Property.

15 9. GOLDFIELD, in response to Watt's "rollover" loan
16 application, obtained an appraisal on the property from Robin
17 D. Williams (hereinafter the "Williams appraisal"). The Williams
18 appraisal was based upon the correct square footage of the
19 property and estimated the market value of the Property to be
20 \$460,000.

21 10. The Williams appraisal was delivered to GOLDFIELD,
22 who in turn advised Watt that there was insufficient equity in the
23 Property to make a \$75,000 rollover loan. GOLDFIELD discussed
24 the difference in square footage in the two appraisals with Watt,
25 and thereafter himself went to the Property and personally
26 conducted an inspection of the interior of the Property.

27

1 11. In or about January 1981 GOLDFIELD solicited
2 Gabor A. Essoe (hereinafter "Essoe") to lend funds to be secured
3 by a trust deed on the Property. In the course of that
4 solicitation, GOLDFIELD represented to Essoe that:

5 A. The Property had a market value of \$630,000, as
6 set forth in the Gould appraisal, and had a value by cost
7 approach of at least \$610,600, based on the square footage of
8 5,200 square feet;

9 B. The aggregate of the existing approximate \$271,000
10 first trust deed, the \$100,000 second trust deed, and the proposed
11 \$75,000 third trust deed in comparison to market value was a
12 favorable loan to value ratio which left ample equity in the
13 Property to cover Essoe's investment in the event of nonpayment.

14 C. Respondents had never brokered a "bad loan".
15 Each of these representations were made by GOLDFIELD with the
16 intention that Essoe rely upon them, and deliver loan funds to
17 Respondents.

18 12. Essoe did rely upon Respondents' representations,
19 as set forth in Paragraph 11 herein, and did deliver \$55,000 to
20 respondents to be secured by a new third trust deed on the
21 Property, in or about January of 1981.

22 13. Respondents failed to disclose to Essoe the fact
23 that Watt had been unable to repay the earlier \$40,000 on the
24 trust deed without refinancing a further trust deed on the same
25 property. In truth and in fact:

26 /
27 /

1 A. The Property had a value, by both cost and market
2 approach, substantially less than represented by Respondents,
3 and Respondents knew that the Property did not have the values
4 which they represented to Essoe;

5 B. The aggregate of the existing and proposed trust
6 deeds to the actual value of the property did not constitute a
7 favorable loan to value ratio and did not provide adequate
8 security for the proposed \$75,000 third trust deed;

9 C. Respondents had experienced one or more "bad loans"
10 wherein the borrower was unable to repay the note without
11 overencumbering the security by new financing, including the
12 \$40,000 trust deed on the Property previously arranged for Watt by
13 Respondents.

14 14. Watt subsequently defaulted in payments on the
15 \$75,000 third trust deed. In an attempt to rescue his investment,
16 Essoe advanced an additional \$5,000 and, with Watt, liquidated the
17 interests of the remaining beneficiaries on the \$75,000 third trust
18 deed, and entered into a new payment schedule with Watt. Watt,
19 however, was unable to make payments on the trust deeds, and all
20 three loans became delinquent.

21 15. Subsequently, the holder of the second trust deed,
22 West Coast Bank, foreclosed their lien and acquired title to the
23 Property.

24 16. Respondents' conduct, in failing to disclose the
25 Williams' appraisal to Essoe, and in failing to disclose Watt's
26 previous inability to retire the \$40,000 trust deed without
27 additional financing overencumbering the property, constitutes

1 fraud and dishonest dealing in the performance of acts for which
2 a real estate license is required, and is cause to suspend or
3 revoke their real estate licenses and license rights under
4 the provisions of Section 10176(i) of the Code.

5 17. Respondents' affirmative misrepresentations of
6 the value of the Property, and the assertion that they had never
7 before experienced "bad loans", constitutes substantial misrepre-
8 sentation within the meaning of Section 10176(a) of the Code, and
9 is cause to suspend or revoke their real estate licenses and
10 license rights under the provisions of that Section.

11
12 WHEREFORE, Complainant prays that a hearing be conducted
13 on the allegations of this Accusation and, that upon proof thereof,
14 a decision be rendered imposing disciplinary action against all
15 licenses and license rights of respondents STEPHEN GARY GOLDFIELD
16 and HANOVER MORTGAGE INCORPORATED under the Real Estate Law (Part 1
17 of Division 4 of the Business and Professions Code) and for such
18 other and further relief as may be property under other applicable
19 provisions of law.

20 Dated at Los Angeles, California
21 this 13th day of December, 1983.

22
23 
24 Deputy Real Estate Commissioner

25 cc: Stephen Gary Goldfield
26 Hanover Mortgage Incorporated
27 Sacto
JF

Sacto

FEB 14 1984

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

Ch. President

In the Matter of the Accusation of
STEPHEN GARY GOLDFIELD,
et al.,

Case No. H-21931 LA
L-31236

Respondent(s)

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 _____

314 West First Street, Los Angeles, California 90012

on the 28th & 29th day of June, 1984, at the hour of 9:00 am., or as soon thereafter as the matter can be heard, upon the charges made in the Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel, but you are neither required to be present at the hearing nor to be represented by counsel. If you are not present in person, nor represented by counsel at the hearing, the Department may take disciplinary action against you upon any express admissions, 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.

DATED: February 14, 1984

cc: Stephen Gary Goldfield
Hanover Mortgage Inc.
Steven Gourley, Esq.
Sacto
OAH
JF

JAMES A. EDMONDS, JR.
DEPARTMENT OF REAL ESTATE

By *[Signature]*
Counsel