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FILED
JUN 18 1997
DEPARTMENT OF REAL ESTATE

Lucie A. Zain

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	
ALCOLA MORTGAGE CORPORATION;)	NO. H-26059 LA
ALAN GARY URBACH, individually)	
and as designated officer of)	L-9506200
Alcola Mortgage Corporation;)	
DAVID LINCOLN HOCHMAN; and)	
FELIPE JESUS GALINDO,)	
)	
Respondents.)	

DECISION AFTER RECONSIDERATION

On April 7, 1997, a Decision was rendered herein by the Real Estate Commissioner which revoked the real estate salesperson license and license rights of Respondent, DAVID LINCOLN HOCHMAN. Said Decision was to become effective on May 6, 1997, and was stayed by separate Orders to June 16, 1997.

On June 6, 1997, Respondent petitioned for reconsideration of said Decision. I have considered the petition of Respondent and have concluded that good cause has been presented for reconsideration of the Decision of April 7, 1997,

///

1 for the limited purpose of determining whether the disciplinary
2 action therein imposed should be reduced.

3 I have reconsidered said Decision and it is hereby
4 ordered that the disciplinary action therein imposed against
5 the real estate salesperson license of DAVID LINCOLN HOCHMAN
6 be reduced by modifying the Order of said Decision to read as
7 follows:

8 ORDER

9 The real estate license and license rights of
10 Respondent, DAVID LINCOLN HOCHMAN, under the Real Estate Law
11 (Part 1 of Division 4 of the Business and Professions Code),
12 are suspended for a period of sixty (60) days from the effective
13 date of this Decision.

14 Said suspension shall commence on the effective date
15 of this Decision. Provided however, said sixty (60) day
16 suspension of Respondent's license and license rights shall be
17 stayed upon condition that:

18 (1) Respondent delivers a check in the amount of Three
19 Hundred and Fifty Dollars (\$350.00), made payable to one, Sang Ho,
20 to the Department's Los Angeles District Office, prior to the
21 effective date of this Decision.

22 If the Department is unable to locate Sang Ho within one
23 (1) year from the effective date of this Decision, to deliver said
24 check to him, said check will be returned to Respondent.

25 ///

26 ///

27 ///



1 (2) Respondent petitions pursuant to Section 10175.2 of
2 the Business and Professions Code and pays a monetary penalty
3 pursuant to Section 10175.2 of the Business and Professions Code
4 at a rate of \$41.67 for each day of the suspension for a total
5 monetary penalty of \$2,500.00:

6 (a) Said payment shall be in the form of a cashier's
7 check or certified check made payable to the
8 Recovery Account of the Real Estate Fund. Said
9 check must be delivered to the Department prior to
10 the effective date of the Order in this matter.

11 (b) No further cause for disciplinary action against
12 the real estate license of Respondent occurs within
13 one (1) year from the effective date of the
14 decision in this matter.

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

23 (d) If Respondent pays the monetary penalty and if no
24 further cause for disciplinary action against the
25 real estate license of Respondent occurs within one
26 (1) year from the effective date of the decision,
27 the stay hereby granted shall become permanent.



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As hereby modified and amended, the Decision of
April 7, 1997, shall become effective at 12 o'clock noon
on July 8, 1997.

IT IS SO ORDERED 6/16/97

JIM ANTT, JR.
Real Estate Commissioner



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FILED
JUN - 3 1997
DEPARTMENT OF REAL ESTATE

By C. [Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
)	No. H-26059 LA
ALCOLA MORTGAGE CORPORATION;)	
ALAN GARY URBACH, individually)	
and as designated officer of)	
Alcola Mortgage Corporation;)	
DAVID LINCOLN HOCHMAN; and)	
FELIPE JESUS GALINDO,)	
)	
Respondents.)	

ORDER STAYING EFFECTIVE DATE

On April 7, 1997, a Decision was rendered in the above-entitled matter, as to DAVID LINCOLN HOCHMAN, to become effective May 6, 1997. On April 16, 1997, the effective date of said Order was stayed until June 5, 1997.

IT IS HEREBY ORDERED that the effective date of the Decision of On April 7, 1997, is stayed for an additional period of ten (10) days.

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The Decision of On April 7, 1997, shall become effective at 12 o'clock noon on June 16, 1997.

DATED: June 3, 1997.

JIM ANTT, JR.
Real Estate Commissioner

By: *Randolph Brendia*
RANDOLPH BRENDIA
Regional Manager

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FILED
APR 16 1997
DEPARTMENT OF REAL ESTATE

By [Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-26059 LA
)	
ALCOLA MORTGAGE CORPORATION;)	
ALAN GARY URBACH, individually)	
and as designated officer of)	
Alcola Mortgage Corporation;)	
<u>DAVID LINCOLN HOCHMAN</u> ; and)	
FELIPE JESUS GALINDO,)	
)	
Respondents.)	

ORDER STAYING EFFECTIVE DATE

On April 7, 1997, a Decision was rendered in the above-entitled matter, as to DAVID LINCOLN HOCHMAN, to become effective May 6, 1997.

IT IS HEREBY ORDERED that the effective date of the Decision of April 7, 1997, is stayed for a period of 30 days.

The Decision of April 7, 1997, shall become effective at 12 o'clock noon on June 5, 1997.

