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evidence submitted in support thereof. Respondent has failed to demonstrate to my satisfaction that he has undergone sufficient rehabilitation to warrant the reinstatement of his real estate broker license at this time. This determination has been made in light of Respondent's history of acts and conduct which are substantially related to the qualifications, functions and duties of a real estate licensee. That history includes:

1. After his petition was filed Respondent was contacted on or about September 26, 1996, by a Deputy Real Estate Commissioner, to schedule an interview and to ask questions about matters that were omitted on Respondent's petition. Respondent asked that his petition be withdrawn and refused to answer any questions and refused to be interviewed. Respondent thus failed to establish that he met any of the Criteria of Rehabilitation set forth in Section 2911 of Chapter 6, Title 10, California Code of Regulations (Regulations). This is cause for the denial of his petition for reinstatement of license.

2. On or about September 8, 1995, in Case No. 95 C 13889 a judgment in the amount of \$2000.00 was entered against Respondent in favor of Ronald D. Crittendon. Respondent failed to provide evidence that any or all of this judgment has been paid. This is further evidence of a lack of rehabilitation and is cause to deny Respondent's petition pursuant to Section 2911 (I) of the Regulations.


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NOW, THEREFORE, IT IS ORDERED that Respondent's
petition for reinstatement of his real estate broker license is
hereby denied.

This order shall become effective at 12 o'clock noon
on January 30, 1997.

DATED: 12/16/96

JIM ANTT, JR.
Real Estate Commissioner



SAMUEL STEPHEN PINKNEY
3996 Degnan Blvd.
Los Angeles, California 90008

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FILED

MAR -2 1994

DEPARTMENT OF REAL ESTATE
BY Laura B. Crow

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) NO. H-25327 LA
)
OPTIMUM SECURITY INVESTMENTS,) L-60462
INC.; SAMUEL STEPHEN PINKNEY,)
JR.,)
)
Respondents.)
_____)

DECISION

The above-entitled matter came on for hearing before Vincent Nafarrete, Administrative Law Judge of the Office of Administrative Hearings at Los Angeles, California, on September 2, 1993.

Complainant was represented by James R. Peel, Counsel. Respondent SAMUEL STEPHEN PINKNEY, JR., was present throughout the hearing and represented himself and respondent OPTIMUM SECURITY INVESTMENTS, INC. Evidence was received and the matter stood submitted on September 2, 1993.

On October 15, 1993, the Administrative Law Judge submitted a Proposed Decision which I declined to adopt as the

1 Decision of the Real Estate Commissioner. Pursuant to Section
2 11517(c) of the Government Code of the State of California,
3 Respondents were served with a copy of the Proposed Decision
4 dated October 15, 1993, and with Notice that the case would be
5 decided by me upon the record, including the transcript of
6 proceedings held on September 2, 1993, and upon any written
7 argument offered by Respondents.

8 Argument has been submitted on behalf of Respondent
9 SAMUEL STEPHEN PINKNEY, JR.

10 I have given careful consideration to the record in
11 this case, including the transcript of proceedings of September
12 2, 1993.

13 I have determined that the Findings of Fact and
14 Determination of Issues in the Proposed Decision of the
15 Administrative Law Judge, dated October 15, 1993, are
16 appropriate in all respects and they are adopted as the Findings
17 of Fact and Determination of Issues of the Real Estate
18 Commissioner in this proceeding. The Order shall be as follows:

19 ORDER

20 1. The corporate real estate broker's license and
21 licensing rights previously issued to Respondent OPTIMUM
22 SECURITY INVESTMENTS INC. are revoked based on Conclusions of
23 Law Nos. 1 and 2 above, separately and for all.

24 2. All licenses and licensing rights of Respondent
25 SAMUEL STEPHEN PINKNEY, JR. under the Real Estate Law are
26 revoked; provided however, a restricted real estate broker
27 license shall be issued to respondent pursuant to section

1 10156.5 of the Business and Professions Code if Respondent makes
2 application therefor and pays to the Department of Real Estate
3 the appropriate fee for the restricted license within 90 days
4 from the effective date of this decision. The restricted
5 license issued to Respondent shall be subject to all of the
6 provisions of Section 10156.7 of the Business and Professions
7 Code and to the following limitations, conditions and
8 restrictions imposed under the authority of Section 10156.6 of
9 that Code:

10 (1) (a) All licenses and licensing rights of
11 Respondent SAMUEL STEPHEN PINKNEY, JR. under the Real
12 Estate Law are suspended for a period of thirty (30)
13 days from the date any new restricted real estate
14 broker license is issued; provided, however, that if
15 Respondent petitions, said suspension shall be stayed
16 upon condition that Respondent pays a monetary penalty
17 pursuant to Section 10175.2 of the Business and
18 Professions Code in the total amount of \$2,000 prior
19 to the effective date of any Decision.

