

FILED

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1 Department of Real Estate  
2 107 South Broadway, Room 8107  
3 Los Angeles, California 90012  
4 (213) 620-4790

DEPARTMENT OF REAL ESTATE

BY *Sybil Williams*

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \* \*

|                                     |   |                        |
|-------------------------------------|---|------------------------|
| 11 TO:                              | ) | NO. H-23377 LA         |
|                                     | ) |                        |
| 12 MARINA FINANCIAL, INC., a        | ) | <u>ORDER TO DESIST</u> |
| 13 California corporation; and MARK | ) | <u>AND REFRAIN</u>     |
| 14 JONATHON PAUL, individually and  | ) |                        |
| 15 as designated officer of Marina  | ) |                        |
| 16 Financial, Inc.                  | ) |                        |

16 The Real Estate Commissioner of the State of Cali-  
17 fornia (hereinafter the "Commissioner") has caused an investiga-  
18 tion to be made of your activities as real estate brokers, and  
19 based upon the findings of that investigation, as set forth  
20 below, is of the opinion that you have violated Sections 10137,  
21 10145, 10146, and 10240 of the Business and Professions Code  
22 (hereinafter the Code) and Sections 2715, 2725, 2830, 2831, 2831.1  
23 and 2970, of Chapter 6, Title 10, California Code of Regulations  
24 (hereinafter the Regulations); and further, that MARINA  
25 FINANCIAL, INC. is presently unable to meet the requirements set  
26 forth in Section 2742 of the Regulations and, as a consequence  
27 thereof, is in violation of Section 10177(f) of the Code.

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I

On or about February 5, 1985, you, MARINA FINANCIAL, INC., (hereinafter MARINA FINANCIAL), became incorporated in the State of California by the filing of Articles of Incorporation with the California Secretary of State.

II

On or about September 13, 1985, a real estate corporation license was issued by the Commissioner to you, MARINA FINANCIAL, through your designated officer broker MARK JONATHON PAUL (hereinafter PAUL).

III

At all times herein mentioned, you, MARINA FINANCIAL, were and now are licensed as a corporate real estate broker, and you, PAUL, were and now are licensed as a real estate broker individually, and you acted in the capacity of MARINA FINANCIAL's designated broker officer until in or about April 1988.

IV

On or about December 1, 1986, pursuant to the provisions of the California Bank and Corporation Tax Law, the corporate powers, rights and privileges of MARINA FINANCIAL, INC. were suspended.

V

Pursuant to Section 2742 of the Regulations, you, MARINA FINANCIAL, INC., were required to submit with your application for an original broker license a Certificate of Status executed by the California Secretary of State. Due to the suspension referred to in Paragraph IV, above, you are no longer

1 qualified to hold such a Certificate of Status and are, therefore,  
2 in violation of Section 10177(f) of the Code.

3 VI

4 All further references herein to "you" include the  
5 parties identified in Paragraphs I through III, above, and also  
6 include the officers, directors, employees, agents and real  
7 estate licensees employed by or associated with said parties and  
8 who at all times herein mentioned were engaged in the furtherance  
9 of the business or operations of said parties and who were  
10 acting within the course and scope of their authority and employ-  
11 ment.

12 VII

13 At all times herein mentioned, you engaged in the  
14 business of, acted in the capacity of, advertised or assumed to  
15 act as real estate brokers in the State of California within the  
16 meaning of Sections 10131(d) and 10131.2 of the Code, including  
17 the operation of a mortgage loan brokerage business with the  
18 public wherein you solicited lenders and borrowers for loans  
19 secured by liens on real property. In addition, for a fee  
20 received in advance, you arranged, negotiated, processed, and  
21 consummated such loans on behalf of others, for or in expectation  
22 of compensation.

23 VIII

24 In connection with the aforesaid activities requiring  
25 a real estate license, from February 12, 1986, through December  
26 31, 1987, you accepted or received funds in trust (hereinafter  
27 "trust funds") from prospective borrowers to cover the cost of

1 appraisal fees and credit reports and thereafter made disburse-  
2 ments of such funds. Said funds were deposited by you in Account  
3 No. [REDACTED] at California Overseas Bank in Marina Del Rey,  
4 California, rather than in a trust account with a bank or other  
5 recognized depository, in violation of Section 10146 of the Code.

6 IX

7 On February 8, 1988, the Department completed an exami-  
8 nation of your books and records pertaining to your activities as  
9 a real estate broker for a twelve month period ending December  
10 31, 1987, which revealed violations of the Code and of the Regu-  
11 lations as set forth in the following paragraphs.