DATED: April 16, 1997.

JIM ANTT, JR.
Real Estate Commissioner

By: [Signature]
RANDOLPH BRENDA
Regional Manager

FILED
APR 14 1997
DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

By C. Zy

* * * * *

In the Matter of the Accusation of)
)
ALCOLA MORTGAGE CORPORATION;)
ALAN GARY URBACH, individually)
and as designated officer of)
Alcola Mortgage Corporation;)
DAVID LINCOLN HOCHMAN; and)
FELIPE JESUS GALINDO,)
)
Respondents.)

No. H-26059 LA

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on March 19, 1997, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions, (2) affidavits, and (3) other evidence.

FINDINGS OF FACT

I

On October 5, 1995, Peter F. Hurst made the Accusation in his official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, to Respondent's last known mailing address on file with the Department on October 5, 1995 and March 4, 1997.

On March 19, 1997, Respondent DAVID LINCOLN HOCHMAN did not appear at the hearing scheduled before the Office of Administrative Hearings. Pursuant to Section 11520 of the Government Code, Respondent DAVID LINCOLN HOCHMAN's default was entered herein.

II

DAVID LINCOLN HOCHMAN (hereinafter "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 (hereinafter "Code").

III

At all times material herein, Respondent was licensed by the Department of Real Estate of the State of California (hereinafter "Department") as a real estate salesperson, employed by a licensed real estate broker, or had licensing rights as such.

IV

On or about February 5, 1992, Respondent solicited and/or negotiated a purchase money loan in the amount of \$133,000 for one, Sang Ho (hereinafter "Borrower"), to be secured by real property located at 301 East Norton Street, Long Beach, California.

V

On or about February 10, 1992, the Borrower issued a check in the amount of \$350 to Respondent. HOCHMAN represented to the Borrower that he would need the money for "paperwork" which needed to be done in order to qualify the Borrower for a loan which Respondent had stated would not be granted because the Borrower's income was too low.

VI

On or about February 12, 1992, Respondent cashed the check. None of the \$350 was ever delivered to his employing broker.

VII

On or about April 9, 1992, Respondent submitted a loan package through his employing broker, ALCOLA MORTGAGE CORPORATION, on behalf of the Borrower, to Plaza Savings and Loan Association (hereinafter "Plaza").

VIII

Plaza thereupon conducted a prefunding audit of said loan package to verify and substantiate the Borrower's income. Plaza contacted the Borrower who responded with a letter denying the veracity of the tax returns. The Borrower also stated that an agent named "Mike" at Elite Realty told him to provide \$350 to Respondent who would manufacture false tax returns for the purpose of qualifying the Borrower for the loan.

DETERMINATION OF ISSUES

IX

The conduct, acts and/or omissions of Respondent, as described in Findings V and VI, herein above, are in violation of Code Section 10145.

X

The conduct, acts and/or omissions of Respondent, as described in Findings VII and VIII, herein above, constitutes making a substantial misrepresentation.

XI

Cause for disciplinary action against Respondent exists pursuant to Code Sections 10177(d) and 10176(a).

XII

The standard of proof applied was clear and convincing to a reasonable certainty.

ORDER

The license and license rights of Respondent, DAVID LINCOLN HOCHMAN, under the provisions of Part 1 of Division 4 of the Business and Professions Code, are revoked.

This Decision shall become effective at 12 o'clock noon on May 6, 1997.

IT IS SO ORDERED 1/7, 1997.

JIM ANTT, JR.
Real Estate Commissioner



1 Department of Real Estate
2 107 South Broadway, Room 8107
3 Los Angeles, California 90012
4
5 (213) 897-3937
6
7

FILED
MAR 19 1997
DEPARTMENT OF REAL ESTATE

By C. 37

8 THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of)
12 ALCOLA MORTGAGE CORPORATION;)
13 ALAN GARY URBACH, individually)
14 and as designated officer of)
15 Alcola Mortgage Corporation;)
16 DAVID LINCOLN HOCHMAN; and)
17 FELIPE JESUS GALINDO,)
18 Respondents.)

No. H-26059 LA
L-9506200

DEFAULT ORDER

17 Respondent, DAVID LINCOLN HOCHMAN, having failed
18 to appear at a hearing duly noticed before the Office of
19 Administrative Hearings for March 18, 1997, is now in default.
20 It is, therefore, ordered that a default be entered on the record
21 in this matter.

22 IT IS SO ORDERED March 19, 1997.

23 JIM ANTT, JR.
24 Real Estate Commissioner

25 By: Randolph Brendia
26 Randolph Brendia
27 Regional Manager

1 Department of Real Estate
2 107 South Broadway, Room 8107
3 Los Angeles, California, 90012
4 Telephone: (213) 897-3937

FILED
MAR - 3 1997
DEPARTMENT OF REAL ESTATE

By C. R. [Signature]

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of) No. H-26059 LA
12) L-9506200
13) ALCOLA MORTGAGE CORPORATION;) STIPULATION AND AGREEMENT
14) ALAN GARY URBACH, individually) IN SETTLEMENT AND ORDER
15) and as designated officer of)
16) Alcola Mortgage Corporation;)
17) DAVID LINCOLN HOCHMAN; and)
18) FELIPE JESUS GALINDO,)
19) Respondents.)
20)

21 It is hereby stipulated by and between ALCOLA MORTGAGE
22 CORPORATION and ALAN GARY URBACH (sometimes referred to
23 collectively herein as "Respondents"), and the Complainant, acting
24 by and through Darlene Averetta, Counsel for the Department of
25 Real Estate, as follows for the purpose of settling and disposing
26 of the Accusation filed on February 3, 1995, and amended on
27 October 5, 1995 (hereinafter "Accusation"), in this matter:

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1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondents
3 at a formal hearing on the Accusation, which hearing was to be
4 held in accordance with the provisions of the Administrative
5 Procedure Act ("APA"), shall instead and in place thereof be
6 submitted solely on the basis of the provisions of this
7 Stipulation.