20 (b) Said payment shall be in the form of a cashiers
21 check or certified check made payable to the Recovery
22 Account of the Real Estate Fund. Said check must be
23 delivered to the Department prior to the effective
24 date of the Decision in this matter.

25 (c) No further cause for disciplinary action against
26 the real estate license of Respondent occurs within
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one year from the effective date of the Decision in this matter.

(d) If Respondent fails to pay the monetary penalty in accordance with the terms and conditions of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

(e) If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Respondent occurs within one year from the effective date of the Decision, the stay hereby granted shall become permanent.

(2) Pursuant to Section 10148 of the Business and Professions Code, Respondent shall pay the Commissioner's reasonable cost for an audit to determine if Respondent has corrected the trust fund violation(s) found in Paragraphs 1 through 3 of the Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all Department Audit Section personnel performing audits of real estate brokers, and shall include an allocation for travel costs, including mileage, time to and from the auditor's place of work and per diem.

1 The Commissioner's reasonable cost shall in no event
2 exceed \$4,000. Respondent shall pay such cost within
3 45 days of receiving an invoice from the Commissioner
4 detailing the activities performed during the audit
5 and the amount of time spent performing those
6 activities. The Commissioner may suspend the
7 restricted license issued to Respondent pending a
8 hearing held in accordance with Section 11500, et
9 seq., of the Government Code, if payment is not timely
10 made as provided for herein, or as provided for in a
11 subsequent agreement between the Respondent and the
12 Commissioner. The suspension shall remain in effect
13 until payment is made in full or until Respondent
14 enters into an agreement satisfactory to the
15 Commissioner to provide for payment, or until a
16 decision providing otherwise is adopted following a
17 hearing held pursuant to this condition.

18 (3) For a period of two years from the effective date
19 of this Decision Respondent shall provide to the
20 Commissioner of Real Estate or his designee, on a
21 quarterly basis, an independent accounting of trust
22 funds in custody and control of Respondent. These
23 accountings shall be performed by a Certified Public
24 Accountant approved by the Commissioner and shall be
25 pursuant to Title 10, CCR, Section 2831.2.

26 (4) Respondent shall within six months from the
27 effective date of this Decision, take and pass the

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Professional Responsibility Examination administered by the Department and shall pay the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of Respondent's license until he passes the examination.

(5) The restricted license issued to Respondent may be suspended prior to hearing by order of the Real Estate Commissioner in the event of respondent's conviction or plea of nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

(6) Respondent shall not be eligible to apply for the issuance of the unrestricted real estate license nor the removal of any of the conditions, limitations, or restrictions of a restricted license until two years have elapsed from the effective date of this Decision.

(7) Respondent shall, within twelve months from the effective date of this Decision, present evidence satisfactory to the Commissioner that he has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of the real estate license. If Respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the Respondent presents such evidence. The Commissioner

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shall afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

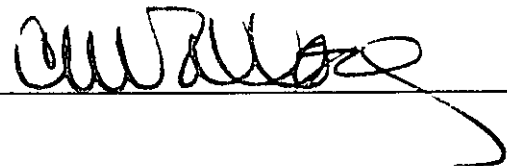
(8) Respondent shall report in writing to the Department of Real Estate as the Commissioner shall direct by his Decision herein or by separate written order issued while the restricted license is in effect, such information concerning Respondent's activities for which a real estate license is required as the Commissioner shall determine to be appropriate to protect the public interest.

(9) The restricted license may be suspended, prior to and pending final determination after formal hearing, by order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

As hereby modified and amended, the Decision of October 15, 1993, shall become effective at 12 o'clock noon on March 22, 1994.

