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I

In the Decision which revoked Respondent's real estate license, there were Determination of Issues made that there was cause to revoke Respondent's real estate license pursuant to Business and Professions Code ("Code") Section 10177(d). A Department of Real Estate ("Department") investigation had determined that Respondent had breached his fiduciary duty to clients.

II

Effective March 13, 1991, in Department Case number H-1754 SD, Respondent's real estate broker license was revoked and he was given the right to apply for an be issued a restricted real estate salesperson license. A restricted real estate salesperson license was issued to Respondent on July 18, 1991.

A Department audit examination had found violations of the Real Estate Law during a period of time when Respondent was the designated officer of a licensed real estate corporation.

III

On May 5, 1989, in Department Case Number H-1681 SD, an Order to Desist and Refrain was filed against Respondent and a licensed real estate corporation for which he was the designated officer.

1 A Department audit examination had found violations
2 of the Real Estate Law during a period of time when Respondent
3 was the designated officer of a licensed real estate
4 corporation.

6 IV

7 The burden of proving rehabilitation rests with the
8 petitioner (Feinstein v. State Bar (1952) 39 Cal. 2d 541).

9 A petitioner is required to show greater proof of honesty and
10 integrity than an applicant for first time licensure. The proof
11 must be sufficient to overcome the prior adverse judgment on the
12 applicant's character (Tardiff v. State Bar (1980) 27 Cal. 3d
13 395).

14 The Department has developed criteria in Regulation
15 2911, to assist in evaluating the rehabilitation of an applicant
16 for reinstatement of a license. Among the criteria relevant in
17 this proceeding are:

18 2911 (a) - A longer period of time is required to
19 establish rehabilitation, given Respondent's history of acts and
20 conduct that is substantially related to the qualifications,
21 functions and duties of a real estate licensee.

22 Given the fact that Respondent has not established
23 that he has complied with Regulations 2911(a), I am not
24 satisfied that Respondent is sufficiently rehabilitated to
25 receive a plenary real estate license.
26
27

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

4 I am satisfied, however, that it will not be against
5 the public interest to issue a restricted real estate
6 salesperson license to Respondent.

7 A restricted real estate salesperson license shall
8
9 be issued to Respondent pursuant to Code Section 10156.5
10 if Respondent within twelve (12) months from the date hereof:

11 (a) takes and passes the written examination required
12 to obtain a real estate salesperson license.

13 (b) makes application therefor and pays the
14 appropriate fee for said license.

15 The restricted license issued to Respondent shall be
16 subject to all of the provisions of Code Section 10156.7 and to
17 the following limitations, conditions and restrictions imposed
18 under authority of Code Section 10156.6:

19 1. The restricted license issued to Respondent
20
21 may be suspended prior to hearing by Order of the Real Estate
22 Commissioner in the event of Respondent's conviction or plea
23 of nolo contendere to a crime which is substantially related
24 to Respondent's fitness or capacity as a real estate licensee.

25
26 ///

1 2. The restricted license issued to Respondent
2 may be suspended prior to hearing by Order of the Real Estate
3 Commissioner on evidence satisfactory to the Commissioner that
4 Respondent has violated provisions of the California Real
5 Estate Law, the Subdivided Lands Law, Regulations of the Real
6 Estate Commissioner or conditions attaching to the restricted
7 license.
8

9 3. Respondent shall not be eligible to apply for
10 the issuance of an unrestricted real estate license nor for
11 the removal of any of the conditions, limitations or
12 restrictions of a restricted license until two (2) years
13 have elapsed from the effective date of this Decision.
14

15 4. Respondent shall submit with any application for
16 license under an employing broker, or with any application for
17 transfer to a new employing broker, a statement signed by the
18 prospective employing real estate broker on a form approved by
19 the Department which shall certify:
20

21 (a) That the employing broker has read the Decision
22 of the Commissioner which granted the right to a restricted
23 license; and

24 (b) That the employing broker will exercise close
25 supervision over the performance by the restricted licensee
26 relating to activities for which a real estate license is
27 required.

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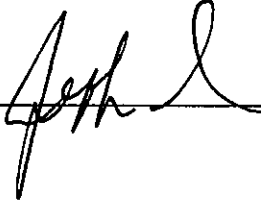
This Order shall become effective at 12 o'clock noon

OCT 15 2007

on _____

DATED: 9-11-07

JEFF DAVI
Real Estate Commissioner



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

(213) 897-3937

FILED

MAR 25 1992

DEPARTMENT OF REAL ESTATE
BY *[Signature]*

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
)	No. H-24715 LA
MICHAEL E. POULTER;)	
BEDFORD INDUSTRIES, INC.;)	<u>STIPULATION AND AGREEMENT</u>
GERALD EDWIN REED,)	<u>IN</u>
individually and as)	<u>SETTLEMENT AND ORDER</u>
designated officer of Bedford)	
Industries, Inc.;)	
and BEVERLY ANN DUSCHAK)	
aka Beverly Ann Gregory,)	
)	
)	
Respondents.)	
)	

It is hereby stipulated by and between GERALD EDWIN REED (sometimes referred to as respondent) (all other named respondent's were defaulted pursuant to a DECISION on November 1, 1991), 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 June 28, 1991 in this matter:

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

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

6 2. Respondent has received, read and understands 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 September 20, 1991, Respondent 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. Respondent hereby freely and voluntarily withdraws
14 said Notice of Defense. Respondent acknowledges that he
15 understands that by withdrawing said Notice of Defense he thereby
16 waives his right to require the Commissioner to prove the
17 allegations in the Accusation at a contested hearing held in
18 accordance with the provisions of the APA and that he will waive
19 other rights afforded to him in connection with the hearing such
20 as the right to present evidence in defense of the allegations in
21 the Accusation and the right to cross-examine witnesses.

22 4. Respondent, pursuant to the limitations set forth
23 below, hereby admits that the factual allegations in Paragraphs IV
24 through XXXII of the Accusation filed in this proceeding are true
25 and correct and the Real Estate Commissioner shall not be required
26 to provide further evidence of such allegations.