8 2. Respondents have received, read and understand,
9 the Statement to Respondent, the Discovery Provisions of the
10 Administrative Procedure Act (APA) and the Accusation, filed by
11 the Department of Real Estate in this proceeding.

12 3. On February 17, 1995, Respondents filed a Notice
13 of Defense pursuant to Section 11505 of the Government Code for
14 the purpose of requesting a hearing on the allegations in the
15 Accusation. Respondents hereby freely and voluntarily withdraw
16 said Notice of Defense. Respondents acknowledge that they
17 understand that by withdrawing said Notice of Defense, they will
18 thereby waive their right to require the Commissioner to prove the
19 allegations in the Accusation at a contested hearing held in
20 accordance with the provisions of the APA and that they will waive
21 other rights afforded to them in connection with the hearing such
22 as the right to present evidence in defense of the allegations in
23 the Accusation and the right to cross-examine witnesses.

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1 4. Respondents, pursuant to the limitations set forth
2 below, do not contest the allegations in the Accusation, but
3 choose to remain silent and understand that, as a result thereof,
4 the Real Estate Commissioner may and will, as a result of this
5 Stipulation, find said allegations to be true with the result that
6 the Real Estate Commissioner may suspend or revoke Respondents'
7 real estate licenses and license rights.

8 5. It is understood by the parties that the Real
9 Estate Commissioner may adopt the Stipulation and Agreement in
10 Settlement and Order as his decision in this matter thereby
11 imposing the penalty and sanctions on Respondents' real estate
12 licenses and license rights as set forth in the below "Order". In
13 the event that the Commissioner in his discretion does not adopt
14 the Stipulation and Agreement in Settlement and Order, the
15 Stipulation and Agreement in Settlement and Order shall be void
16 and of no effect, and Respondents shall retain the right to a
17 hearing and proceeding on the Accusation under all the provisions
18 of the APA and shall not be bound by any stipulation or waiver
19 made herein.

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1 6. The Order or any subsequent Order of the
2 Real Estate Commissioner made pursuant to this Stipulation
3 shall not constitute an estoppel, merger or bar to any further
4 administrative or civil proceedings by the Department of Real
5 Estate with respect to any matters which were not specifically
6 alleged to be causes for accusation in this proceeding. This
7 Stipulation and any order made pursuant to this Stipulation shall
8 have no collateral estoppel or res judicata effect in any
9 proceedings in which the Respondents and the Department (or the
10 Department's representative) are not parties. However, no ruling
11 in any action brought by a party other than the Respondents or the
12 Department shall effect the finality of the Decision entered in
13 these proceedings pursuant to this Stipulation and Agreement in
14 Settlement and Order.

15 DETERMINATION OF ISSUES

16 By reason of the foregoing stipulations and waivers and
17 solely for the purpose of settlement of the pending Accusation
18 without a hearing, it is stipulated and agreed that the following
19 Determination of Issues shall be made:

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I

1
2 The conduct, acts and/or omissions of Respondent
3 ALCOLA MORTGAGE CORPORATION, as set forth in the Accusation,
4 constitutes cause to suspend or revoke its real estate licenses
5 and license rights under the provisions of Business and
6 Professions Code ("Code") Section 10137; and Code Section
7 10177(d), for violations of Code Sections 10145, 10148 and 10162,
8 and Sections 2715 and 2830 of Title 10, Chapter 6, of the
9 California Code of Regulations.

10 II

11 The conduct, acts and/or omissions of Respondent
12 ALAN GARY URBACH, as set forth in the Accusation, demonstrates
13 a lack of supervision, and constitutes cause to suspend or revoke
14 his real estate licenses and license rights under the provisions
15 of Code Section 10177(h).

16 ORDER

17 WHEREFORE, THE FOLLOWING ORDER is hereby made:

18 I

19 The corporate real estate broker license and licensing
20 rights of Respondent ALCOLA MORTGAGE CORPORATION, under Part 1
21 of Division 4 of the Business and Professions Code, are hereby
22 revoked.

23 II

24 A. The licenses and license rights ALAN GARY URBACH,
25 under Part 1 of Division 4 of the Business and Professions Code,
26 shall be suspended for one hundred twenty (120) days from the
27 effective date of the Decision.

1 B. However, if Respondent petitions, thirty (30) days
2 of the suspension of Respondent's broker license shall be
3 permanently stayed if, prior to the effective date of the Decision
4 herein, Respondent petitions pursuant to Section 10175.2 of the
5 Code and upon condition that Respondent pay to the Department's
6 Real Estate Recovery Account the sum of one thousand five hundred
7 dollars (\$1,500.00).