IT IS SO ORDERED 2/23/94

CLARK WALLACE
Real Estate Commissioner



lbo

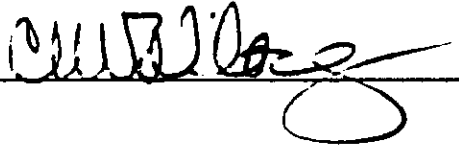
1 1993, and any written argument hereafter submitted on behalf of
2 respondent and complainant.

3 Written argument of respondent to be considered by me
4 must be submitted within 15 days after receipt of the transcript
5 of the proceedings of September 2, 1993, at the Los Angeles
6 office of the Department of Real Estate unless an extension of
7 the time is granted for good cause shown.

8 Written argument of complainant to be considered by me
9 must be submitted within 15 days after receipt of the argument of
10 respondent at the Los Angeles office of the Department of Real
11 Estate unless an extension of the time is granted for good cause
12 shown.

13 DATED: 10/28/93

14 CLARK WALLACE
15 Real Estate Commissioner

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BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation)	
of:)	
)	No. H-25327 LA
OPTIMUM SECURITY INVESTMENTS, INC.,)	
and SAMUEL STEPHEN PINKNEY, JR.,)	L-60462
)	
Respondents.)	
<hr/>		

PROPOSED DECISION

This matter was heard by Vincent Nafarrete, Administrative Law Judge of the Office of Administrative Hearings, in Los Angeles, California, on September 2, 1993. Complainant was represented by James R. Peel, Staff Counsel. Respondent Samuel Stephen Pinkney, Jr., was present throughout the hearing and represented himself and respondent Optimum Security Investments, Inc.

Oral and documentary evidence having been received and the matter submitted for decision, the Administrative Law Judge finds as follows:

FINDINGS OF FACT

1. The Administrative Law Judge takes official notice that the Accusation was made and issued by Steven J. Ellis solely in his official capacity as Deputy Real Estate Commissioner, Department of Real Estate, State of California (hereafter Department).

2. (A) On December 21, 1989, the Department issued corporate real estate broker's license no. 01056133 to Optimum Security Investments, Inc., (hereafter respondent Optimum), a corporation with its main office at 5100 Goldleaf Circle, Suite 203, Los Angeles, California. The designated officer of respondent Optimum within the meaning of Business and Professions Code Sections 10159.2 and 10211 was Samuel Stephen Pinkney, Jr.

(B) On July 5, 1992, said corporate real estate broker's license and officer designation for Samuel Stephen Pinkney, Jr., were both cancelled.

(C) Said corporate real estate broker's license expires on December 20, 1993. Jurisdiction continues to exist in this matter with respect to said corporate real estate broker's license.

3. (A) On an undetermined date approximately 30 years ago, the Department issued real estate broker's license no. 00235850 to Samuel Stephen Pinkney, Jr. (hereafter respondent Pinkney). Respondent Pinkney's current place of business is 3996 Degnan Boulevard, Los Angeles, California. His individual broker's license expires on March 20, 1996, and is in full force and effect.

(B) On December 21, 1989, the Department issued a real estate broker's license to respondent Pinkney as the designated officer within the meaning of Business and Professions Code Sections 10159.2 and 10211 of corporate broker licensee respondent Optimum. Said officer license and designation were cancelled on July 7, 1992.

(C) On June 9, 1990, the Department issued a real estate broker's license to respondent Pinkney as the designated officer for corporate broker licensee Mama Home Loan Brokers, Inc., 11053 Godoy Street, Whittier, California. Said officer license and designation were cancelled on November 20, 1992.

4. (A) At all times relevant herein, respondent Optimum acted as or engaged in the business of a real estate broker within the meaning of Business and Professions Code Section 10131(d) by operating a mortgage loan business. Respondent Optimum solicited and provided services for borrowers and lenders in connection with loans which were secured by liens on real property.

(B) At all times relevant herein, respondent Optimum accepted or received funds from or belonging to borrowers and lenders in connection with its real estate mortgage loan activities. Respondent Optimum deposited said funds into a trust account at the Wells Fargo Bank in Culver City.

(C) At all times relevant herein, respondent Pinkney was the designated broker officer of respondent Optimum within the meaning of Business and Professions Code Sections 10159.2 and 10211. As such, respondent Pinkney was responsible for the supervision and control of the real estate activities conducted on behalf of said corporation by its officers and employees as necessary to secure full compliance with the provisions of the Real Estate Law.