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5. This Stipulation is based on respondent's decision not to contest the allegations set forth in the Accusation as a result of the agreement negotiated between the parties. This Stipulation and the finding, express or implied, based on respondent's decision not to contest the Accusation, are made expressly limited to this proceeding and any further proceeding initiated by or brought before the Department of Real Estate based upon the facts and circumstances alleged in the Accusation, and made for the sole purpose of reaching an agreed disposition of this proceeding. The decision of respondent not to contest the factual statements alleged, and as contained in the stipulated Order, is made solely for the purpose of effectuating this Stipulation. It is the intent and understanding of the parties that this Stipulation shall not be binding or admissible against respondent in any actions against respondent by third parties.

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

7. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further

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administrative or civil proceedings by the Department of Real Estate with respect to any matters which were not specifically alleged to be causes for accusation in this proceeding.

DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions and waivers and solely for the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the following determination of issues shall be made:

I

The conduct of respondent, as described in Paragraph 4 is cause to suspend or revoke the real estate license and license rights of respondent GERALD EDWIN REED under the provisions of Section 10177(d) of the Code.

ORDER

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

I

The restricted real estate salesperson license and license rights of respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) are hereby revoked.

DATED: 2-11-92

elliott mac lennan
ELLIOTT MAC LENNAN
Counsel for Complainant

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* * * *

I have read the Stipulation and Agreement in Settlement and Order 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: 12/20/91

Gerald Edwin Reed
GERALD EDWIN REED
Respondent

* * * *

The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by the Commissioner as Decision and Order and shall become effective at 12 o' clock noon on April 14, _____, 1992.

IT IS SO ORDERED 3/4, 1992.

CLARK WALLACE
Real Estate Commissioner

Clark Wallace

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

1991-10-15

Laura B. Ornel

* * * * *

In the Matter of the Accusation of)
)
 MICHAEL E. POULTER;)
 BEDFORD INDUSTRIES, INC.;)
 GERALD EDWIN REED,)
 individually and as)
 designated officer of Bedford)
 Industries, Inc.;)
 and BEVERLY ANN DUSCHAK)
 aka Beverly Ann Gregory,)
)
 Respondents.)

No. H-24715 LA

DECISION

The Proposed Decision dated October 11, 1991 of Randolph Brendia, Regional Manager, Department of Real Estate, State of California, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision shall become effective at 12 o'clock noon on November 21, 1991.

IT IS SO ORDERED October 26, 1991.

CLARK WALLACE
Real Estate Commissioner

Clark Wallace

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)
MICHAEL E. POULTER;) No. H-24715 LA
BEDFORD INDUSTRIES, INC.;)
GERALD EDWIN REED,)
individually and as)
designated officer of Bedford)
Industries, Inc.;)
and BEVERLY ANN DUSCHAK)
aka Beverly Ann Gregory,)
Respondents.)

PROPOSED DECISION

This matter was presided over as an uncontested case by Randolph Brendia, Regional Manager, Department of Real Estate, as the designee of the Real Estate Commissioner, in Los Angeles, California, on October 11, 1991.

Elliott Mac Lennan, Counsel, represented the Complainant.

No appearance was made by or on behalf of respondents MICHAEL E. POULTER; BEDFORD INDUSTRIES, INC.; and, BEVERLY ANN DUSCHAK aka Beverly Ann Gregory.*

On proof of compliance with Government Code Section 11505, the matter proceeded as a default pursuant to Government Code Section 11520.

The following decision is proposed, certified and recommended for adoption.

* The matter of the Accusation of GERALD EDWIN REED is severed for hearing at another date.

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FINDINGS OF FACT

I

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, made the Accusation in his official capacity.

II

MICHAEL E. POULTER (POULTER); BEDFORD INDUSTRIES, INC. (BEDFORD); and, BEVERLY ANN DUSCHAK aka Beverly Ann Gregory (DUSCHAK), (hereinafter 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 Business and Professions Code (hereinafter "the Code").

III

At all times herein mentioned, respondent POULTER was licensed by the Department of Real Estate of the State of California (hereinafter "the Department") as a real estate salesperson in the employ of BEDFORD.

IV

At all times herein mentioned, respondent BEDFORD was licensed by the Department as a corporate real estate broker by and through Gerald Edwin Reed, real estate broker, as Designated Officer.

V

At all times herein mentioned, DUSCHAK was licensed by the Department as a real estate salesperson and was acting in the capacity of a salesperson licensed in the employ of Sundance Mortgage, Inc.

VI

On or about May 15, 1988, POULTER, while employed at Sundance Mortgage, Inc. (Sundance) as a vice president, loan originator, and real estate salesperson, submitted an offer to purchase real property, commonly known as, and located at 3305 State Street, San Diego, California (the State Street Property, or subject property) at an offered price of \$435,000, to a John A. Bettencourt (Bettencourt or seller) who, as owner, had listed it with Cotton-Ritchie Corporation at a sale price of \$490,000. The terms were such that POULTER would make a \$10,000 deposit, with an additional \$90,000 downpayment and seller to carry a second deed of trust in the amount of \$141,000, with POULTER assuming the existing first deed of trust of \$194,000. The seller executed a

counter-offer establishing the sale price to be \$457,000, balance of buyer's downpayment to be \$130,000, seller to carry a \$133,000 second deed of trust and buyer to assume the existing \$194,000 first deed of trust. POULTER's \$10,000 deposit was to be non-refundable.

VII

On May 16, 1988, POULTER executed a counter-offer proposing the purchase price to be \$446,500, with a total downpayment of \$120,000: the second deed of trust to be the difference between the downpayment and the balance of the existing first deed of trust, approximating \$131,500. Said counter-offer terminated at 5:00 PM on May 17, 1988.

