

Handwritten signature/initials

Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
(213) 897-3937

Laura B. Orta

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DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of)	NO. H-24569 LA
TEJAI FINANCIAL SERVICES, INC,)	
a California corporation;)	<u>STIPULATION IN</u>
KENNETH JAMES PELTZ, individually)	<u>SETTLEMENT AND ORDER</u>
and as designated officer of Tejai)	
Financial Services, Inc.; and)	
TOM JOHNSON,)	
)	
Respondents.)	
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It is hereby stipulated by and between TEJAI FINANCIAL SERVICES, INC, (TFS), a California corporation, KENNETH JAMES PELTZ (PELTZ), individually and as designated officer of Tejai Financial Services, Inc.; and TOM JOHNSON (JOHNSON), (sometimes referred to as respondents) and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on July 8, 1991 in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and

1 respondents at a formal hearing on the Accusation, which hearing
2 was to be held in accordance with the provisions of the
3 Administrative Procedure Act (APA), shall instead and in place
4 thereof be submitted solely on the basis of the provisions of
5 this Stipulation.

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

10 3. On July 12, 1991, respondents filed a Notice of
11 Defense pursuant to Section 11505 of the Government Code for the
12 purpose of requesting a hearing on the allegations in the
13 Accusation. Respondents hereby freely and voluntarily withdraw
14 said Notice of Defense. Respondents acknowledge that they
15 understand that by withdrawing said Notice of Defense they
16 thereby waive their right to require the Commissioner to prove
17 the allegations in the Accusation at a contested hearing held in
18 accordance with the provisions of the APA and that they will
19 waive other rights afforded to them in connection with the
20 hearing such as the right to present evidence in defense of the
21 allegations in the Accusation and the right to cross-examine
22 witnesses.

23 4. Respondents, pursuant to the limitations set forth
24 below, hereby admit that the factual allegations in Paragraphs
25 I through X of the Amended Accusation filed in this proceeding
26 are true and correct and the Real Estate Commissioner shall not
27 be required to provide further evidence of such allegations.

1
2 5. This Stipulation is based on respondents' decision
3 not to contest the allegations set forth in the Accusation as a
4 result of the Proposed Decision and Order negotiated between the
5 parties. This Stipulation and the finding, express or implied,
6 based on respondents' decision not to contest the Accusation,
7 are made expressly limited to this proceeding and any further
8 proceeding initiated by or brought before the Department of Real
9 Estate based upon the facts and circumstances alleged in the

10 Accusation, and made for the sole purpose of reaching an agreed
11 disposition of this proceeding. The decision of respondents not
12 to contest the factual statements alleged, and as contained in
13 the stipulated Order, are made solely for the purpose of
14 effectuating this Stipulation. It is the intent and
15 understanding of the parties that this Stipulation and Order
16 shall not be binding or admissible against respondents in any
17 actions against respondents by third parties.

18 6. It is understood by the parties that the Real
19 Estate Commissioner may adopt the Stipulation and Agreement as
20 his decision in this matter thereby imposing the penalty and
21 sanctions on respondents' real estate licenses and license
22 rights as set forth in the "Order" hereinbelow. In the event
23 that the Commissioner in his discretion does not adopt the
24 Stipulation and the Agreement, the Agreement shall be void and
25 of no effect, and respondents shall retain the right to a
26 hearing and proceeding on the Accusation under the provisions of
27 the APA and shall not be bound by any admission or waiver made
herein.

1 7. The Order or any subsequent Order of the Real
2 Estate Commissioner made pursuant to this Stipulation shall not
3 constitute an estoppel, merger or bar to any further
4 administrative or civil proceedings by the Department of Real
5 Estate with respect to any matters which were not specifically
6 alleged to be causes for accusation in this proceeding.

7 DETERMINATION OF ISSUES

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 following determination of issues shall be made:

12 I

13 The conduct of respondent TOM JOHNSON in performing
14 acts which require a real estate license at a time when said
15 respondent was not licensed by the Department constitutes a
16 violation of Section 10130 of the Code and is cause to suspend
17 or revoke the real estate license and license rights of
18 respondent TOM JOHNSON under the provisions of Section 10177(d)
19 of the Code.