5. On July 6 and 7, 1992, the Department conducted an audit of respondent Optimum's records for the period from May 1, 1991, through June 30, 1992. The Department's audit disclosed the following deficiencies or violations:

- a. Respondent Optimum failed to maintain a separate record of all trust funds received and disbursed

which set forth required information in columnar form; [Para. VI(2)]

- b. Respondent Optimum failed to keep a separate record for each beneficiary and transaction and thereby account for loan funds which have been deposited to its trust bank account; [Para. VI(3)]
- c. Respondent Optimum failed to reconcile at least once a month the balance of all separate beneficiary or transaction records with the record of all trust funds received; [Para. VI(4)]
- d. Respondent Optimum failed to deliver to borrowers Michael and Yvonne Simone a statement in writing which contained all the information required by Business and Professions Code Section 10241, or such real estate disclosure statement approved by the Department; [Para. VI(5)] and
- e. Respondent Optimum failed to notify the Department in writing within 30 days that it satisfied the threshold criteria of Business and Professions Code Section 10232 by negotiating 20 mortgage loans in an aggregate amount of more than \$2 million between January 1992 and April 1992. [Para. VI(6)]

6. (A) On July 6 and 7, 1992, the Department's audit further disclosed that respondent Optimum failed to maintain any financial books and records with respect to said trust account, except for bank statements and check stubs. As a result, the nature of the balance of \$387.29 in said trust account or to whom said balance belonged to or should be disbursed could not be determined by the Department.

(B) Based on Finding 6(A), respondent Optimum's conduct demonstrates negligence in performing acts for which it is required to hold a real estate license. [Para VI(1)]

7. Based on Findings 2(A), 3(B), and 4 - 5 above, respondent Pinkney as the designated officer of respondent Optimum failed to exercise reasonable supervision and control of the activities of said corporation for which a real estate license is required. [Para. VIII]

8. Respondent Optimum is inactive and no longer engaged in any activities as a real estate broker.

9. It was not established that the balance in said trust account constituted fees for credit reports and real estate appraisals.

10. (A) Respondent Pinkney asserts that, upon being notified of the violations and deficiencies described in Findings 5 and 6 above, he immediately filed with the Department notices of cancellation of the corporate broker's license for respondent Optimum and his license as the designated broker officer for said corporation.

(B) Respondent Pinkney's claims do not mitigate his conduct in failing to supervise the real estate activities of respondent Optimum as its designated broker officer. Respondent Pinkney did not demonstrate that he appreciated or understood his duties or obligations as the designated officer.

11. In mitigation, it was not established that either respondent Optimum or respondent Pinkney misappropriated or mishandled any trust funds received or that any borrowers or lenders suffered any financial loss due to the conduct of the corporation described in Findings 5 and 6 above.

12. (A) Respondent Pinkney has been licensed by the Department for over 30 years without any disciplinary history.

(B) Respondent Pinkney conducts activities as a real estate broker on a part-time basis from his residence at 3996 Degnan Boulevard in Los Angeles. He occasionally sells real property. Respondent Pinkney also works as consultant in the areas of business licensing, affordable housing, and environmental health.

* * * * *

Pursuant to the foregoing findings of fact, the Administrative Law Judge makes the following determination of issues:

CONCLUSIONS OF LAW

1. Grounds exist to revoke or suspend respondent Optimum Security Investment's corporate real estate broker's license pursuant to Business and Professions Code Section 10177(d), in that said corporate respondent violated the following provisions of the Real Estate Law:

- a. Title 10, California Code of Regulations, Section 2831, as set forth in Finding 5a above;

- b. Title 10, California Code of Regulations, Section 2831.1, as set forth in Finding 5b above;
- c. Title 10, California Code of Regulations, Section 2831.2, as set forth in Finding 5c above;
- d. Business and Professions Code, Section 10240, as set forth in Finding 5d above; and
- e. Business and Professions Code Section 10232(f), as set forth in Finding 5e above.

2. Grounds also exist to revoke or suspend respondent Optimum Security Investment's corporate real estate broker's license pursuant to Business and Professions Code Section 10177(g), in that said respondent demonstrated negligence in performing acts for which it is required to hold a real estate license, based on Finding 6(B) above.