VIII

On or about May 19, 1988, presumably due to the expiration of time, POULTER submitted a second offer to purchase the State Street Property at a price of \$456,500. The terms were such that POULTER would again make a \$10,000 deposit and an additional downpayment of \$115,000 for a total downpayment of \$125,000, taking title subject to an existing first loan of \$194,500, with seller assisted financing in the amount of \$137,000. Seller accepted.

IX

On or about May 20, 1988, an Escrow was opened with the escrow division at Peninsula Bank of San Diego to forward the sale of the subject property and to memorialize the dickered price and terms of sale. The terms were subsequently modified whereby the seller would carry a \$130,500 second deed of trust. The sale price was changed to \$450,000 with additional adjustments to be made before the close of escrow.

X

On May 26, 1988, POULTER executed a "Buyer's Acceptance and Release" which reflects a \$5,000 credit against the purchase price from seller Bettencourt to POULTER in exchange for a full release from any obligation to perform corrective work to the subject property, should any be required. Said document also reflects an adjustment of the sale price to \$451,500, and the second deed of trust to be \$132,000.

XI

On June 6, 1988, another set of Escrow Instructions were prepared by Peninsula Bank which were subsequently amended on June 10, 1988, requiring POULTER to have an additional sum of "\$72,000 or more" on deposit, on or before June 20, 1988. Said Escrow Instructions also contained an additional amendment dated June 28, 1988, changing the vesting of title to the State Street Property from POULTER to BEDFORD.

/

XII

On about June 29, 1988, due to a lack of adequate funds to consummate the purchase of the State Street Property, POULTER solicited a \$215,000 loan from Sundance via Marcia Myers Spann (Spann). At that time Spann was the president, chief officer and a real estate salesperson. POULTER represented to Sundance and Spann that said loan would be secured by a third deed of trust against the subject property.

XIII

In order to arrange the \$215,000 loan, DUSCHAK, while a Sundance employee and real estate salesperson, along with Spann's acquiescence, solicited and received a portion of the sought \$215,000 loan in the amount of a \$125,000 loan from Kenneth A. Moe and his wife Debra Moe (collectively, the Moes), by preparing or causing to be prepared, along with POULTER, a false and fraudulent Investment Proposal which represented that the Moes' \$125,000 loan would be secured by a third deed of trust against the State Street Property; that the said subject property had an established appraised value of \$770,000; that the subject property had protective equity in the amount of \$230,000 with a 59% Loan To Value (LTV) ratio, and that the borrower was POULTER, who, at that time, was also a vice president of Sundance earning an annual salary of \$160,000.

XIV

In order to acquire the remaining \$90,000 of additional funds needed to complete the arranging of the \$215,000 loan, POULTER and DUSCHAK, along with Spann's approval and acquiescence, arranged a \$90,000 loan, on behalf of POULTER's corporation, BEDFORD, by offering and selling a \$50,000 fractionalized interest in the mortgage to Martin and Elizabeth Kreuger (the Kreugers); a \$30,000 fractionalized interest to Sundance, and a \$10,000 fractionalized interest to a Fred Brown (Brown), all totalling \$90,000, by using the same Investment Proposal on the Kreugers, Sundance and Brown that had been previously used on to the Moes.

XV

On or about July 12, 1988, DUSCHAK, while in Sundance's employ, solicited and subsequently arranged the immediate sale of the \$30,000 Sundance loan for POULTER, to a William E. Goodwin, after making the same representations concerning the subject property and borrower's qualifications by the instrumentality of the Investment Proposal that had been made to the Moes, the Kreugers and Brown, and without disclosing that POULTER sought to change the borrower from being himself to BEDFORD by designating BEDFORD as being named borrower in whom title would vest. BEDFORD, to be sure, had no interest in the State Street Property purportedly securing Goodwin's loan.

XVI

On or about June 20, 1988, which was the timeframe during which the Moes were solicited to invest their \$125,000, POULTER and DUSCHAK represented to the Moes that their investment would be secured by a third deed of trust against the subject property, and within the same approximate timeframe, POULTER and DUSCHAK represented to the Kreugers that their \$50,000 interest in the \$90,000 fractionalized deed of trust would also be secured by a third deed of trust of a so-called "equal parity" nature. POULTER and Gregory knew and were well aware that, under California's recording system for deeds, neither third deed of trust would be recorded in such a manner that would provide for equal or equivalent position or priority because the \$125,000 deed of trust was recorded as Instrument #88-317602 and the \$90,000 fractionalized deed of trust was recorded as Instrument #88-317603: two separate instruments recorded at two different times. Neither respondent POULTER, DUSCHAK, REED or BEDFORD informed the Moes, Kreugers, Brown and Goodwin, (collectively, the lenders or the investors) that they would not be in "equal parity" with one another on the third deed of trust under the California system of recording real property deeds by first in time, first in right.

XVII

On or about June 30, 1988, and subsequent to the arranging of the \$215,000 loan, and the close of the sale escrow, BEDFORD was paid \$59,163.76 out of the proceeds from the \$215,000 loan. POULTER was also paid \$9,369.50 out of the proceeds from the sale escrow, for a total payout to them both of \$68,533.26, constituting a "Cash To Buyer" transaction. POULTER failed to honor his or have BEDFORD honor its obligations resulting in foreclosure of the State Street Property.

XVIII

At all times material herein, the investors on the loans secured by the State Street Property have suffered frustration, anxiety and emotional distress from the situation caused by respondents POULTER and DUSCHAK's creation of the "equal parity" loans and the failure to explain the consequences of said parity loans to the investors.

XIX

As the owner, president and chief executive officer of BEDFORD, respondent POULTER knew of, authorized and directed DUSCHAK to create the parity loans and to fail to fully disclose the existence of said parity loans to the investors of the loans secured by the State Street Property.

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* * * * *

Based upon a standard of proof of clear and convincing evidence to a reasonable certainty, the following determination of issues is made.