20 II

21 The conduct of respondent TFS and PELTZ, in
22 compensating JOHNSON, an unlicensed salesperson, constitutes a
23 violation of Section 10137 of the Code and said conduct and
24 violations are cause to suspend or revoke their real estate
25 licenses and license rights.

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ORDER

WHEREFORE THE FOLLOWING ORDER IS MADE PURSUANT TO THE WRITTEN STIPULATION OF THE PARTIES:

I

The corporate real estate broker license and license rights of respondent TEJAI FINANCIAL SERVICES, INC. are suspended for a period of thirty (30) days from the effective date of this Decision; provided, however, that twenty (20) days of said suspension shall be stayed automatically and respondent has the right to receive a stay of the remaining ten (10) days of said suspension on the condition that:

(A) Respondent TEJAI FINANCIAL SERVICES, INC. petitions the Commissioner in writing to pay a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code in the amount of two thousand dollars (\$2000) to stay ten (10) days of said suspension;

(B) The Commissioner, in exercising his discretion under Section 10175.2 agrees by signing this Order, that it would not be against the public interest to permit respondent to pay a monetary penalty; and

(C) The payment of the monetary penalty shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Payment must be made prior to the effective date of the Decision in this matter.

If no further cause for disciplinary action occurs against respondent TEJAI FINANCIAL SERVICES, INC. corporate real estate broker license within one (1) year from the effective

1 date of this Decision, the automatic stay hereby granted and the
2 stay granted upon the payment of the monetary penalty shall
3 become permanent. If it is determined pursuant to the
4 Administrative Procedure Act that further cause for disciplinary
5 action against the real estate license or license rights of
6 respondent has occurred within one (1) year from the effective
7 date of this Decision, the stay of suspension hereby granted, or
8 such portion thereof, as the Real Estate Commissioner shall deem
9 to be appropriate, shall be vacated.

10
11 II

12 The real estate broker license and license rights of
13 respondent KENNETH JAMES PELTZ are suspended for a period of
14 thirty (30) days from the effective date of this Decision;
15 provided, however, that twenty (20) days of said suspension
16 shall be stayed automatically and respondent has the right to
17 receive a stay of the remaining ten (10) days of said suspension
18 on the condition that:

19 (A) Respondent KENNETH JAMES PELTZ petitions the
20 Commissioner in writing to pay a monetary penalty pursuant to
21 Section 10175.2 of the Business and Professions Code in the
22 amount of two thousand dollars (\$2000) to stay ten (10) days of
23 said suspension;

24 (B) The Commissioner, in exercising his discretion
25 under Section 10175.2 agrees by signing this Order, that it
26 would not be against the public interest to permit respondent to
27 pay a monetary penalty; and.

1 (C) The payment of the monetary penalty shall be in
2 the form of a cashier's check or certified check made payable to
3 the Recovery Account of the Real Estate Fund. Payment must be
4 made prior to the effective date of the Decision in this matter.

5 If no further cause for disciplinary action occurs
6 against respondent KENNETH JAMES PELTZ corporate real estate
7 broker license within one (1) year from the effective date of
8 this Decision, the automatic stay hereby granted and the stay
9 granted upon the payment of the monetary penalty shall become
10 permanent. If it is determined pursuant to the Administrative
11 Procedure Act that further cause for disciplinary action against
12 the real estate license or license rights of respondent has
13 occurred within one (1) year from the effective date of this
14 Decision, the stay of suspension hereby granted, or such portion
15 thereof, as the Real Estate Commissioner shall deem to be
16 appropriate, shall be vacated.

