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Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California, 90012

Telephone: (213) 897-3937

FILED

DEC 30 1991

DEPARTMENT OF REAL ESTATE
BY C. Seny

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

To:)	No. H-24917 LA
)	
AMERICAN MORTGAGE CONSULTANTS, INC., a)	<u>ORDER TO DESIST</u>
Corporation; STEVEN DI PRESSI,)	<u>AND REFRAIN</u>
individually and as designated officer)	
of American Mortgage Consultants, Inc.;)	
ELEANOR ROSALIE RAY, also known as)	
Eleanor Rosalie Lopez; and DARRIN J.)	
SEPPINNI;)	
_____)	

The Real Estate Commissioner of the State of California has caused an investigation to be made of your activities as real estate brokers, and based upon the findings of that investigation, as set forth below, is of the opinion that:

(a) You, AMERICAN MORTGAGE CONSULTANTS, INC., a Corporation, STEVEN DI PRESSI, individually and as designated officer of American Mortgage Consultants, Inc., ELEANOR ROSALIE RAY, also known as Eleanor Rosalie Lopez, and DARRIN J. SEPPINNI (herein "SEPPINNI"), have violated Sections 10130 and 10137 of the California Business and Professions Code (herein "the Code");

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2 (b) You, AMERICAN MORTGAGE CONSULTANTS, INC. (herein
3 "AMC"), STEVEN DI PRESSI (herein "DI PRESSI"), and ELEANOR ROSALIE
4 RAY (herein "RAY"), have violated Sections 10145, 10159.5, and
5 10240 of the Code and Sections 2731, 2830, 2831, 2831.1, 2831.2,
6 and 2832.1 of Chapter 6, Title 10, California Code of Regulations
7 (herein "the Regulations"); and

8 (c) You, RAY, and you, DI PRESSI, have violated Section
9 10159.2 of the Code and Sections 2725(a) and 2725(c) of the
10 Regulations.

11 I

12 At all times mentioned herein:

13 (a) You, AMC, were and now are licensed by the
14 Department of Real Estate of the State of California (herein "the
15 Department") as a corporate real estate broker.

16 (b) Prior to and including March 25, 1991, AMC was so
17 licensed by and through you, RAY, as AMC's designated officer -
18 broker, i.e., the officer and broker responsible pursuant to the
19 provisions of Section 10159.2(a) of the Code for supervising the
20 activities requiring a real estate license conducted on behalf of
21 AMC by AMC's officers and employees.

22 (c) From and after May 16, 1991, AMC was so licensed by
23 and through you, DI PRESSI, as AMC's designated officer - broker.

24 (d) Between March 25, 1991 and May 16, 1991, you, AMC,
25 were not so licensed by and through any qualifying designated
26 officer - broker.

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II

At all times mentioned herein:

(a) You, RAY, were and now are licensed by the Department individually as a real estate broker and, until March 25, 1991, as an officer of AMC;

(b) From and after January 16, 1990, you, DI PRESSI, were and now are licensed by the Department individually as a real estate broker and, from and after May 16, 1991, as an officer of AMC;

(c) Since September 30, 1991, you, SEPPINNI, have been and now are licensed by the Department as a real estate salesperson;

(d) Prior to September 30, 1991, you, SEPPINNI, were not licensed by the Department as either a real estate salesperson or as a real estate broker.

III

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

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IV

At all times herein mentioned, you engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California within the meaning of Section 10131(d) of the Code, including the operation and conduct of a mortgage loan brokerage with the public wherein you solicited prospective borrowers and lenders for and negotiated and arranged loans secured by a lien on real property, for another or others, for or in expectation of compensation. In addition, you handled escrows consummating mortgage loan transactions brokered or arranged by you.

V

From on or about March 9, 1990, through on or about March 25, 1991, in course of the activities described in Paragraph IV, above, you, AMC and RAY, employed and compensated persons then not licensed by the Department and known to you not to be licensed by the Department, including but not limited to Joe Pedro Estrella (herein "Estrella"), Robert A. Kenny (herein "Kenny"), Kimberly L. Rexford-Lea (herein "Rexford"), J. Moran (herein "Moran") and you, SEPPINNI, to perform acts requiring a real estate license for and in the name of AMC, including but not limited to soliciting borrowers for applications for loans to be secured directly by liens on real property, and including but not limited to the acts described in Paragraph VI, below.

