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Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
(213) 620-4790

FILED
MAR 12 1993
DEPARTMENT OF REAL ESTATE
BY *[Signature]*

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

To:)	No.H-25341 LA
AMERICAN FEDERATED MORTGAGE)	
CORP OF NEVADA)	<u>ORDER TO DESIST</u>
and PAULETTE MARIE BRISCOE,)	<u>AND REFRAIN</u>
individually and as)	
designated officer of)	
American Federated Mortgage)	
Corp. of Nevada and ANTHONY)	
JOSEPH VELTRE, DAVID JAMES)	
COOK aka ASA M. COOK, aka)	
ASA M.COOK, JR.and RICK ALAN)	
FLOYD)	

The Real Estate Commissioner of the State of California ("Commissioner") has caused an investigation to be conducted of your activities requiring a real estate license, and based upon the findings of that investigation, is of the opinion that you, AMERICAN FEDERATED MORTGAGE CORP. OF NEVADA (AFMC) and you, PAULETTE MARIE BRISCOE (BRISCOE) have violated Section 10137 of the Business and Professions Code of the State of California ("Code") and Section 2832.1 of Title 10, Chapter 6, California Code of Regulations ("Regulations") and that you, ANTHONY JOSEPH

1 VELTRE ("VELTRE") and you, DAVID JAMES COOK, aka ASA M. COOK, aka
2 ASA M. COOK, JR ("COOK") and you, RICK ALAN FLOYD ("FLOYD") have
3 violated Section 10130 of the Code.

4 I

5 At all times mentioned herein, you, AFMC, a corporation,
6 were and still are licensed by the Department of Real Estate of
7 the State of California ("Department") as a corporate real estate
8 broker.

9 II

10 At all times mentioned herein, you, BRISCOE, were and
11 still are licensed by the Department as a real estate broker in
12 your individual capacity. From December 4, 1991, you were
13 licensed by the Department as the designated officer of AFMC. As
14 the designated officer of AFMC, you, BRISCOE, were responsible for
15 the supervision and control of the activities conducted on behalf
16 of AFMC by its officers and employees as necessary to secure full
17 compliance with the Real Estate Law as set forth in Section
18 10159.2 of the Code.

19 III

20 At all times mentioned herein, in Orange County,
21 California, for or in expectation of compensation, you, AFMC, and
22 you, BRISCOE, engaged in the business of, acted in the capacity
23 of, advertised or assumed to act as real estate brokers in the
24 State of California, within the meaning of Sections 10131(d) of
25 the Code, including the operation of a mortgage loan brokerage
26 business with the public wherein lenders and borrowers were
27 solicited for loans secured directly or collaterally by liens on

1 real property, wherein such loans were arranged, negotiated,
2 processed, and consummated on behalf of others for compensation or
3 in expectation of compensation and for fees often collected in
4 advance.

5 IV

6 At all times hereinafter mentioned you, COOK, you,
7 VELTRE, and you, FLOYD, were not licensed by the Department as a
8 real estate broker or a real estate salesperson employed by a real
9 estate broker. You, COOK, were employed by AFMC as the Senior
10 Vice-President of Operations; you, VELTRE, were employed by AFMC
11 as the Vice-President of Finance, and you, FLOYD, were employed by
12 AFMC as a loan officer.

13 V

14 On February 23, 1993, Department personnel completed an
15 investigative audit of the books and records of you, AFMC and you,
16 BRISCOE, pertaining to your activities as a mortgage loan broker
17 requiring a corporate real estate broker license, for a period
18 commencing on January 1, 1992, and terminating on November 30,
19 1992, which revealed violations of the Real Estate Law now
20 described.

21 VI

22 In connection with the aforesaid mortgage loan broker
23 activities, you, AFMC. and you, BRISCOE, accepted or received
24 funds in trust ("trust funds") from various investors and
25 thereafter deposited said funds into an account at Standard
26 Pacific Savings, Account No. 63005901. In connection with trust
27 funds deposited into this account you violated Section 2832.1 of

1 the Regulations by disbursing or allowing the disbursement of
2 funds from the AFMC account without the prior written consent of
3 every principal who was then an owner of trust funds in said
4 account wherein the disbursements reduced the balance of funds in
5 said account on November 30, 1992, to an amount which was at least
6 \$221,387.54 less than the existing aggregate trust fund liability
7 to all owners of said trust funds.