17 III

18 The real estate salesperson license and license rights
19 of respondent TOM JOHNSON are suspended for a period of thirty
20 (30) days from the effective date of this Decision; provided,
21 however, that twenty (20) days of said suspension shall be
22 stayed automatically and respondent has the right to receive a
23 stay of the remaining ten (10) days of said suspension on the
24 condition that:

25 (A) Respondent TOM JOHNSON petitions the Commissioner
26 in writing to pay a monetary penalty pursuant to Section 10175.2
27 of the Business and Professions Code in the amount of two

1 thousand dollars (\$2000) to stay ten (10) days of said
2 suspension;

3 (B) The Commissioner, in exercising his discretion
4 under Section 10175.2 agrees by signing this Order, that it
5 would not be against the public interest to permit respondent to
6 pay a monetary penalty; and

7 (C) The payment of the monetary penalty shall be in
8 the form of a cashier's check or certified check made payable to
9 the Recovery Account of the Real Estate Fund. Payment must be
10 made prior to the effective date of the Decision in this matter.

11 If no further cause for disciplinary action occurs
12 against respondent TOM JOHNSON's real estate salesperson license
13 within one (1) year from the effective date of this Decision,
14 the automatic stay hereby granted and the stay granted upon the
15 payment of the monetary penalty shall become permanent. If it
16 is determined pursuant to the Administrative Procedure Act that
17 further cause for disciplinary action against the real estate
18 license or license rights of respondent has occurred within one
19 (1) year from the effective date of this Decision, the stay of
20 suspension hereby granted, or such portion thereof, as the Real
21 Estate Commissioner shall deem to be appropriate, shall be
22 vacated.

23 DATED: 9-16-91

elliott mac lennan
ELLIOTT MAC LENNAN
Counsel for Complainant


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I have read the Stipulation In Settlement and Order, 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.

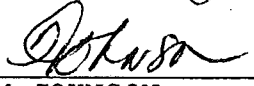
DATED: 9-10-91


TEJAI FINANCIAL SERVICES, INC.
By: KENNETH JAMES PELTZ
Respondent

DATED: 9-10-91


KENNETH JAMES PELTZ, DO
Respondent

DATED: Sept 10, 1991


TOM JOHNSON
Respondent

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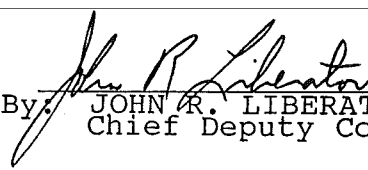
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The foregoing Stipulation and Agreement for Settlement
and Order is hereby adopted by the Commissioner and shall become
effective at 12 o' clock noon on October 24 , 1991.

IT IS SO ORDERED September 27 , 1991.

CLARK WALLACE
Real Estate Commissioner


By: JOHN R. LIBERATOR
Chief Deputy Commissioner

ELLIOTT MAC LENNAN, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California, 90012

(213) 620-4790

SEP-5 1991

Laura B. Orma

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
TEJAI FINANCIAL SERVICES, INC.,)	No. H-24569 LA
a corporation; and KENNETH)	
JAMES PELTZ, individually and)	A M E N D M E N T
as designated officer of)	
Tejai Financial Services, Inc.;)	T O
and TOM JOHNSON,)	
Respondents.)	A C C U S A T I O N

The Accusation heretofore filed on July 8, 1991, in the above-captioned matter is hereby amended as follows:

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against TEJAI FINANCIAL SERVICES, INC., a corporation; KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial Services, Inc.; and TOM JOHNSON, is informed and alleges in his official capacity as follows:

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I

TEJAI FINANCIAL SERVICES, INC., (TFS) a corporation, KENNETH JAMES PELTZ (PELTZ) and TOM JOHNSON (JOHNSON), sometimes collectively referred to as respondents, are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

II

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Chapter 6, Title 10, California Code of Regulations.

III

At all mentioned times, TFS was licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker by and through PELTZ as designated officer.

IV

At all mentioned times, PELTZ was licensed by the Department as a real estate broker, both individually and as designated officer of TFS to qualify TFS and to act for TFS as a real estate broker and, as provided by Section 10159.2 of the Code, was responsible for the supervision and control of the activities conducted on behalf of TFS by its officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law including the supervision of the salespeople licensed to the corporation in the performance of acts

1 for which a real estate license is required by Section 10159.2 of
2 the Code.