3. Grounds exist to revoke or suspend respondent Pinkney's real estate broker's license pursuant to Business and Professions Code Section 10177(h) in that said respondent, as officer designated by a corporate broker licensee, failed to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required, based on Finding 7 above and Conclusions of Law nos. 1 and 2 above.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is hereby made:

ORDER

1. Corporate real estate broker's license no. 01056133 and licensing rights previously issued to respondent Optimum Security Investments, Inc., 5100 Goldleaf Circle, Suite 203, Los Angeles, California, Samuel Stephen Pinkney as designated officer, are revoked, based on Conclusions of Laws nos. 1 and 2 above, separately, and for all.

2. Real estate broker's license no. 00235850 and licensing rights previously issued to respondent Samuel Stephen Pinkney, Jr., 3996 Degnan Boulevard, Los Angeles, California, are revoked, based on Conclusions of Law no. 3 above, separately and for all; provided, however, said revocation shall be stayed and

NOT ADOPTED

a restricted real estate broker's license may be issued to respondent pursuant to Business and Professions Code (hereafter BPC) Section 10156.5 if respondent makes application therefor and pays to the Department the appropriate fee within 90 days from the effective date of this Decision. Said restricted license, if issued, shall be subject to all of the provisions of BPC Section 10156.7 and to the following limitations, conditions, and restrictions imposed under the authority of BPC Section 10156.6 as follows:

a. Any restricted real estate broker's license issued to respondent Pinkney pursuant to this Decision shall be actually suspended for thirty (30) days from the date of issuance of said restricted license.

b. Respondent Pinkney shall, within six (6) months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department, including the payment of the appropriate examination fee. If respondent fails to satisfy this condition, the commissioner may order suspension of said restricted license until respondent passes said examination.

c. Respondent Pinkney shall, within twelve (12) months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that he has, since the most recent issuance of an original or renewal real estate license, take and successfully complete the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent fails to satisfy this condition, the commissioner may order the suspension of said restricted license until respondent presents such evidence. The commissioner will afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

d. The restricted license issued to respondent Pinkney may be suspended prior to hearing by order of the Real Estate Commissioner in the event of respondent's conviction or plea of nolo contendere to a crime which is substantially related to the respondent's fitness or capacity to act as a real estate licensee.

e. The restricted license issued to respondent Pinkney may be suspended prior to hearing by order of the Real Estate Commissioner on evidence satisfactory to the commissioner that respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, regulations of the Real Estate Commissioner, or conditions attached to the restricted license.

NOT ADOPTED

NOT ADOPTED

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

Dated: Oct. 15, 1993

V. Nafarrete

VINCENT NAFARRETE
Administrative Law Judge
Office of Administrative Hearings

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUL 16 1993

In the Matter of the Accusation of)
)
OPTIMUM SECURITY INVESTMENTS,)
INC., ET AL.,)
)
)
Respondents.)

Case No. H-25327 LA
OAH No. L-60462

DEPARTMENT OF REAL ESTATE
BY Laura B. Chona

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on September 2, 1993 at the hour of 1:30 p.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission 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 Administrative Law Judge 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 Administrative Law Judge directs otherwise.

Dated: July 16, 1993

DEPARTMENT OF REAL ESTATE

By: James R. Peel
JAMES R. PEEL, Counsel

cc: Optimum Security Investments, Inc.
Samuel Stephen Pinkney, Jr.
Sacto.
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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

JUN -9 1993

DEPARTMENT OF REAL ESTATE
BY *K. Kiedel*

In the Matter of the Accusation of

SAMUEL STEPHEN PINKNEY, JR., et al. }

Case No. H-25327 LA

OAH No. L-60462

Respondent

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 West First Street

Los Angeles

on July 16, 1993, at the hour of 9:00 a.m.
or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission 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 Administrative Law Judge 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 Administrative Law Judge directs otherwise.

DEPARTMENT OF REAL ESTATE

Dated: June 9, 1993

By *James R. Reed* Counsel

cc: Optimum Security Investments Inc.
Samuel Stephen Pinkney, Jr.
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JAMES R. PEEL, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
(213) 897-3937

FILED
MAR 22 1993

DEPARTMENT OF REAL ESTATE
BY Laura B. Chou

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) NO. H-25327 LA
)
OPTIMUM SECURITY INVESTMENTS, INC.,) A C C U S A T I O N
and SAMUEL STEPHEN PINKNEY JR.,)
)
Respondents.)

