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Department of Real Estate  
107 South Broadway, Room 8107  
Los Angeles, California 90012  
  
(213) 620-4790

FILED

MAY 27 1988

DEPARTMENT OF REAL ESTATE  
BY *[Signature]*

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

TO:	)	No. H-23283 LA
	)	
NORTH OAKS REAL ESTATE INVESTMENTS,	)	<u>ORDER TO DESIST</u>
INC., a California corporation;	)	
STEVEN LANCE RODSTEIN, individually	)	<u>AND REFRAIN</u>
and as designated officer of North	)	
Oaks Real Estate Investments, Inc.	)	

The Real Estate Commissioner of the State of California has caused an investigation to be made of your activities as real estate brokers and based on the findings of that investigation, as set forth below, is of the opinion that you have violated Sections 2725, 2831.1 and 2950(i) of Title 10, Chapter 6, California Code of Regulations (hereinafter Regulations) and Section 10232(e) of the California Business and Professions Code (hereinafter Code).

I

At all times herein mentioned, you, NORTH OAKS REAL ESTATE INVESTMENTS, INC., a California corporation, were and now are licensed by the Department of Real Estate of the State of California (hereinafter Department) as a corporate real estate

1 broker.

2 II

3 At all times herein mentioned, you, STEVEN LANCE  
4 RODSTEIN, were and now are licensed by the Department as a real  
5 estate broker, individually and as designated officer of  
6 North Oaks Real Estate Investments, Inc.

7 III

8 All further references herein to "you" include the  
9 parties identified in Paragraphs I and II, above, and shall be  
10 deemed to refer also to the officers, directors, employees, agents  
11 and real estate licensees employed by or associated with said  
12 parties, who at all times herein mentioned were engaged in the  
13 furtherance of the business or operations of said parties and  
14 who were acting within the course and scope of their authority and  
15 employment.

16 IV

17 At all times herein mentioned, for compensation or in  
18 expectation of compensation, you engaged in the business of, acted  
19 in the capacity of, advertised or assumed to act as real estate  
20 brokers in the State of California within the meaning of Section  
21 10131(e) of the Code wherein you sold or offered to sell, bought  
22 or offered to buy promissory notes secured directly or  
23 collaterally by liens on real property for, or in expectation of,  
24 compensation as the agent of others. In addition, you handled  
25 your own escrows.

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V

During the last three years, in connection with the aforesaid real estate business activities, you accepted or received funds in trust (hereinafter trust funds) from or on behalf of sellers and purchasers and thereafter made disbursements of such funds. These trust funds were maintained by you in Account No. -613 at Security Pacific National Bank, 333 South Hope Street, Los Angeles, California.

VI

On or about December 8, 1987, representatives of the Department completed an examination of your real estate activities and books and records pertaining thereto for a ten-month period ending October 30, 1987, which revealed violations of the Code and Regulations as set forth below.

VII

In connection with those trust funds described above in Paragraph V, you acted in violation of the Regulations in that you failed to maintain accurate separate records for each beneficiary or transaction accounting therein for all said trust funds received, deposited and disbursed as required by Section 2831.1.

VIII

In connection with the activities described in Paragraph IV, above, you conducted your own escrows. In so doing, you failed, upon closing an escrow transaction, to render to each principal in the transaction a written statement of all receipts and disbursements made to, or by, either party, together with the name of the person to whom any such disbursement was made, in

1 violation of Section 2950(i) of the Regulations.

2 IX

3 You failed to review, initial and date, within five  
4 working days after preparation, or signing, or before close of  
5 escrow, whichever occurred first, every instrument prepared or  
6 signed by your real estate salespeople in connection with every  
7 transaction for which a real estate license was required, which  
8 may have had a material effect upon the rights or obligations of a  
9 party to the transaction, in violation of Section 2725 of the  
10 Regulations.

11 X

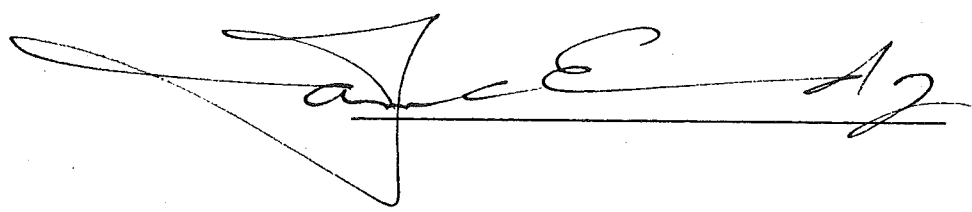
12 During a period of time from January 1, 1987, to  
13 March 31, 1987, you negotiated forty-two (42) purchases and  
14 subsequent sales of promissory notes secured by liens on real  
15 property with a total volume of \$884,690.00. Having thus  
16 satisfied the criteria of Section 10232(b) of the Code, you failed  
17 to notify the Department of this fact in 30 days or less in  
18 violation of Section 10232(e) of the Code.

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1 NOW, THEREFORE, YOU ARE ORDERED TO DESIST AND REFRAIN  
2 from carrying on activities for which a real estate license is  
3 required unless and until you comply with Sections 2725, 2831.1  
4 and 2950(i) of the Regulations and Section 10232(e) of the Code.

5 DATED: 5-24-, 1988.

6 JAMES A. EDMONDS, JR.  
7 Real Estate Commissioner

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25 cc: North Oaks Real Estate Investments, Inc.  
26 Steven Lance Rodstein  
27 Post Office Box 351415  
Los Angeles, California 90035