3
4 V

5 Whenever reference is made in an allegation in the
6 accusation to an act or omission of TFS, such allegation shall be
7 deemed to mean that the officers, directors, managers, employees,
8 agents and real estate licensees employed by or associated with
9 TFS, including PELTZ and JOHNSON, committed such act or omission
10 while engaged in the furtherance of the business or operation of
11 TFS and while acting within the course and scope of its corporate
12 authority, agency and employment.

13 VI

14 At all mentioned times, TFS, PELTZ and JOHNSON were
15 acting as the agent or employee of the other and within the course
16 and scope of such agency or employment.

17 VII

18 At all mentioned times, in the City of Van Nuys, Los
19 Angeles County, respondent TFS engaged in the business of a
20 corporate real estate broker and respondent PELTZ, a real estate
21 broker, within the meaning of Sections 10131(d) of the Code,
22 including the operation of a mortgage loan brokerage business with
23 the public wherein lenders and borrowers were solicited for loans
24 secured directly or collaterally by liens on real property,
25 wherein such loans were arranged, negotiated, processed, and
26 consummated on behalf of others for compensation or in expectation
27 of compensation and for fees often collected in advance.

VIII

On February 14, 1990, authorized personnel of the Department completed an Office Survey including an examination of TFS' books and records pertaining to its activities as a real estate broker engaged in the mortgage loan brokerage business.

IX

The office survey revealed that TFS and PELTZ, employed and compensated Lisa Glogow (Glogow), Chief Executive Officer of TFS, and TOM JOHNSON, owner and Secretary of TFS, from 1986 to February 14, 1990, to solicit borrowers and lenders for and negotiate loans secured directly or collaterally by liens on real property as the agent of others.

X

Although Glogow and JOHNSON were not licensed by the Department in any capacity, their conduct, as described in Paragraph IX, is that of a real estate licensee, as described in Section 10131(d) of the Code.

XI

The conduct of TFS and PELTZ in employing and compensating Glogow and JOHNSON as salespersons to originate loans, solicit borrowers and lenders, and negotiate loans secured by liens on real property, as described in Paragraph IX, when neither of them were licensed by the Department is cause to suspend or revoke their respective real estate licenses and license rights under Section 10137 of the Code.

1
2 WHEREFORE, Complainant prays that a hearing be conducted
3 on the allegations made by the accusation and, that upon proof
4 thereof, a decision be rendered imposing disciplinary action
5 against all licenses and license rights of respondents TEJAI
6 FINANCIAL SERVICES, INC., a corporation; KENNETH JAMES PELTZ,
7 individually and as designated officer of Tejai Financial
8 Services, Inc.; and TOM JOHNSON, under the Real Estate Law (Part 1
9 of Division 4 of the Business and Professions Code) and for such
10 other and further relief as may be proper under other applicable
11 provisions of law.

12 Dated at Los Angeles, California
13 this 5th day of September, 1991.

14 STEVEN J. ELLIS

15 Deputy Real Estate Commissioner

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24 cc: Kenneth James Peltz, DO
25 Tom Johnson
26 Tejai Financial Services, Inc.
27 Sacto.
WJH

SACTO.
E/US

1 ELLIOTT MAC LENNAN, Counsel
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, California 90012
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8 (213) 620-4790

JUL -8 1991

DEPARTMENT OF REAL ESTATE
[Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

11 In the Matter of the Accusation of)
12)
13 TEJAI FINANCIAL SERVICES, INC.,)
14 a corporation; and KENNETH)
15 JAMES PELTZ, individually and)
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Tejai Financial Services, Inc.,)
Respondents.)

No. H-24569 LA
A C C U S A T I O N

17 The Complainant, Steven J. Ellis, a Deputy Real Estate
18 Commissioner of the State of California, for cause of accusation
19 against TEJAI FINANCIAL SERVICES, INC., a corporation; KENNETH
20 JAMES PELTZ, individually and as designated officer of Tejai
21 Financial Services, Inc., is informed and alleges in his official
22 capacity as follows:

I

23
24 TEJAI FINANCIAL SERVICES, INC., (TFS) a corporation, and
25 KENNETH JAMES PELTZ (PELTZ), sometimes collectively referred to as
26 respondents, are presently licensed and/or have license rights

27

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

3 II

4 All references to the "Code" are to the California
5 Business and Professions Code and all references to "Regulations"
6 are to Chapter 6, Title 10, California Code of Regulations.