8 (1) Payment of the aforementioned monetary penalty
9 shall be in the form of a cashier's check or certified check, made
10 payable to the Recovery Account of the Real Estate Fund. Payment
11 must be made prior to the effective date of this Decision.

12 (2) The Commissioner, in exercising his discretion
13 under Code Section 10175.2, agrees by adopting this Order that it
14 would not be against the public interest to permit such
15 petitioning Respondent to pay the aforesaid monetary penalty.

16 C. The final ninety (90) day portion of the suspension
17 shall be permanently stayed on the condition that no further cause
18 for discipline of the license and license rights of the Respondent
19 occur within one (1) year from the effective date of the Decision
20 herein, and upon the following terms and conditions:

21 (1) Respondent shall obey all laws of the United
22 States, the State of California and all its political subdivision
23 and all the rules and regulations of the Real Estate Commissioner.

24 (2) Respondent shall not engage in conduct that
25 would be a cause for a disciplinary action by the Department
26 during the period of probation.

27

1 (3) If the Commissioner determines, after giving
2 Respondent notice and an opportunity to be heard, that a violation
3 of the conditions has occurred, the Commissioner may terminate the
4 stay and impose the stayed portion or otherwise modify the Order.
5 If Respondent successfully completes the terms and conditions of
6 the probation, the stay shall be permanent.

7 (4) Respondent shall report in writing to the
8 Department of Real Estate as the Real Estate Commissioner shall
9 direct by his Decision herein or by separate written order issued
10 while Respondent is on probation, such information concerning
11 Respondent's activities for which a real estate license is
12 required as the Commissioner shall deem to be appropriate to
13 protect the public interest.

14 * * * * *

15 I have read the Stipulation and Agreement in Settlement
16 and Order, and its terms are understood by me and are agreeable
17 and acceptable to me. I understand that I am waiving rights given
18 to me by the California Administrative Procedure Act (including
19 but not limited to Sections 11506, 11508, 11509 and 11513 of the
20 Government Code), and I willingly, intelligently and voluntarily
21 waive those rights, including the right of requiring the
22 Commissioner to prove the allegations in the Accusation at a
23 hearing at which I would have the right to cross-examine witnesses
24 against me and to present evidence in defense and mitigation of
25 the charges.

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DATED: 2/3/97

Alan G. Urbach
ALCOLA MORTGAGE CORPORATION,
Respondent by Alan G. Urbach,
President

DATED: 2/3/97

Alan G. Urbach
ALAN GARY URBACH, Respondent

DATED: February 6, 1997

Darlene Averetta
DARLENE AVERETTA, Counsel for the
Complainant

* * * * *

The foregoing Stipulation and Agreement in Settlement,
is hereby adopted as my Order and shall become effective at
12 o'clock noon on March 25, 1997.

IT IS SO ORDERED 2/27/97.

JIM ANTT, JR.
Real Estate Commissioner

Jim Antt, Jr.

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FILED
MAR 18 1997
DEPARTMENT OF REAL ESTATE

By C. B. [Signature]

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
ALCOLA MORTGAGE CORPORATION,)	No. H-26059 LA
ALAN GARY URBACH, individually)	L-9506200
and as designated officer of)	
Alcola Mortgage Corporation,)	
DAVID LINCOLN HOCHMAN, and)	
<u>FELIPE JESUS GALINDO,</u>)	
Respondents.)	

DISMISSAL

The Accusation herein filed on October 5, 1995,
against Respondent, FELIPE JESUS GALINDO, is DISMISSED.

IT IS SO ORDERED this 17TH day of MARCH, 1997.

JIM ANTT, JR.
Real Estate Commissioner

[Signature]

500

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
)
ALCOLA MORTGAGE CORPORATION;)
ALAN GARY URBACH, individually)
and as designated officer of)
Alcola Mortgage Corporation;)
DAVID LINCOLN HOCHMAN; and)
FELIPE JESUS GALINDO,)
_____)
Respondent (s)

Case No. H-26059 LA

OAH No. L-9506200

FILED
APR - 5 1996
DEPARTMENT OF REAL ESTATE

NOTICE OF HEARING ON ACCUSATION

By C. Soy

To the above-named Respondent (s):

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 314 W. First Street, Los Angeles, CA 90012 on MARCH 18 and 19, 1997, 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: April 5, 1996

By

Darlene Averetta

DARLENE AVERETTA, Counsel

cc: Alcola Mortgage Corporation
Alan Gary Urbach
David Lincoln Hochman
Felipe Jesus Galindo
David L. Shane, Esq.
Park Regency, Inc.
Sacto.
OAH

CEB

RE 501 (La Mac 11/92)

Sacto glas

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUL 28 1995
DEPARTMENT OF REAL ESTATE

By *K. Medsker*

In the Matter of the Accusation of

ALCOLA MORTGAGE CORP., et al.,

}

Case No. H-26059 LA

OAH No. L-9506200

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 January 17 & 18, 1996, 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: July 28, 1995