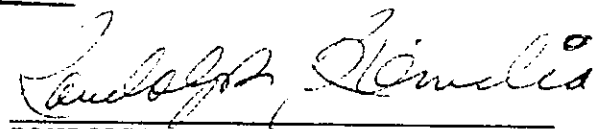
DETERMINATION OF ISSUES

The conduct of Respondent MICHAEL E. POULTER; BEDFORD INDUSTRIES, INC.; and, BEVERLY ANN DUSCHAK aka Beverly Ann Gregory, in perpetrating the "equity parity" trust deed scheme, as described in Findings VI-XIX, above, constitutes cause under Sections 10176(a) and 10176(i), for the suspension or revocation of all licenses and license rights of said respondents.

ORDER

All licenses and license rights of respondents MICHAEL E. POULTER; BEDFORD INDUSTRIES, INC.; and, BEVERLY ANN DUSCHAK aka Beverly Ann Gregory, under Part 1 of Division 4 of the Business and Professions Code are hereby revoked.

DATED: 11 October 1991



RANDOLPH BRENDIA
Regional Manager
Department of Real Estate

SACK
JCR

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

NOV-5 1991

DEPARTMENT OF REAL ESTATE
BY Laura B. Davis

In the Matter of the Accusation of

GERALD EDWIN REED,

}

Case No. H-24715 LA

OAH No. L-55044

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 _____

OFFICE OF ADMINISTRATIVE HEARINGS, 314 W. FIRST ST., LOS ANGELES, CA 90012
29th, 30th

on the & 31st day of JANUARY, 19 92, 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.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter. The interpreter must be approved by the hearing officer conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the hearing officer directs otherwise.

DEPARTMENT OF REAL ESTATE

Dated: November 4, 1991

By Elliott MacLennan
ELLIOTT MAC LENNAN Counsel

cc: Gerald Edwin Reed
Sacto.
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1 ELLIOTT MAC LENNAN, Counsel
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, California 90012

5 (213) 620-4790

JUN 20 1991



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8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11	In the Matter of the Accusation of)	
12	MICHAEL E. POULTER;)	No. H-24715 LA
13	BEDFORD INDUSTRIES, INC.;)	A C C U S A T I O N
14	GERALD EDWIN REED,)	
15	individually and as)	
16	designated officer of Bedford)	
17	Industries, Inc.;)	
18	and BEVERLY ANN DUSCHAK)	
	aka Beverly Ann Gregory,)	
)	
	Respondents.)	
)	

19 The Complainant, Steven J. Ellis, a Deputy Real Estate
20 Commissioner of the State of California, for cause of accusation
21 against MICHAEL E. POULTER (POULTER); BEDFORD INDUSTRIES,
22 INC.(BEDFORD); GERALD EDWIN REED (REED), individually and as
23 designated officer of Bedford Industries, Inc.; and BEVERLY ANN
24 DUSCHAK aka Beverly Ann Gregory (DUSCHAK), is informed and alleges
25 in his official capacity as follows:

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I

Each respondent is presently licensed and/or has 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 Title 10, Chapter 6, California Code of Regulations.

III

At all times material, BEDFORD was and now is licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker by and through REED as designated officer.

IV

At all times material from June 14, 1989 until January 5, 1991, REED was licensed by the Department individually and as designated officer of BEDFORD to qualify it and to act for it as a corporate 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 its behalf 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 for which a real estate license is required by Section 10159.2 of the Code. REED's real estate broker's license was cancelled on January 5, 1991. Thereafter, and until March 13, 1991, BEDFORD was without a designated officer.

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V

At all times material, in the city of San Diego, San Diego County, POULTER was licensed as a real estate salesperson by the Department. During the period from September 18, 1987 to December 6, 1988 POULTER was employed by Sundance Mortgage, Inc.; from December 27, 1988 to March 17, 1989, POULTER was employed by REED; from June 14, 1989 until January 5, 1991, POULTER was employed by BEDFORD. POULTER is the sole owner, director and corporate officer of BEDFORD.

VI

At all times material herein until January 5, 1991, REED was licensed by the Department as a real estate broker in his individual capacity. Effective January 5, 1991 in the Matter of the Accusation of Sundance Mortgage, Inc., et al. (Sundance), Department of Real Estate Case No. H-1754 SD, the real estate broker license of REED was revoked and he was given the right to apply for a restricted real estate salesperson license.

VII

At all times material, in the city of San Diego, San Diego County, DUSCHAK was licensed as a real estate salesperson by the Department. During the period from January 6, 1988 to December 27, 1988 DUSCHAK was employed by Sundance Mortgage, Inc., as a real estate salesperson.

VIII

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

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

7 IX

8 At all times material, BEDFORD, REED, POULTER, and
9 DUSCHAK were acting as the agent or employee of the other and
10 within the course and scope of such agency or employment.

11 X

12 At all times material, in the City of San Diego, San
13 Diego County, BEDFORD engaged in the business of a corporate real
14 estate broker, REED, a real estate broker, and POULTER, a real
15 estate salesperson, respectively, within the meaning of Section
16 10131(d) of the Code, including the operation of a mortgage loan
17 brokerage business with the public wherein lenders and borrowers
18 were solicited for loans secured directly or collaterally by liens
19 on real property, wherein such loans were arranged, negotiated,
20 processed, and consummated on behalf of others for compensation or
21 in expectation of compensation and for fees often collected in
22 advance.

23 1990 AUDIT EXAMINATION

24 XI

25 From August to September, 1990, the Department conducted
26 an audit of BEDFORD concerning trust fund handling and record-
27 keeping by BEDFORD in the above-described mortgage loan brokerage

1 business. The time period covered by said audit was from January
2 1, 1990 to and including June 30, 1990, and, unless otherwise
3 mentioned, the relevant period of time referenced herein shall be
4 the same.