8 VII

9 During a period of time from January 25, 1991, through
10 the end of 1992, you, COOK, for or in expectation of compensation,
11 solicited for and thereafter negotiated the following loans which
12 were to be secured by liens on real property between Frank and
13 Julia Araiza, as the lenders, and the following borrowers and loan

14 amounts:

<u>BORROWERS</u>	<u>LOAN AMOUNT</u>
Joseph Obey	\$35,000
Ronald Lejuwaan	\$45,000
Gordon and Linda Marshall	\$40,000
Robert M. Thomas	\$35,000
Dean and Doreen Beard	\$50,000
Marion Margerison	\$50,000

18 During the same period of time you, VELTRE, for or in
19 expectation of compensation, solicited for and thereafter
20 negotiated the following loan which was to be secured by a lien on
21 real property between Frank and Julia Araiza, as the lenders, and
22 the following borrower and loan amount:

23

<u>BORROWERS</u>	<u>AMOUNTS</u>
Parry and Carol Putkamer	\$40,000

24
25 During the same period of time you, FLOYD, for or in
26 expectation of compensation, solicited for and thereafter
27 negotiated the following loan which was to be secured by a lien on

1 real property between Frank and Julila Araiza, as the lenders, and
2 the following borrower and loan amount:

3	<u>BORROWER</u>	<u>AMOUNT</u>
4	Paul Woods	\$30,000

5 VIII

6 The acts of you, COOK, you, VELTRE and you, FLOYD, are
7 those of a real estate broker as described in Section 10131(d) of
8 the Code. By conducting said acts without a real estate license
9 each of you is in violation of Section 10130 of the Code. By
10 employing said persons to conduct activities requiring a real
11 estate license you, AFMC, and you, BRISCOE, are in violation of
12 Section 10137 of the Code.

13
14 NOW, THEREFORE, YOU, AFMC, AND YOU, BRISCOE, AND YOUR
15 OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS ARE ORDERED TO
16 DESIST AND REFRAIN from any and all conduct requiring a real
17 estate license unless and until your conduct is in compliance with
18 Section 2832.1 of the Regulations.

19 IN ADDITION, YOU, AFMC, AND YOU, BRISCOE, ARE ORDERED TO
20 DESIST AND REFRAIN from employing and/or compensating persons to
21 conduct activities requiring a real estate license unless and
22 until said persons are licensed as a real estate broker or as a
23 real estate salesperson employed by you.

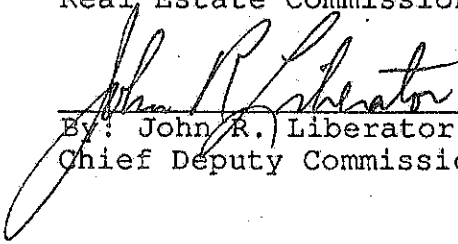
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FURTHER, YOU, COOK, YOU, VELTRE AND YOU, FLOYD, ARE ORDERED TO DESIST AND REFRAIN from conducting activities requiring a real estate license unless and until you are licensed as a real estate broker or as a real estate salesperson employed by a real estate broker.

DATED: March 11, 1993.

CLARK WALLACE
Real Estate Commissioner


By: John R. Liberator
Chief Deputy Commissioner

cc: AMERICAN FEDERATED MORTGAGE CORP OF NEVADA
4299 MacArthur Blvd., Suite 218
Newport Beach, California 92660

PAULETTE MARIE BRISCOE
2855 Pinecreek Drive #F232
Costa Mesa, California 92626

ANTHONY JOSEPH VELTRE
c/o American Federated Mortgage Corp of Nevada

DAVID JAMES COOK
c/o American Federated Mortgage Corp of Nevada

RICK ALAN FLOYD
c/o American Federated Mortgage Corp of Nevada