By *George W. Wignat* Counsel

cc: Alcola Mortgage Corp.
Gary Alan Urbach
David Lincoln Hochman
Sacto OAH AS

1 George W. Wright, Counsel
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, CA 90012

5 (213) 897-3937

FILED
OCT 05 1995
DEPARTMENT OF REAL ESTATE

By *Raquel R. Arboleda*

9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * *

12 In the Matter of the Accusation of) No. H-26059 LA
13)
14 ALCOLA MORTGAGE CORPORATION,)
15 ALAN GARY URBACH, individually) A M E N D E D
16 and as designated officer of)
17 Alcola Mortgage Corporation,) A C C U S A T I O N
18 DAVID LINCOLN HOCHMAN, and)
19 FELIPE JESUS GALINDO,)
20 Respondents.)
21 _____)

22 The Complainant, Peter F. Hurst, a Deputy Real Estate
23 Commissioner of the State of California, for cause of accusation
24 against ALCOLA MORTGAGE CORPORATION, GARY ALAN URBACH, and DAVID
25 LINCOLN HOCHMAN, is informed and alleges in his official capacity
26 as follows:

27 I

The Complainant, Peter F. Hurst, a Deputy Real Estate
Commissioner of the State of California, makes this Accusation in
his official capacity.

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II

At all times mentioned herein, ALCOLA MORTGAGE CORPORATION ("ALCOLA") was licensed by the Department of Real Estate of the State of California ("Department") as a corporate real estate broker.

III

At all times herein mentioned, GARY ALAN URBACH ("URBACH"), was and still is licensed by the Department as a real estate broker in his individual capacity. URBACH was and is now licensed by the Department as the designated officer of ALCOLA. As the designated officer of ALCOLA, URBACH was and is responsible for the supervision and control of the activities conducted on behalf of ALCOLA by its officers and employees as necessary to secure full compliance with the Real Estate Law as set forth in Section 10159.2 of the Code.

IV

At all times mentioned herein, DAVID LINCOLN HOCHMAN ("HOCHMAN") was licensed by the Department as a real estate salesperson or had licensing rights as such. However, during a period of time from October 19, 1990, to April 1, 1994, while he was employed by ALCOLA, the Department received no notice from ALCOLA that HOCHMAN was employed by ALCOLA. This is in violation of Section 10161.8 of the Code and cause to revoke or suspend the license and/or licensing rights of ALCOLA under Section 10177(d) of the Code.

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V

At all times mentioned herein, FELIPE JESUS GALINDO ("GALINDO") was licensed by the Department as a real estate salesperson. From June 29, 1992, to date, GALINDO was employed under the license of Park Regency, Inc., a corporate broker licensed by the Department.

VI

All further references herein include ALCOLA and URBACH and also include the officers, directors, employees, agents and real estate licensees employed by or associated with ALCOLA and URBACH and who at all times herein mentioned were engaged in the furtherance of the business or operations of ALCOLA and URBACH and who were acting within the course and scope of their authority and employment.

VII

All further references to the "Code" are to the California Business and Professions Code, and all further references to the "Regulations" are to Chapter 6, Title 10, California Code of Regulations.

VIII

At all times mentioned herein, for or in expectation of compensation, ALCOLA engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Section 10131(a) of the Code, including the operation of residential resales brokerage businesses with the public wherein the sale of or offer to sell, the solicitation of prospective sellers or purchasers of,

1 or the negotiation of the purchase or sale of real property were
2 performed, for or in expectation of compensation, and for fees
3 often collected in advance.

4 IX

5 On or about February 5, 1992, HOCHMAN, on behalf of
6 ALCOLA, solicited and negotiated a purchase money loan in the
7 amount of \$133,000.00 for the borrower, Sang Ho, secured by real
8 property located at 3012 East Norton Street, Long Beach,
9 California. On or about February 10, 1992, the borrower, Sang Ho,
10 issued a check in the amount of \$350.00 to HOCHMAN. On or about
11 February 12, 1992, HOCHMAN cashed the check. On or about March 7,
12 1992, Sang Ho issued a check to ALCOLA for \$325.00 for credit
13 report and appraisal fees. HOCHMAN represented to said borrower
14 that he would need the money for "additional paperwork" which
15 needed to be done to qualify Sang Ho for a loan which HOCHMAN
16 stated would not be granted because Sang Ho's income was too low..
17 None of the \$350.00 was ever delivered to ALCOLA.

18 X

19 On or about April 9, 1992, ALCOLA and HOCHMAN submitted
20 a loan package on behalf of Sang Ho, to Plaza Savings and Loan
21 Association ("Plaza"). Plaza thereupon conducted a prefunding
22 audit of said loan package to verify and substantiate the
23 borrower's income. Plaza contacted Sang Ho who responded with a
24 letter denying the veracity of the tax returns. The borrower also
25 stated that an agent named "Mike" at Elite Realty told him to
26 provide \$350.00 to HOCHMAN who would manufacture false tax returns
27 for the purpose of qualifying for the loan.



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XI

On or about November 29, 1994, Department personnel requested from ALCOLA information in regard to the check for the credit report and appraisal fees received from the borrower Sang Ho. ALCOLA was asked about the account in which the check was deposited. ALCOLA never responded by the requested response date of December 7, 1994.