5 XII

6 At all times material herein, BEDFORD conducted the
7 above-referenced mortgage loan brokerage business under the
8 fictitious business name of Bedford Home Loan, Inc., although said
9 fictitious name was not placed on the corporate real estate broker
10 license of BEDFORD. BEDFORD violated Regulation 2731 by
11 performing acts requiring a real estate license in the above-
12 referenced fictitious name when said name was not on its real
13 estate license.

14 XIII

15 At all times material in the conduct of its mortgage
16 loan brokerage business, BEDFORD received trust funds, including
17 loan proceeds from lenders and loan payments from borrowers and
18 deposited or caused to be deposited and disbursed or caused to be
19 disbursed said trust funds into a bank account at Great American
20 Bank, San Diego, California, entitled Bedford Home Loan, Inc.
21 Account No: 15-42117054 ("Bedford Trust Account").

22 XIV

23 BEDFORD, violated Section 10145 of the Code and
24 Regulation 2830 by not maintaining the Bedford Trust Account in
25 the name of Bedford Industries, Inc., as the trustee thereof and
26 failing to designate said account as a "trust account" on the
27 signature card thereof.

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XV

At all times material herein, BEDFORD failed to maintain columnar records of the receipt and disbursement of trust funds received and not placed into a trust account, to wit, loan proceeds forwarded to title companies. BEDFORD maintained control records for the receipt and disbursement of trust funds in the form of loan payments deposited into and disbursed from the Bedford Trust Account. However, said control records were incomplete in that the records were not in columnar form and did not contain a daily balance. BEDFORD violated Regulation 2831, by not maintaining control records of trust funds received and not placed into a trust account and maintaining incomplete records for trust funds which were deposited into and disbursed from the Bedford Trust Account.

XVI

At all times material herein, BEDFORD maintained a separate record for each beneficiary or transaction regarding the receipt and disbursement of trust funds into and from the Bedford Trust Account. However, said separate records were incomplete by not recording the check numbers of disbursements made from the Bedford Trust Account. BEDFORD violated Regulation 2831.1 by maintaining incomplete separate records.

XVII

At all times material herein, BEDFORD failed to maintain monthly reconciliations of the balance of all separate beneficiary or transaction records with the columnar control records of all

1 trust funds received and disbursed. BEDFORD violated Regulation
2 2831.2 by failing to maintain such reconciliations.

3 XVIII

4 In or about October 1989, BEDFORD solicited and
5 negotiated a loan secured by a lien on real property whereby Ruth
6 Grant loaned \$17,000 to POULTER as trustee of the Poulter Family
7 Trust. Although the proceeds of said loan were used for the
8 benefit of POULTER, BEDFORD failed to notify the Department of
9 such loan by submitting the Lender Disclosure Statement required
10 by Section 10232.5 of the Code prior to the solicitation thereof.
11 BEDFORD violated Section 10231.2 of the Code by failing to so
12 notify the Department.

13 EQUAL PARITY DEEDS OF TRUST

14 XIX

15 On or about May 15, 1988, POULTER, while employed at
16 Sundance Mortgage, Inc. (Sundance) as a vice president, loan
17 originator, and real estate salesperson, submitted an offer to
18 purchase real property, commonly known as, and located at
19 3305 State Street, San Diego, California (the State Street
20 Property or subject property) and more particularly described as

21 Lots 5 and 6, excepting the Northwesterly
22 20.00 feet of Lot 5, Block 136 of MIDDLETOWN
23 in the County of San Diego, State of
24 California, according to Map thereof filed in
25 the office of the County Recorder of San Diego
26 County. ALSO that portion of the Easterly 14
27 feet of State Street adjoining the above
described property on the West and that
portion of the Northerly 11.5 feet of
Sassafras Street adjoining said Lot 6 of the
South as vacated and closed to public use by
Resolution No. 64266 of the Common Council of
the City of San Diego

1 at an offered price of \$435,000 to John A. Bettencourt
2 (Bettencourt or seller) who, as owner, had listed it with Cotton-
3 Ritchie Corporation at a sale price of \$490,000. The terms were
4 such that POULTER would make a \$10,000 deposit, with an additional
5 \$90,000 down payment and seller to carry a second deed of trust in
6 the amount of \$141,000, with POULTER assuming the existing first
7 deed of trust of \$194,000. The seller executed a counteroffer
8 establishing the sale price to be \$457,000, balance of buyer's
9 down payment to be \$130,000, seller to carry a \$133,000 second
10 deed of trust and buyer to assume the existing \$194,000 first deed
11 of trust. POULTER's \$10,000 deposit was to be nonrefundable.

12 XX

13 On May 16, 1988, POULTER executed a counteroffer
14 proposing the purchase price to be \$446,500, with a total down
15 payment of \$120,000; the second deed of trust to be the difference
16 between the down payment and the balance of the existing first
17 deed of trust, approximating \$131,500. Said counteroffer
18 terminated at 5:00 p.m. on May 17, 1988.

19 XXI

20 On or about May 19, 1988, presumably due to the
21 expiration of time, POULTER submitted a second offer to purchase
22 the State Street Property at a price of \$456,500. The terms were
23 such that POULTER would again make a \$10,000 deposit and an
24 additional down payment of \$115,000 for a total down payment of
25 \$125,000, taking title subject to an existing first loan of
26 \$194,500, with seller assisted financing in the amount of
27 \$137,000. Seller accepted.

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XXII

On or about May 20, 1988, an Escrow was opened with the escrow division at Peninsula Bank of San Diego to forward the sale of the subject property and to memorialize the price and terms of sale. The terms were subsequently modified whereby the seller would carry a \$130,500 second deed of trust. The sale price was changed to \$450,000 with additional adjustments to be made before the close of escrow.

XXIII

On May 26, 1988, POULTER executed a "Buyer's Acceptance and Release" which reflects a \$5,000 credit against the purchase price from seller Bettencourt to POULTER in exchange for a full release from any obligation to perform corrective work to the subject property, should any be required. Said document also reflects an adjustment of the sale price to \$451,500, and the second deed of trust to be \$132,000.