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VI

In the course of the employment described in Paragraph V, above:

(a) On or about the dates tabulated below, Rexford, without first obtaining any license from the Department, for and in expectation of compensation, as agent for AMC, solicited and obtained applications from the borrowers tabulated below for mortgage loan to be arranged by AMC to be secured by lien on real property as tabulated below:

<u>DATE</u>	<u>BORROWERS</u>	<u>SECURITY PROPERTY</u>
12-13-90	Ronald D. McKeehan Patricia McKeehan	2792 Laurie Lane La Verne, CA 91750
12-13-90	Raul Sanchez Ophelia Sanchez	1758 Boulder Avenue Ontario, CA 91762

(b) On or about the dates tabulated below, Estrella, without first obtaining any license from the Department, for and in expectation of compensation, as agent for AMC, solicited and obtained applications from the borrowers tabulated below for mortgage loan to be arranged by AMC to be secured by lien on real property as tabulated below:

<u>DATE</u>	<u>BORROWERS</u>	<u>SECURITY PROPERTY</u>
12-16-90	Alfredo De Dios Virginia De Dios	7773 Aspen Fontana, CA 92336
12-23-90	Ronald MacDonald Joanne MacDonald	2410 Fifth St. La Verne, CA 91750
01-15-91	Ildefonso Estrada Blanca Estrada	1415 Raylene Place Pomona, CA 91767

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2 (c) On or about the dates tabulated below, Kenny,
3 without first obtaining any license from the Department, for and
4 in expectation of compensation, as agent for AMC, solicited and
5 obtained applications from the borrowers tabulated below for
6 mortgage loan to be arranged by AMC to be secured by lien on real
7 property as tabulated below:

<u>DATE</u>	<u>BORROWERS</u>	<u>SECURITY PROPERTY</u>
02-07-91	Steven C. Kennedy Colleen M. Kennedy	7460 Ginger Avenue Fontana, CA 92336
02-27-91	Eileen M. Di Pressi	2040 W. Ave. J-14, #1 Lancaster, CA 93536
03-05-91	Robert W. Thompson Mary E. Thompson	1940 Albright Avenue Upland, CA 91786

13 (d) On or about February 9, 1991, Moran, without first
14 obtaining any license from the Department, for and in expectation
15 of compensation, as agent for AMC, solicited and obtained an
16 application from Richard N. Patterson for a mortgage loan to be
17 arranged by AMC to be secured by a lien on real property at 10584
18 Gala Avenue, Alta Loma, CA 91701;

19 (e) On or about the dates tabulated below, you,
20 SEPPINNI, without first obtaining any license from the Department,
21 for and in expectation of compensation, as agent for AMC,
22 solicited and obtained applications from the borrowers tabulated
23 below for mortgage loan to be arranged by AMC to be secured by
24 lien on real property as tabulated below:

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IX

On or about June 28, 1991, in the course of the employment described in Paragraph VIII, above, you, SEPPINNI, without first obtaining any license from the Department, for and in expectation of compensation, as agent for AMC, solicited and obtained an application from Stanley B. Bruns for a mortgage loan to be arranged by AMC to be secured by a lien on real property at 646 North Mardina Way, La Habra, CA 90631.

X

In employing you, SEPPINNI, as described in Paragraphs VIII and IX, above, you, AMC and DI PRESSI, violated Section 10137 of the Code.

XI

The conduct and omissions of you, SEPPINNI, described in Paragraphs V, VI, VIII, and IX, above, violated Section 10130 of the Code.