XII

On or about January 9, 1995, Department personnel went to the business address of ALCOLA listed at 22647 Ventura Blvd., Woodland Hills, in order to serve a subpoena for the production of records relating to the loan application of Sang Ho. Department personnel discovered that the address is just a letter drop for ALCOLA as this is the location for a business called Mail Boxes, Etc. An employee of this business, Lois Kelsey, indicated that ALCOLA rents Box # 312 but does not have any office space on the premises. ALCOLA violated Section 10162 of the Code and Section 2715 of the Regulations by such conduct.

XIII

A subpoena was subsequently served on the designated officer of ALCOLA, URBACH, on January 9, 1995, at his home address located at 23413 Oxnard Street, Woodland Hills, California. Said subpoena requested documents and information relating to the loan application of Sang Ho and the handling of the trust funds received. As of the date of the filing of this accusation, URBACH has not provided all of the documents requested by the subpoena.

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XIV

On or about May 17, 1995, Department personnel completed an investigative audit of the books and records of ALCOLA, pertaining to its mortgage loan broker activities, for a period commencing in January 1, 1993, and terminating on December 31, 1994, and unless otherwise specified, the relevant period of time referenced herein shall be the same. The findings of that audit are set forth in the paragraphs that follow.

XV

In connection with the aforesaid mortgage activities, ALCOLA solicited or negotiated with prospective borrowers for mortgage loans. ALCOLA accepted or received funds ("trust funds"), from or on behalf of in the form of credit report and appraisal fees and thereafter made disbursements of such funds. ALCOLA deposited these funds into the an account at First Interstate Bank in Woodland Hills entitled "Alcola Mortgage, Corp. C R & APP Account". ALCOLA violated Section 10145 of the Code and Section 2830 of the Regulations by placing these trust funds into an account that was not a trust account. Said conduct is cause to suspend or revoke the license and/or licensing rights of ALCOLA under Section 10177(d) of the Code.

XVI

The audit examination also revealed that ALCOLA did not notify the Department of its moving from its offices at 22968 Victory Boulevard, Woodland Hills, California, and 9241 Reseda Boulevard, Northridge, California, to the residence of URBACH at 23413 Oxnard Street, Woodland Hills, California. ALCOLA violated



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Section 2715 of the Regulations by failing to notify the Department of this change.

XVII

The audit examination also revealed that ALCOLA employed four (4) salespersons who were not licensed ALCOLA to perform acts which require a real estate license. These four salesperson assisted ALCOLA as loan officers by soliciting borrowers and negotiating rates and terms with said borrowers, for the purpose of originating mortgage loans. These four salespersons, Michael Ekmanian, George Bahamondes, David Hochman, and Victor Swiecicki, were licensed to other brokers or had no broker affiliation at the time that they worked for ALCOLA. ALCOLA violated Section 10137 of the Code by employing and/or compensating these four salespersons for these acts.

XVIII

At all times material herein, ALCOLA employed four salespersons but failed to notify the Department in writing of the employment of each and every salesperson. ALCOLA violated Section 10161.8 and Section 2752 of the Regulations by so failing to notify the Department

XIX

The audit examination also revealed that on February 3, 1994, ALCOLA transferred trust funds totaling \$2,799.45 from the account described in Paragrapg XV to its corporate account. the conduct of ALCOLA in transferring the trust funds into its corporate account constitutes the act of commingling its own money

1 with the money of others received and held by ALCOLA and is a
2 violation of Section 10176(e) of the Code.

3 XX

4 On or about October 20, 1992, George Korkounian
5 ("Korkounian") listed his property located at 13487 Hubbard, # 14,
6 Sylmar, California, with Park Regency, Inc. On or about October
7 23, 1992, GALINDO made an offer to purchase the property. GALINDO
8 was also acting as the selling agent for Korkourian. On or about
9 January 26, 1993, GALINDO'S loan application was submitted to
10 Lancaster Mortgage Services ("LMS") by ALCOLA.

11 XXI

12 In preparation for underwriting the loan and verifying
13 the information provided by GALINDO, LMS requested copies of
14 cancelled checks for the estimated taxes paid by GALINDO. LMS
15 wanted to verify that \$15,733.000 in estimated taxes were paid by
16 GALINDO as reported on the 1992 1040 income tax return submitted
17 to LMS. LMS received copies of three (3) cashier's checks issued
18 by Security Pacific National Bank ("Security") and one (1) money
19 order from ALCOLA. When LMS contacted Security, it discovered that
20 the three money orders were fraudulent.

21 XXII

22 LMS then contacted Porter Ranch Credit Bureau and
23 learned that ALCOLA had ordered two separate credit reports for
24 GALINDO. One credit reort showed that GALINDO had a wife and was
25 not employed by Park Regency, Inc. but by Fantasy Cookies. The
26 second credit report dated January 26, 1993, showed that GALINDO
27 worked for Park Regency, Inc. and was single. It was also



1 determined that the Social Security Number of GALINDO had been
2 altered. Further investigation by LMS uncovered two escrows on the
3 same property at Mid Valley Escrow, Inc. The escrow instructions
4 provided LMS indicate that GALINDO is an unmarried man. The new
5 escrow instructions at Mid Valley Escrow, Inc. show that GALINDO
6 as a married man purchasing the property as his sole and separate
7 property.