XXIV

On June 6, 1988, another set of Escrow Instructions were prepared by Peninsula Bank which were subsequently amended on June 10, 1988, requiring POULTER to have an additional sum of "\$72,000 or more" on deposit, on or before June 20, 1988. Said Escrow Instructions also contained an additional amendment dated June 28, 1988, changing the vesting of title to the State Street Property from POULTER to BEDFORD.

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XXV

On about June 29, 1988, due to a lack of adequate funds to consummate the purchase of the State Street Property, POULTER solicited a \$215,000 loan from Sundance via Marcia Myers Spann (Spann). At that time Spann was the president, chief officer and a real estate salesperson. POULTER represented to Sundance and Spann that said loan would be secured by a third deed of trust against the subject property.

XXVI

In order to arrange the \$215,000 loan, DUSCHAK, while a Sundance employee and real estate salesperson, along with Spann's acquiescence, solicited and received a portion of the sought \$215,000 loan in the amount of a \$125,000 loan from Kenneth A. Moe and his wife, Debra Moe (collectively, the Moes), by preparing or causing to be prepared, along with POULTER, a false and fraudulent Investment Proposal which represented that the Moes' \$125,000 loan would be secured by a third deed of trust against the State Street Property; that the said subject property had an established appraised value of \$770,000; that the subject property had protective equity in the amount of \$230,000 with a 59% Loan To Value (LTV) ratio, and that the borrower was POULTER, who, at that time, was also a vice president of Sundance earning an annual salary of \$160,000.

XXVII

In order to acquire the remaining \$90,000 of additional funds needed to complete the arranging of the \$215,000 loan, POULTER and DUSCHAK, with Spann's approval and acquiescence,

1 arranged a \$90,000 loan, on behalf of POULTER's corporation,
2 BEDFORD, by offering and selling a \$50,000 fractionalized interest
3 in the mortgage to Martin and Elizabeth Kreuger (the Kreugers); a
4 \$30,000 fractionalized interest to Sundance; and a \$10,000
5 fractionalized interest to a Fred Brown (Brown), all totalling
6 \$90,000, by using the same Investment Proposal on the Kreugers,
7 Sundance and Brown that had been previously given to the Moes.

8 XXVIII

9 On or about July 12, 1988, DUSCHAK, while in Sundance's
10 employ, solicited and subsequently arranged the immediate sale of
11 the \$30,000 Sundance loan for POULTER, to a William E. Goodwin,
12 after making the same representations concerning the subject
13 property and borrower's qualifications by the instrumentality of
14 the Investment Proposal that had been given to the Moes, the
15 Kreugers and Brown, and without disclosing that POULTER had
16 designated his corporation, BEDFORD, as being named borrower in
17 whom title would vest. BEDFORD had no interest in the State
18 Street Property purportedly securing Goodwin's loan.

19 XXIX

20 On or about June 20, 1988, which was within the time
21 frame during which the Moes were solicited to invest their
22 \$125,000, POULTER and DUSCHAK represented to the Moes that their
23 investment would be secured by a third deed of trust against the
24 subject property, and within the same approximate time frame,
25 POULTER and DUSCHAK represented to the Kreugers that their \$50,000
26 interest in the \$90,000 fractionalized deed of trust would also be
27 secured by a third deed of trust of a so-called "equal parity"

1 nature. POULTER and DUSCHAK knew or should have known that, under
2 California's recording system for deeds, neither deed of trust
3 would be recorded in such a manner that would provide for equal or
4 equivalent position or priority. The \$125,000 deed of trust was
5 recorded as Instrument #88-317602 and the \$90,000 fractionalized
6 deed of trust was recorded as Instrument #88-317603; two separate
7 instruments recorded at two different times. Neither POULTER,
8 DUSCHAK, REED or BEDFORD informed the Moes, Kreugers, Brown and
9 Goodwin (collectively, the lenders or the investors) that they
10 would not be in "equal parity" with one another on the third deed
11 of trust or that the Kreugers', Brown's and Goodwin's interest
12 would be subordinate to the Moes' interest.

13 XXX

14 On or about June 30, 1988, and subsequent to the
15 arranging of the \$215,000 loan, and the close of the sale escrow,
16 BEDFORD was paid \$59,163.76 out of the proceeds from the \$215,000
17 loan. POULTER was also paid \$9,369.50 out of the proceeds from
18 the sale escrow, for a total payout to them both of \$68,533.26.
19 POULTER failed to honor his or have BEDFORD honor its obligations
20 resulting in foreclosure of the State Street Property.

21 XXXI

22 At all times material herein, the investors on the loans
23 secured by the State Street Property have suffered frustration,
24 anxiety and emotional distress from the situation caused by
25 POULTER and DUSCHAK's creation of the "equal parity" loans and the
26 failure to explain to the investors the risks of equal parity
27 loans or the potential for different priorities to the investors.

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XXXII

As the owner, president and chief executive officer of BEDFORD, POULTER knew of, authorized and directed DUSCHAK to create the parity loans and to fail to fully disclose the existence of said parity loans to the investors of the loans secured by the State Street Property.

FIRST CAUSE OF ACCUSATION

(Violation by BEDFORD of Regulation 2731)

XXXIII

As a First Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs I through XII.

XXXIV

The conduct of BEDFORD, using the fictitious business name Bedford Home Loan, Inc., through which to conduct its mortgage loan brokerage although said fictitious name was not placed on the corporate real estate broker license of BEDFORD, as described in Paragraph XII hereinabove, constitutes a violation of Regulation 2731. Said conduct and violation are cause to suspend or revoke the real estate license and license rights of BEDFORD under the provisions of Section 10177(d) of the Code.

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SECOND CAUSE OF ACCUSATION

(Violation by BEDFORD of Regulations 2831
and 2831.1, Section 10177(d) of the Code)

XXXV

As a Second Cause of Accusation, Complainant
incorporates herein by this reference the Preamble and each of the
allegations in Paragraphs I through XVIII.