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against OPTIMUM SECURITY INVESTMENTS, INC. and SAMUEL STEPHEN PINKNEY JR., alleges as follows:

I

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

II

OPTIMUM SECURITY INVESTMENTS, INC. and SAMUEL STEPHEN PINKNEY JR. as designated officer of said corporation (hereinafter referred to as respondent or respondents) are presently licensed

1 and/or have license rights under the Real Estate Law (Part 1 of
2 Division 4 of the California Business and Professions Code,
3 hereinafter referred to as the "Code").

4 III

5 At all times herein mentioned, respondent OPTIMUM
6 SECURITY INVESTMENTS was licensed by the Department of Real Estate
7 of the State of California (hereinafter Department) as a corporate
8 real estate broker, and respondent SAMUEL STEPHEN PINKNEY JR. was
9 licensed as the designated broker officer of said corporation.

10 IV

11 At all times herein mentioned, respondent OPTIMUM
12 SECURITY INVESTMENTS engaged in the business of, acted in the
13 capacity of, advertised or assumed to act as a real estate broker
14 in the State of California within the meaning of Section 10131(d)
15 of the Code, including soliciting borrowers or lenders for or
16 negotiating loans in connection with loans secured directly by
17 liens on real property on behalf of others for or in expectation
18 of compensation.

19 V

20 During 1991 and 1992, in connection with the aforesaid
21 real estate brokerage activities, respondent OPTIMUM SECURITY
22 INVESTMENTS, INC. accepted or received funds from borrowers and
23 lenders and thereafter made disbursements of such funds. These
24 funds were deposited by respondent in Trust Account No. 0674-
25 041335 (T/A 1), Wells Fargo Bank, 5899 Green Valley Circle, Culver
26 City.

27 /

1
2 In connection with respondent OPTIMUM SECURITY
3 INVESTMENT'S activities as a real estate broker as described above
4 respondent acted in violation of the Real Estate Law, Business and
5 Professions Code (hereinafter Code), and California Code of
6 Regulations (hereinafter Regulations), Title 10, Chapter 6, as
7 follows:

8 1. Respondent violated Section 10177(g) of the Code by
9 failing to keep adequate and proper trust account records with the
10 result that the accountability of the trust account T/A 1 could
11 not be determined as of June 30, 1992.

12 2. Respondent violated Regulation 2831 by not
13 maintaining a columnar record of all trust funds received and
14 disbursed.

15 3. Respondent violated Regulation 2831.1 by not
16 maintaining separate records for each beneficiary or transaction.

17 4. Respondent violated Regulation 2831.2 by failing to
18 perform a reconciliation of records maintained pursuant to
19 Regulation 2831 with records maintained pursuant to Regulation
20 2831.1.

21 5. Respondent violated Section 10240 of the Code by
22 failing to provide borrowers Michael and Yvonne Simone with a
23 Department approved borrower disclosure statement.

24 6. Respondent violated Section 10232(f) of the Code by
25 failing to notify the Department within 30 days of satisfying the
26 threshold criteria set forth therein.

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VII

The conduct of respondent OPTIMUM SECURITY INVESTMENTS, as alleged above, subjects its real estate license and license rights to suspension or revocation pursuant to Section 10177(d) and 10177(g) of the Code.

VIII

The conduct of respondent PINKNEY, as alleged above, as the responsible individual, by allowing and permitting OPTIMUM SECURITY INVESTMENTS to engage in the conduct specified in Paragraph VI above, subjects his real estate licenses and license rights to suspension or revocation pursuant to Section 10177(h) of the Code.

WHEREFORE, complainant prays that a hearing be conducted on the allegations of this Accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of respondents OPTIMUM SECURITY INVESTMENTS, INC. and SAMUEL STEPHEN PINKNEY JR. under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California
this 22nd day of March, 1993.

STEVEN J. ELLIS
Deputy Real Estate Commissioner

cc: Optimum Security Investments
Samuel Stephen Pinkney Jr.
Sacto.
CEV

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