8 XXIII

9 In performing the acts described in Paragraphs IX
10 through XXIII, ALCOLA and URBACH violated Sections 2715 and 2830
11 of the Regulations and Sections 10137, 10145 and 10148 of the
12 Code. Said conduct also includes acts constituting fraud,
13 dishonest dealing and commingling and is cause to suspend or
14 revoke the license and/or licensing rights of ALCOLA and URBACH
15 under Sections 10176(a), 10176(e), 10176(i) and 10177(d) of the
16 Code. URBACH failed to comply with Section 10159.2 of the Code by
17 allowing ALCOLA to violate the above-described provisions of the
18 Real Estate Law during the time that URBACH was the designated
19 officer of ALCOLA. This conduct is cause for the suspension or
20 revocation of URBACH'S license and/or license rights under Section
21 10177(h) of the Code.

22 XXIV

23 In performing the acts described in Paragraphs IX and X
24 hereinabove, HOCHMAN violated Section 10145 of the Code by failing
25 to turn over funds received from Sang Ho. In addition, HOCHMAN'S
26 conduct in conspiring and/or preparing bogus tax returns is fraud
27 or dishonest dealing. The conduct of HOCHMAN is cause to suspend



1 or revoke the license and/or licensing rights of HOCHMAN under
2 Sections 10176(i) and 10177(d) of the Code.

3 XXV

4 In performing the acts described in Paragraphs XX
5 through XXII, GALINDO'S conduct in conspiring and/or preparing
6 bogus tax returns and other loan documents constitutes fraud or
7 dishonest dealing. The conduct of GALINDO is cause to suspend or
8 revoke the license and/or licensing rights of GALINDO under
9 Sections 10176(i) and 10177(d) of the Code.

10 WHEREFORE, Complainant requests that a hearing be
11 conducted on the allegations of this Accusation and upon proof
12 thereof, a decision be rendered imposing disciplinary action
13 against all licenses and/or license rights of Respondents ALCOLA
14 MORTGAGE CORPORATION, GARY URBACH, DAVID LINCOLN HOCHMAN and
15 FELIPE JESUS GALINDO under the Real Estate Law (Part 1 of Division
16 4 of the business and Professions Code) and for such other and
17 further relief as may be proper under other applicable provisions
18 of law.

19 Dated at Los Angeles, California

20 this 5th day of October, 1995.

21 
22 Deputy Real Estate Commissioner

23
24
25 cc: Alcola Mortgage Corp.
26 Alan Gary Urbach
27 David Lincoln Hochman
Felipe Jesus Galindo
SACTO
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OAH



fact sheet

1 George W. Wright, Counsel
2 Department of Real Estate
107 South Broadway, Room 8107
3 Los Angeles, CA 90012

4 (213) 897-3937

FILED
FEB - 3 1995
DEPARTMENT OF REAL ESTATE

By *K. Friedman*

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11	In the Matter of the Accusation of)	No. H-26059 LA
12)	
13	ALCOLA MORTGAGE CORPORATION,)	
14	GARY ALAN URBACH, individually)	<u>A C C U S A T I O N</u>
15	and as designated officer of)	
16	Alcola Mortgage Corporation,)	
	and DAVID LINCOLN HOCHMAN,)	
)	
	Respondents.)	
	_____)	

17 The Complainant, Steven J. Ellis, a Deputy Real Estate
18 Commissioner of the State of California, for cause of accusation
19 against ALCOLA MORTGAGE CORPORATION, GARY URBACH, and DAVID
20 LINCOLN HOCHMAN, is informed and alleges in his official capacity
21 as follows:

22 I

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

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II

At all times mentioned herein, ALCOLA MORTGAGE CORPORATION ("ALCOLA") was licensed by the Department of Real Estate of the State of California ("Department") as a corporate real estate broker.

III

At all times herein mentioned, GARY ALAN URBACH ("URBACH"), was and still is licensed by the Department as a real estate broker in his individual capacity. URBACH was and is now licensed by the Department as the designated officer of ALCOLA. As the designated officer of ALCOLA, URBACH was and is responsible for the supervision and control of the activities conducted on behalf of ALCOLA by its officers and employees as necessary to secure full compliance with the Real Estate Law as set forth in Section 10159.2 of the Code.

IV

At all times mentioned herein, DAVID LINCOLN HOCHMAN ("HOCHMAN") was licensed by the Department as a real estate salesperson or had licensing rights as such. However, during a period of time from October 19, 1990, to April 1, 1994, the Department received no notice from ALCOLA that HOCHMAN was employed by ALCOLA. This is in violation of Section 10161.8 of the Code and cause to revoke or suspend the license and/or licensing rights of ALCOLA under Section 10177(d) of the Code.

V

All further references herein include ALCOLA and URBACH and also include the officers, directors, employees, agents and real estate licensees employed by or associated with ALCOLA and URBACH and who at all times herein mentioned were engaged in the

1 furtherance of the business or operations of ALCOLA and URBACH and
2 who were acting within the course and scope of their authority and
3 employment.

4 VI

5 All further references to the "Code" are to the
6 California Business and Professions Code, and all further
7 references to the "Regulations" are to Chapter 6, Title 10,
8 California Code of Regulations.