XXXVI

The conduct of BEDFORD, in maintaining deficient control
records, maintaining incomplete separate records for each
beneficiary or transaction, as described in Paragraphs XV and XVI
hereinabove, constitutes a violation of Regulations 2831 and
2831.1. Said conduct and violation are cause to suspend or revoke
the real estate license and license rights of BEDFORD under the
provisions of Section 10177(d) of the Code.

THIRD CAUSE OF ACCUSATION

(Violation by BEDFORD of Regulations 2830 and 2832.1
and Sections 10145 and 10177(d) of the Code)

XXXVII

As a Third Cause of Accusation, Complainant incorporates
herein by this reference the Preamble and each of the allegations
in Paragraphs I through X, XII, XIII, XIV and XVII.

XXXVIII

The conduct of BEDFORD, in not maintaining the Bedford
Trust Account in the name of Bedford Industries, Inc., and in
disbursing trust funds therefrom, and in failing to designate the
Bedford Trust Account as a trust account on the signature cards

1 and for failing to maintain monthly reconciliations of the balance
2 of all separate beneficiary or transaction records with the
3 columnar control records of all trust funds received and disbursed
4 from the Bedford Trust Account, for the control of receipts and
5 disbursements from said account, as described in Paragraphs XIII,
6 XIV and XVII hereinabove, constitutes a violation of Regulations
7 2830 and 2832.1 and Section 10145 of the Code. Said conduct and
8 violation are cause to suspend or revoke the real estate license
9 and license rights of BEDFORD under the provisions of Sections
10 10145 and 10177(d) of the Code.

11 FOURTH CAUSE OF ACCUSATION

12 (Violation by POULTER of Section 10176(i)
13 and/or 10177(g) of the Code)

14 XXXIX

15 As a Fourth Cause of Accusation, Complainant
16 incorporates herein by this reference the Preamble and each of the
17 allegations in Paragraphs I through X, and XIX through XXXII.

18 XL

19 The conduct of POULTER, in designing and causing the
20 perpetration of the equal parity loan scheme against the Moes, the
21 Kreugers, Brown and Goodwin, including the substitution of BEDFORD
22 for POULTER as primary borrower, as described in Paragraphs XXV
23 through XXXII hereinabove, constitutes fraud and dishonest dealing
24 and/or negligence or incompetence in performing acts which require
25 a real estate license. Said conduct constitutes a violation of
26 Section 10176(i) and/or 10177(g) of the Code and such violations
27

1 are cause to suspend or revoke the real estate license and license
2 rights of POULTER.

3 FIFTH CAUSE OF ACCUSATION

4 (Violation by DUSCHAK of Section 10176(i)
5 and/or 10177(g) of the Code)

6 XLI

7 As a Fifth Cause of Accusation, Complainant incorporates
8 herein by this reference the Preamble and each of the allegations
9 in Paragraphs I through X, and XIX through XXXII.

10 XLII

11 The conduct of DUSCHAK, in perpetrating the equal parity
12 loan scheme, as described in Paragraphs XVI through XXXII
13 including Paragraph XXIX hereinabove, constitutes fraud and
14 dishonest dealing and/or negligence or incompetence in performing
15 acts which require a real estate license. Said conduct
16 constitutes a violation of Section 10176(i) and/or 10177(g) of the
17 Code and such violations are cause to suspend or revoke the real
18 estate license and license rights of DUSCHAK.

19 SIXTH CAUSE OF ACCUSATION

20 (Violation by DUSCHAK, POULTER, REED and
21 BEDFORD of Sections 10176(a), 10176(i)
22 and/or 10177(g) of the Code)

23 XLIII

24 As a Sixth Cause of Accusation, Complainant incorporates
25 herein by this reference the Preamble and each of the allegations
26 in Paragraphs I through X, and XIX through XXXII.

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XLIV

The conduct of DUSCHAK, POULTER, REED and BEDFORD, and each of them, in soliciting and negotiating the above-described loans secured by the State Street Property without informing the investors on said loans of certain material facts, as described in Paragraphs XXV through XXXII hereinabove, and in creating the parity loans without establishing that such loans and their corresponding deeds of trust would indeed be all equal third positions and without explaining the parity investments to the investors on the State Street Property, as described in Paragraphs XXV through XXXII hereinabove, constitutes the making of substantial misrepresentations, in performing acts which require a real estate license. Said conduct constitutes a violation of Section 10176(a) of the Code and such violations are cause to suspend or revoke the real estate license and license rights of DUSCHAK, POULTER, REED and BEDFORD.

SEVENTH CAUSE OF ACCUSATION

(Violation by BEDFORD and REED of Section 10231.2 and/or 10177(g) of the Code)

XLV

As a Seventh Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs I through X and XVIII.

XLVI

The conduct of BEDFORD and REED, in failing to notify the Department of BEDFORD's loan to the Poulter Family Trust by submitting the Lender Disclosure Statement, as described in

1 Paragraph XVIII hereinabove, constitutes a violation of Section
2 10231.2 of the Code prior to the solicitation thereof. Said
3 conduct constitutes a violation of Section 10231.2 of the Code and
4 such violation is cause to suspend or revoke the real estate
5 licenses and license rights of BEDFORD and REED.

6 EIGHTH CAUSE OF ACCUSATION

7 (Violation by BEDFORD and/or REED
8 of Section 10177(f) of the Code)

9 XLVII

10 As an Eighth Cause of Accusation, Complainant
11 incorporates herein by this reference the Preamble and each of the
12 allegations in Paragraphs I through X, and XIX through XXXII.

13 XLVIII

14 The conduct of BEDFORD and/or REED, REED, in allowing
15 BEDFORD to violate Sections 10145, 10176(a), 10176(e), 10176(i),
16 10177(f), 10177(g) and 10231.2 of the Code and Regulations 2830,
17 2831, 2831.1, 2831.2 and 2832.1, as described hereinabove, and
18 during the time that REED was the designated officer of BEDFORD,
19 constitutes a failure by BEDFORD and/or REED to exercise
20 reasonable supervision of the activities of BEDFORD which require
21 a real estate license and constitutes a violation of Section
22 10159.2 of the Code. Said conduct is cause to suspend or revoke
23 the real estate license and license rights of REED under Section
24 10177(f) of the Code.