7 III

8 ~~At all mentioned times, TFS was licensed by the~~
9 Department of Real Estate of the State of California (Department)
10 as a corporate real estate broker by and through PELTZ as
11 designated officer.

12 IV

13 At all mentioned times, PELTZ was licensed by the
14 Department as a real estate broker, both individually and as
15 designated officer of TFS to qualify TFS and to act for TFS as a
16 real estate broker and, as provided by Section 10159.2 of the
17 Code, was responsible for the supervision and control of the
18 activities conducted on behalf of TFS by its officers, managers
19 and employees as necessary to secure full compliance with the
20 provisions of the Real Estate Law including the supervision of the
21 salespeople licensed to the corporation in the performance of acts
22 for which a real estate license is required by Section 10159.2 of
23 the Code.

24 V

25 Whenever reference is made in an allegation in the
26 accusation to an act or omission of TFS, such allegation shall be
27 deemed to mean that the officers, directors, managers, employees,

1 agents and real estate licensees employed by or associated with
2 TFS, including PELTZ, committed such act or omission while engaged
3 in the furtherance of the business or operation of TFS and while
4 acting within the course and scope of its corporate authority,
5 agency and employment.

6 VI

7 At all mentioned times, TFS and PELTZ were acting as the
8 agent or employee of the other and within the course and scope of
9 such agency or employment.

10 VII

11 At all mentioned times, in the City of Van Nuys, Los
12 Angeles County, respondent TFS engaged in the business of a
13 corporate real estate broker and respondent PELTZ, a real estate
14 broker, within the meaning of Section 10131(d) of the Code,
15 including the operation of a mortgage loan brokerage business with
16 the public wherein lenders and borrowers were solicited for loans
17 secured directly or collaterally by liens on real property,
18 wherein such loans were arranged, negotiated, processed, and
19 consummated on behalf of others for compensation or in expectation
20 of compensation and for fees often collected in advance.

21 VIII

22 On February 14, 1990, authorized personnel of the Department
23 completed an Office Survey including an examination of TFS' books
24 and records pertaining to its activities as a real estate broker
25 engaged in the mortgage loan brokerage business.

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IX

The office survey revealed that TFS and PELTZ, employed and compensated Lisa Glogow (Glogow), Chief Executive Officer of TFS, and Tom Johnson (Johnson), owner and Secretary of TFS, from 1986 to February 14, 1990, to solicit borrowers and lenders for and negotiate loans secured directly or collaterally by liens on real property as the agent of others.

X

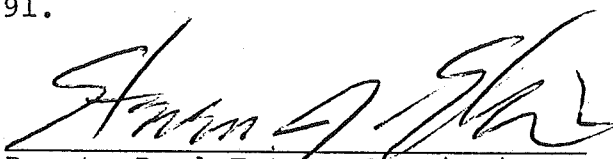
Although Glogow and Johnson were not licensed by the Department in any capacity, their conduct, as described in Paragraph IX, is that of a real estate licensee, as described in Section 10131(d) of the Code.

XI

The conduct of TFS and PELTZ in employing and compensating GLOGOW and JOHNSON as salespersons to originate loans, solicit borrowers and lenders, and negotiate loans secured by liens on real property, as described in Paragraph IX, when neither of them were licensed by the Department is cause to suspend or revoke their respective real estate licenses and license rights under Section 10137 of the Code.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations made by the accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of respondents TEJAI FINANCIAL SERVICES, INC., a corporation; and KENNETH JAMES PELTZ, individually and as designated officer of Tejai Financial

1 Services, Inc., under the Real Estate Law (Part 1 of Division 4 of
2 the Business and Professions Code) and for such other and further
3 relief as may be proper under other applicable provisions of law.
4 Dated at Los Angeles, California
5 this 8th day of July, 1991.

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8 Deputy Real Estate Commissioner

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cc: Kenneth James Peltz
Tejai Financial Services, Inc..
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