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

(213) 897-3194

JUN 11 1994  
*[Signature]*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \* \*

TO:	)	H- 25656	LA
	)		
HARTFORD BANCORP,	)	ORDER TO DESIST	
a corporation,	)	AND REFRAIN	
and PETER J. TERRACCIANO,	)		
designated officer of,	)		
Hartford Bancorp	)		
	)		
	)		

The Real Estate Commissioner of the State of California (Commissioner) has caused an investigation to be conducted and is of the opinion that you, HARTFORD BANCORP (HARTFORD), a corporation and PETER J. TERRACCIANO (TERRACCIANO), individually and as designated officer of Hartford Bancorp, have violated Sections 10145 and 10240 of the California Business and Professions Code (Code) and Sections 2725, 2752, 2832.1, 2832.1, 2834 and 2840 of Title 10, Chapter 6, California Code of Regulations (Regulations).

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I

At all times herein mentioned, you HARTFORD, a corporation, were and still are licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker by and through TERRACCIANO as designated officer.

II

At all times herein mentioned, you, TERRACCIANO, were, and still are licensed by the Department as a real estate broker, individually and as designated officer of HARTFORD. Additionally, you, TERRACCIANO are the designated officer of Palm-Lan Real Estate Agents Company.

III

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

IV

At all times mentioned herein, in Lancaster, Los Angeles County, California, for compensation or in expectation of compensation you HARTFORD, and you, TERRACCIANO, engaged in the business of, acted in the capacity of, advertised or assumed to act as a corporate and individual real estate broker respectively, in the State of California, within the meaning of Sections 10131(d) and 10131.2 of the Code, including the operation of a

1 mortgage loan business with the public wherein lenders and  
2 borrowers were solicited for loans secured directly or  
3 collaterally by liens on real property, wherein such loans were  
4 arranged, negotiated, processed, and consummated on behalf of  
5 others for compensation or in expectation of compensation and for  
6 fees often collected in advance.

7 V

8 On July 13, 1993, the Department completed an  
9 investigative audit of your books and records, HARTFORD,  
10 pertaining to your activities as a corporate real estate broker  
11 engaged in the mortgage loan business covering a period from  
12 January 1, 1993 to July 13, 1993, which revealed the following  
13 violations of the Code and Regulations.

14 VI

15 In connection with the aforesaid real estate activities  
16 described in Paragraph IV, you, HARTFORD, and you, TERRACCIANO,  
17 accepted or received funds in trust (trust funds) from or on  
18 behalf of borrowers and lenders and thereafter made disbursements  
19 of such funds including appraisal and loan processing fees. You  
20 deposited certain of these funds into the following accounts  
21 maintained at at Antelope Valley Bank, Lancaster, California:

22 "Hartford Bancorp Trust Account  
23 Account Number 51096789"

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VII

1  
2 In connection with the trust funds referred to in  
3 Paragraph VI above, you, HARTFORD and you, TERRACCIANO, acted in  
4 violation of the Code and Regulations because you:

5 (a) Permitted, allowed, or caused the disbursement of  
6 funds from your trust account, without the prior written consent  
7 of every principal who was an owner of funds in the account when  
8 the disbursements reduced the balance of funds in the account to  
9 an amount which was \$5,022.90 less than your existing aggregate  
10 trust fund liability to all owners of said funds as of May 31,  
11 1993, in violation of Regulation 2832.1.

12 (b) Failed to perform a monthly reconciliation of all  
13 trust funds deposited in trust account with separate beneficiary  
14 or transaction records maintained pursuant to Section 2831.1 of  
15 the Regulations in violation of Section 2831.2 of the Regulations.

16 (g) Permitted an unlicensed and unbonded person, H.M.  
17 McKinsey, Office Manager of HARTFORD, to be the sole authorized  
18 signatory on the trust account, in violation of Regulation 2834.

VIII

19 In connection with the activities described above in  
20 Paragraph IV, you, HARTFORD, and, you, TERRACCIANO, failed to  
21 provide certified written mortgage loan disclosure statements to  
22 various borrowers including, but not limited to, the following  
23 named borrowers before they became obligated to perform under the  
24 terms of their respective loans:

25  
26 K. Connell  
R. & L. Duarte  
27 J. Wade

1 M. Williams  
2 H. Parry  
3 J. Wrede  
4 R. Harol  
5 A. Greene  
6 R. Deal

7 These omissions constitute a violation of Section 10240 of the  
8 Code and Regulation 2840.

9 IX

10 The audit examination revealed that you, TERRACCIANO,  
11 failed to initial and date documentation for the salespeople of  
12 HARTFORD in connection with mortgage lending transactions for  
13 which real estate licenses are required, specifically for the  
14 transactions set forth in Paragraph VIII, in violation of  
15 Regulation 2725.

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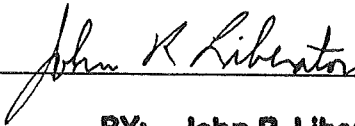
17 The audit examination also revealed that you, HARTFORD,  
18 and, you, TERRACCIANO, failed to notify the Department of the  
19 employment of LaVonna Lacy Terracciano, President of HARTFORD, as  
20 a salesperson, in connection with mortgage lending transactions  
21 for which real estate licenses are required in violation of  
22 Regulation 2752.

23 THEREFORE, YOU, HARTFORD BANKCORP, YOUR OFFICERS,  
24 AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS AND YOU, PETER J.  
25 TERRACCIANO, individually and as designated officer of Hartford  
26 Bankcorp, ARE ORDERED TO DESIST AND REFRAIN from any and all  
27 conduct requiring a real estate license unless and until your  
conduct is in compliance with Sections and 10145 and 10240 of the  
California Business and Professions Code (Code) and Sections 2725,

1 2752, 2832.1, 2832.1, 2834 and 2840 of Title 10, Chapter 6,  
2 California Code of Regulations (Regulations).

3 DATED January 4, 1994

4 CLARK WALLACE  
5 Real Estate Commissioner

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8 **BY: John R. Liberator**  
9 **Chief Deputy Commissioner**

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21 cc: Peter J. Terracciano  
22 Designated Officer  
23 Hartford Ban corp  
24 43619 North 17th Street  
25 Suite 104  
26 Lancaster, California 93534

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25 43619 North 17th Street  
26 Suite 104  
27 Lancaster, California 93534

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