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NINTH CAUSE OF ACCUSATION

(Violation by REED of Section
10177(h) of the Code)

XLIX

As a Ninth Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs I through XXXII.

L

The conduct of REED, in allowing BEDFORD to violate Sections 10145, 10176(a), 10176(e), 10176(i), 10177(f) and 10177(g) of the Code and Regulations 2731, 2830, 2831 and 2831.1, as described in Paragraphs XI through XXXII hereinabove, during the time that REED was the designated officer of BEDFORD, constitutes a failure by REED to exercise reasonable supervision of the activities of BEDFORD which require a real estate license and constitutes a violation of Section 10159.2 of the Code. Said conduct is cause to suspend or revoke the real estate license and license rights of REED under Sections 10177(d) and 10177(h) of the Code.

TENTH CAUSE OF ACCUSATION

(Violation by POULTER and BEDFORD of Sections
10176(i) and 10177(j) of the Code)

LI

As a Tenth Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs I through X, and XIX through XXXII.

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LII

The conduct of POULTER by converting and causing BEDFORD to convert the equal parity loan proceeds of \$215,000, including the \$59,163.76 and \$9,369.50 proceeds from the sale escrow to himself and BEDFORD, respectively, as described in Paragraph XXX hereinabove, constitutes a violation of Sections 10176(i) and 10177(j) of the Code. Said conduct and violation are cause to suspend or revoke the real estate licenses and license rights of POULTER and BEDFORD.

ELEVENTH CAUSE OF ACCUSATION

(Violation by DUSCHAK and POULTER of Section 10176(a) of the Code)

LIII

As a Eleventh Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs I through X, and XIX through XXXII.

LIV

The conduct of DUSCHAK and POULTER by misrepresenting the status of the Investment Proposal to the lenders and investors by inducing them to believe that the factual representations contained therein were true and accurate whereby in reliance thereon, they entered into the "equal parity" loan transactions to their pecuniary detriment, as described in Paragraphs XIX through XXXII hereinabove, constitutes a violation of Sections 10176(i) and 10177(j) of the Code. Said conduct and violation are cause to suspend or revoke the real estate licenses and license rights of DUSCHAK and POULTER.

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TWELFTH CAUSE OF ACCUSATION

(Violation by DUSCHAK, REED,
BEDFORD and POULTER of Section
10177(d) of the Code)

LV

As a Twelfth Cause of Accusation, Complainant
incorporates herein by this reference the Preamble and each of the
allegations in Paragraphs I through X, and XIX through XXXII.

LVI

The conduct of DUSCHAK, REED, BEDFORD and POULTER in
engaging in a course of conduct, as described in Paragraph XIX
through XXXII hereinabove, constitutes a breach of their
individual and collective fiduciary responsibilities and is a
violation of Section 10177(d) of the Code. Said conduct and
violation are cause to suspend or revoke the real estate license
and license rights of DUSCHAK, REED, BEDFORD and POULTER.

THIRTEENTH CAUSE OF ACCUSATION

(Violation by DUSCHAK, REED,
BEDFORD and POULTER of Section
10176(b) of the Code)

LVII

As a Thirteenth Cause of Accusation, Complainant
incorporates herein by this reference the Preamble and each of the
allegations in Paragraphs I through X, and XIX through XXXII.

LVIII

The conduct of DUSCHAK, REED, BEDFORD and POULTER in
engaging in a course of conduct, as described in Paragraph XIX

1 through XXXII hereinabove, constitutes the making of false
2 promises of a character likely to influence, persuade or induce
3 the investors and lenders to enter into the fraudulent "equal
4 parity" loan transactions and is a violation of Section 10176(b)
5 of the Code. Said conduct and violation are cause to suspend or
6 revoke the real estate licenses and license rights of DUSCHAK,
7 REED, BEDFORD and POULTER.

8 FOURTEENTH CAUSE OF ACCUSATION

9 (Violation by DUSCHAK, REED,
10 BEDFORD and POULTER of Section
11 10176(c) of the Code)

12 LIX

13 As a Fourteenth Cause of Accusation, Complainant
14 incorporates herein by this reference the Preamble and each of the
15 allegations in Paragraphs I through X and XIX through XXXII.

16 LX

17 The conduct of DUSCHAK, REED, BEDFORD and POULTER in engaging
18 in a course of conduct, as described in Paragraph XIX through
19 XXXII hereinabove, constitutes a continued and flagrant course of
20 misrepresentation or making of false promises through real estate
21 agents or salespeople and is a violation of Section 10176(c) of
22 the Code. Said conduct and violation are cause to suspend or
23 revoke the real estate licenses and license rights of DUSCHAK,
24 REED, BEDFORD and POULTER.

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1 WHEREFORE, Complainant prays that a hearing be conducted
2 on the allegations of this Accusation and that upon proof thereof,
3 a decision be rendered imposing disciplinary action against all
4 licenses and license rights of Respondents MICHAEL E. POULTER;
5 BEDFORD INDUSTRIES, INC.; GERALD EDWIN REED, individually and as
6 designated officer of Bedford Industries, Inc.; and BEVERLY ANN
7 DUSCHAK aka Beverly Ann Gregory under the Real Estate Law (Part 1
8 of Division 4 of the Business and Professions Code) and for such
9 other and further relief as may be proper under other applicable
10 provisions of law.

11 Dated at Los Angeles, California
12 this 28th day of June, 1991.

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15 Deputy Real Estate Commissioner
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24 cc: Michael E. Poulter
25 Bedford Industries, Inc.
26 Gerald Edwin Reed
27 Beverly Ann Duschak
Sacto.
JCR