XII

At all times mentioned herein, in connection with the activities described in Paragraph IV, above, you accepted or received funds in trust (herein "trust funds") from or on behalf of actual and prospective borrowers and lenders and thereafter made disbursement of such funds. From time to time mentioned herein these trust funds were maintained by you in bank accounts, including but not necessarily limited to the following accounts:

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(a) Deposited trust funds into T/A #3, a trust bank account held by you in the name of Express Escrow, thereby failing to maintain such funds so deposited in a trust bank account held in the name of AMC as broker and as trustee, in violation of Section 10145 of the Code and Section 2830 of the Regulations;

(b) Failed to maintain a formal trust fund receipts journal and a formal trust fund disbursements journal with respect to funds deposited into T/A #1 and T/A #2, or other records of the receipt and disposition of trust funds accepted in trust and deposited in said accounts by you conforming to the requirements of Section 2831 of the Regulations;

(c) Failed to maintain adequate separate records for each beneficiary or transaction, accounting therein for all trust funds received, deposited into T/A #1 and T/A #2, and thereafter disbursed, conforming to the requirements of Section 2831.1 of the Regulations;

(d) Failed to perform a monthly reconciliation of the records of the receipt and disposition of all trust funds received in trust by you, and the balance of all separate beneficiary or transaction records;

(e) Permitted the withdrawal of trust funds from said trust accounts by you, SEPPINNI, a person who was then neither licensed by the Department nor covered by a fidelity bond, in violation of Section 2834 of the Regulations.

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XV

In connection with the mortgage loan brokerage and escrow handling activities described in Paragraph IV, during that portion of the ten month period described in Paragraph XIII ending March 25, 1991, you, AMC and RAY, acted in violation of the Code and the Regulations in that you:

(a) Used the fictitious business name "Express Escrow" without first obtaining a license from the Department bearing such fictitious name, as required by Section 10159.5 of the Code in conjunction with Section 2731 of the Regulations; and

(b) Failed to provide the written mortgage loan disclosure statement prescribed by Section 10240(a) of the Code before the borrower became obligated to complete the loan.

XVI

In connection with the trust funds described in Paragraph XII, during that portion of the ten month period described in Paragraph XIII commencing May 16, 1991, you, AMC and DI PRESSI:

(a) Deposited trust funds into T/A #3, a trust bank account held by you in the name of Express Escrow, thereby failing to maintain such funds so deposited in a trust bank account held in the name of AMC as broker and as trustee, in violation of Section 10145 of the Code and Section 2830 of the Regulations;

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(b) Failed to maintain a formal trust fund receipts journal and a formal trust fund disbursements journal with respect to funds deposited into T/A #1 and T/A #2, or other records of the receipt and disposition of trust funds accepted in trust and deposited in said accounts by you conforming to the requirements of Section 2831 of the Regulations;

(c) Failed to maintain adequate separate records for each beneficiary or transaction, accounting therein for all trust funds received, deposited into T/A #1 and T/A #2, and thereafter disbursed, conforming to the requirements of Section 2831.1 of the Regulations;

(d) Failed to perform a monthly reconciliation of the records of the receipt and disposition of all trust funds received in trust by Respondents, and the balance of all separate beneficiary or transaction records;

(e) Permitted the withdrawal of trust funds from said trust accounts by you, SEPPINNI, a person who was then neither licensed by the Department nor covered by a fidelity bond, in violation of Section 2834 of the Regulations;

(f) Disbursed or caused or allowed the disbursement of trust funds from T/A #2, where the disbursement of said funds reduced the funds in the said account to an amount which, on October 31, 1990, was approximately \$1,238.05 less than the existing aggregate trust fund liability to all owners of said funds, without first obtaining the prior written consent of every principal who was an owner of said funds.

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XVII

In connection with the mortgage loan brokerage and escrow handling activities described in Paragraph IV, during that portion of the ten month period described in Paragraph XIII commencing May 16, 1991, you, AMC and DI PRESSI, acted in violation of the Code and the Regulations in that you:

(a) Used the fictitious business name "Express Escrow" without first obtaining a license from the Department bearing such fictitious name, as required by Section 10159.5 of the Code in conjunction with Section 2731 of the Regulations; and

(b) Failed to provide the written mortgage loan disclosure statement prescribed by Section 10240(a) of the Code before the borrower became obligated to complete the loan.