12 X

13 In connection with the trust funds referred to in  
14 Paragraph VIII above, you acted in violation of the Regulations  
15 in that:

16 (a) You failed to place all trust funds into a neutral  
17 escrow depository or into the hands of the principal on whose  
18 behalf the funds were received or into a trust account in your  
19 name as broker and as trustee at a bank or other financial insti-  
20 tution in violation of Section 2830 of the Regulations.

21 (b) You failed to maintain adequate records of all  
22 trust funds received and disbursed by you, as required by Section  
23 2831 of the Regulations.

24 (c) You failed to maintain a separate record for each  
25 beneficiary or transaction, accounting therein for all said trust  
26 funds received, deposited, and disbursed, as required by Section  
27 2831.1 of the Regulations.

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XI

Further you acted in violation of the Code and Regulations in that:

(a) At some time during 1987, you, MARINA FINANCIAL, began conducting business at 4333 Admiralty Way, Suite 619, Marina Del Rey, California, including the real estate activity described in Paragraphs VII and VIII above.

At no time relevant herein did you inform the Commissioner that the said address was the address of your principal place of business as required by Section 10162 of the Code, nor did you obtain a branch office for the said address as required by Section 10163 of the Code, in violation of Section 2715 of the Regulations.

(b) You failed to submit to the Commissioner, not less than five days before publication or other use, all materials to be used in advertising, soliciting, and negotiating agreements calling for the payment of advance fees, including written forms of advance fee agreements proposed for use by you, in violation of Section 2970 of the Regulations.

(c) You, PAUL, failed to review, initial and date every instrument prepared in connection with transactions for which a real estate license is required, which might have had a material effect upon the rights or obligations of a party to the transaction, in violation of Section 2725 of the Regulations.

XII

In addition, during 1987, you employed and thereafter compensated Melanie Crandall, Garry Crandall, aka Garry Krey,

1 Ron Winzelberg, Ann Gillis, Clarette Martin and Cathy Milligan  
2 to negotiate loans secured by liens on real property on behalf  
3 of borrowers, including, but not limited to, Timothy McKeon,  
4 James Moore, Gilbert Starckenburg, Peter H. Steller, and Won Gin  
5 Ng.

6 XIII

7 The activities of Melanie Crandall, Garry Crandall, aka  
8 Garry Krey, Ron Winzelberg, Ann Gillis, Clarette Martin and  
9 Cathy Milligan, as described above, required a real estate license  
10 under Section 10131(d) of the Code. Inasmuch as none of these  
11 persons were licensed as either a real estate broker or a real  
12 estate salesperson at the time said acts were performed, your  
13 conduct, in employing and compensating said persons, was in  
14 violation of Section 10137 of the Code.

15  
16 NOW, THEREFORE, YOU, AND EACH OF YOU, ARE HEREBY ORDERED  
17 TO DESIST AND REFRAIN from performing any acts by or through  
18 MARINA FINANCIAL, INC. for which a real estate license is required  
19 until you have presented evidence satisfactory to the Commissioner  
20 that MARINA FINANCIAL, INC. is no longer subject to the suspension  
21 described in Paragraph IV, above, and is fully qualified by the  
22 Office of the Secretary of State to do business in the State of  
23 California.

24  
25 NOW THEREFORE, IF YOU, MARINA FINANCIAL, INC., REGAIN  
26 YOUR QUALIFICATIONS FROM THE SECRETARY OF STATE TO DO BUSINESS  
27 IN THE STATE OF CALIFORNIA, YOU ARE FURTHER ORDERED TO DESIST AND

1 REFRAIN from employing any person to perform any acts for which  
2 a real estate license is required who is not a licensed real  
3 estate broker or licensed real estate salesperson licensed to you  
4 at the time the acts are performed.

5  
6 YOU ARE FURTHER ORDERED TO DESIST AND REFRAIN from  
7 receiving trust funds from others in connection with activities  
8 requiring a real estate license unless and until you comply with  
9 Sections 2830, 2831, and 2834 of the Regulations.

10 DATED: July 29, 1988.

11  
12 JAMES A. EDMONDS, JR.  
13 Real Estate Commissioner

14  
15 By: John R. Liberator  
16 JOHN R. LIBERATOR  
17 Chief Deputy Commissioner

18  
19  
20  
21 cc: Mark Jonathon Paul  
22 Marina Financial, Inc.  
23 702 Washington St., Suite 29  
Marina Del Rey, CA 90291

24 ALSO  
25 4333 Admiralty Way, Suite 619 CTN  
Marina Del Rey, CA 90291

26 ALSO  
27 1401 Westwood Blvd., 1st. Floor  
Los Angeles, CA 90024