9 VII

10 At all times mentioned herein, for or in expectation of
11 compensation, ALCOLA engaged in the business of, acted in the
12 capacity of, advertised or assumed to act as a real estate broker
13 in the State of California, within the meaning of Section 10131(a)
14 of the Code, including the operation of residential resales
15 brokerage businesses with the public wherein the sale of or offer
16 to sell, the solicitation of prospective sellers or purchasers of,
17 or the negotiation of the purchase or sale of real property were
18 performed, for or in expectation of compensation, and for fees
19 often collected in advance.

20 VIII

21 On or about February 5, 1992, HOCHMAN, on behalf of
22 ALCOLA, solicited and negotiated a purchase money loan in the
23 amount of \$133,000.00 for the borrower, Sang Ho, secured by real
24 property located at 3012 East Norton Street, Long Beach,
25 California. On or about February 10, 1992, the borrower, Sang Ho,
26 issued a check in the amount of \$350.00 to HOCHMAN. On or about
27 February 12, 1992, HOCHMAN cashed the check. On or about March 7,

1 1992, Sang Ho issued a check to ALCOLA for \$325.00 for credit
2 report and appraisal fees. HOCHMAN represented to said borrower
3 that he would need the money for "additional paperwork" which
4 needed to be done to qualify Sang Ho for a loan which HOCHMAN
5 stated would not be granted because Sang Ho's income was too low.
6 None of the \$350.00 was ever delivered to ALCOLA.

7 IX

8 On or about April 9, 1992, ALCOLA and HOCHMAN submitted
9 a loan package on behalf of Sang Ho, to Plaza Savings and Loan
10 Association ("Plaza"). Plaza thereupon conducted a prefunding
11 audit of said loan package to verify and substantiate the
12 borrower's income. Plaza contacted Sang Ho who responded with a
13 letter denying the veracity of the tax returns. The borrower also
14 stated that an agent named "Mike" at Elite Realty told him to
15 provide \$350.00 to HOCHMAN who would manufacture false tax returns
16 for the purpose of qualifying for the loan.

17 X

18 In performing the acts described in Paragraphs VIII and
19 IX hereinabove, HOCHMAN violated Section 10145 of the Code by
20 failing to turn over funds received from Sang Ho. In addition,
21 HOCHMAN'S conduct in conspiring and/or preparing bogus tax returns
22 is fraud or dishonest dealing. The conduct of HOCHMAN is cause to
23 suspend or revoke the license and/or licensing rights of HOCHMAN
24 under Sections 101769i) and 10177(d) of the Code.

25 XI

26 On or about November 29, 1994, Department personnel
27 requested from ALCOLA information in regard to the check for the

1 credit report and appraisal fees received from the borrower Sang
2 Ho. ALCOLA was asked about the account in which the check was
3 deposited. ALCOLA never responded by the requested response date
4 of December 7, 1994.

5 XII

6 On or about January 9, 1995, Department personnel went
7 to the business address of ALCOLA listed at 22647 Ventura Blvd.,
8 Woodland Hills, in order to serve a subpoena for the production of
9 records relating to the loan application of Sang Ho. Department
10 personnel discovered that the address is just a letter drop for
11 ALCOLA as this is the location for a business called Mail Boxes,
12 Etc. An employee of this business, Lois Kelsey, indicated that
13 ALCOLA rents Box # 312 but does not have any office space on the
14 premises. ALCOLA violated Section 10162 of the Code and Section
15 2715 of the Regulations by such conduct.

16 XIII

17 A subpoena was subsequently served on the designated
18 officer of ALCOLA, URBACH, on January 9, 1995, at his home address
19 located at 23413 Oxnard Street, Woodland Hills, California. Said
20 subpoena requested documents and information relating to the loan
21 application of Sang Ho and the handling of the trust funds
22 received. As of the date of the filing of this accusation, URBACH
23 has not provided all of the documents requested by the subpoena.

24 XIV

25 Part of the information provided by URBACH in response
26 to the subpoena indicated that the check for the credit report and
27 appraisal fees was deposited in Account Number 262656846 at First

1 Interstate Bank. Said account is entitled "Alcola Mortgage, Corp.
2 C R & APP Account". ALCOLA violated Section 10145 of the Code by
3 placing these trust funds into an account that was not a trust
4 account. Said conduct is cause to suspend or revoke the license
5 and/or licensing rights of ALCOLA under Section 10177(d) of e
6 Code.

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XV

In performing the acts described in Paragraphs XI through XIII, ALCOLA and URBACH violated Section 10148 of the Code. Said conduct is cause to suspend or revoke the license and/or licensing rights of ALCOLA and URBACH under Section 10177(d) of the Code. URBACH failed to comply with Section 10159.2 of the Code by allowing ALCOLA to violate the above-described provisions of the Real Estate Law during the time that URBACH was the designated officer of ALCOLA. This conduct is cause for the suspension or revocation of URBACH'S license and/or license rights under Section 10177(h) of the Code.

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WHEREFORE, Complainant requests that a hearing be conducted on the allegations of this Accusation and upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights of Respondents ALCOLA MORTGAGE CORPORATION, GARY URBACH, and DAVID LINCOLN HOCHMAN, 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 3rd day of February , 1995.

STEVEN J. ELLIS
Deputy Real Estate Commissioner

cc: Alcola Mortgage Corp.
Alan Gary Urbach
David Lincoln Hochman
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