XVIII

In connection with the mortgage loan brokerage and escrow handling activities described in Paragraph IV, during that portion of the ten month period described in Paragraph XIII ending March 25, 1991, you, RAY:

(a) Failed to timely review, initial and date instruments which may have a material effect upon the rights or obligations of a party to a transaction prepared or signed by real estate salespersons employed by AMC under your supervision in connection with your mortgage loan transactions, in violation of Section 2725(a) of the Regulations;

(b) Failed to timely review, initial and date escrow instructions and closing statements prepared or signed by real

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2 estate salespersons or other employees of AMC under your
3 supervision in connection with escrows conducted by you incident
4 to your mortgage loan transactions, in violation of Section
5 2725(c) of the Regulations;

6 (c) Caused, suffered, and permitted AMC and SEPPINNI to
7 violate Sections 10130, 10137, 10145, 10159.5, and 10240 of the
8 Code, and Sections 2731, 2830, 2831, 2831.1, and 2831.2 of the
9 Regulations, as described hereinabove.

10 XIX

11 The conduct, acts and omissions of you, RAY, as
12 described in Paragraph XVIII, above, independently and
13 collectively constitute failure on the part of you, RAY, as AMC's
14 designated officer - broker, to exercise the reasonable
15 supervision and control over the licensed activities of AMC
16 required by Section 10159.2 of the Code.

17 XX

18 In connection with the mortgage loan brokerage and
19 escrow handling activities described in Paragraph IV, during that
20 portion of the ten month period described in Paragraph XIII
21 commencing May 16, 1991, you, DI PRESSI:

22 (a) Failed to timely review, initial and date
23 instruments which may have a material effect upon the rights or
24 obligations of a party to a transaction prepared or signed by real
25 estate salespersons employed by AMC under your supervision in
26 connection with your mortgage loan transactions, in violation of
27 Section 2725(a) of the Regulations;

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(b) Failed to timely review, initial and date escrow instructions and closing statements prepared or signed by real estate salespersons or other employees of AMC under your supervision in connection with escrows conducted by you incident to your mortgage loan transactions, in violation of Section 2725(c) of the Regulations;

(c) Caused, suffered, and permitted AMC and SEPPINNI to violate Sections 10130, 10137, 10145, 10159.5, and 10240 of the Code, and Sections 2731, 2830, 2831, 2831.1, 2831.2 and 2832.1 of the Regulations, as described hereinabove.

XXI

The conduct, acts and omissions of you, DI PRESSI, as described in Paragraph XX, above, independently and collectively constitute failure on the part of you, DI PRESSI, as AMC's designated officer - broker, to exercise the reasonable supervision and control over the licensed activities of AMC required by Section 10159.2 of the Code.

NOW, THEREFORE, YOU, AMERICAN MORTGAGE CONSULTANTS, INC, AND YOU, ELEANOR ROSALIE RAY, STEVEN DI PRESSI, AND DARRIN J. SEPPINNI, ARE ORDERED TO DESIST AND REFRAIN from performing any of the acts for which a license is required described in Section 10131(d) of the Code unless and until you comply with Sections 10130 and 10137 of the Code.

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FURTHERMORE, YOU, AMERICAN MORTGAGE CONSULTANTS, INC,
AND YOU, ELEANOR ROSALIE RAY AND STEVEN DI PRESSI, ARE ORDERED TO
DESIST AND REFRAIN from performing any of the acts for which a
license is required described in Section 10131(d) of the Code
unless and until you comply with Sections 10145, 10159.5, and
10240 of the Code and Sections 2731, 2830, 2831, 2831.1, 2831.2,
and 2832.1 of the Regulations.

FURTHERMORE, YOU, ELEANOR ROSALIE RAY AND STEVEN DI
PRESSI, ARE ORDERED TO DESIST AND REFRAIN from performing any of
the acts for which a real estate license is required unless and
until you comply with Section 10159.2 of the Code and Sections
2725(a) and 2725(c) of the Regulations.

DATED: December 23, 1991.

CLARK WALLACE
Real Estate Commissioner

By: John R. Liberator

JOHN R. LIBERATOR
Chief Deputy Commissioner

cc: American Mortgage Consultants, Inc.
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