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Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
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FILED
MAY 03 1995
DEPARTMENT OF REAL ESTATE

By *Raquel P. Para*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

To:	)	No. H-26107 LA
	)	
SAS FINANCIAL CORPORATION and	)	<u>ORDER TO DESIST</u>
SHEILA A. SIEGEL, individually	)	<u>AND REFRAIN</u>
and as designated officer of	)	
SAS Financial Corporation.	)	

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 each have violated Section 10145 of the Business and Professions Code of the State of California ("Code") and Sections 2752, 2830, 2831.1, 2832 and 2842.5 of Title 10, Chapter 6, California Code of Regulations ("Regulations") and that you, SHEILA A. SIEGEL ("SIEGEL"), have also violated Section 10159.2 of the Code and Section 2725 of the Regulations.

I

At all times mentioned herein, you, SAS FINANCIAL CORPORATION, dba First Fidelity Mortgage ("SAS"), were and still

1 are licensed by the Department of Real Estate of the State of
2 California ("Department") as a corporate real estate broker.

3 II

4 At all times herein mentioned, you, SIEGEL, were and
5 still are licensed by the Department as a real estate broker in
6 your individual capacity and as the designated officer of SAS.
7 As the designated officer of SAS, you, SIEGEL, were and still are
8 responsible for the supervision and control of the activities
9 conducted on behalf of SAS by its officers and employees as
10 necessary to secure full compliance with the Real Estate Law as
11 set forth in Section 10159.2 of the Code.

12 III

13 At all times mentioned herein, as the agent of others,
14 you each engaged in the business of, acted in the capacity of,
15 advertised or assumed to act as a real estate broker in the State
16 of California, within the meaning of Section 10131(d) of the Code,
17 including the operation of a mortgage loan brokerage business
18 wherein borrowers were solicited for loans secured directly or
19 collaterally by liens on real property, wherein such loans were
20 arranged, negotiated, and packaged for or in expectation of
21 compensation.

22 IV

23 On February 17, 1994, Department personnel completed an
24 investigative audit of your books and records pertaining to your
25 activities requiring a real estate broker license, for a period
26 commencing on February 1, 1993 and terminating on
27 January 31, 1994, which revealed violations of the Real Estate

1 Law now described.

2 V

3 In connection with the aforesaid broker activities, you
4 accepted or received funds in trust ("trust funds") in the form of
5 credit report fees that were in excess of what said credit reports
6 actually cost. None of these trust funds were placed in a trust
7 account, but checks received were held uncashed until an invoice
8 was received from the credit reporting agency, often as much as a
9 month later and then deposited into and paid from your general
10 account. This is in violation of Sections 2830 and 2832 of the
11 Regulations and Section 10145 of the Code.

12 VI

13 In connection with those same trust funds referred to in
14 Paragraph V, you failed to maintain separate records for each
15 borrower or transaction which would enable you to track and return
16 the excess trust funds received for credit reports (\$2.00) and to
17 return said excess trust funds received to your borrowers. This
18 is in violation of Section 2831.1 of the Regulations.

19 VII

20 You failed to notify the Department, in writing, of the
21 employment of one half of the ten real estate salespersons working
22 for you, in violation of Section 2752 of the Regulations.

23 VIII

24 Further, in negotiating loans for which a disclosure
25 statement was required by Section 10240 of the Code, you failed to
26 deliver, in a timely manner, mortgage loan statements signed by

27

1 the prospective borrower and the licensee negotiating the loan as
2 required by Section 2842.5 of the Regulations.

3 IX

4 Finally, the audit examination revealed that you,
5 SIEGEL, failed to review, initial and date all material documents
6 that were prepared by your salespersons, in violation of Section
7 2725 of the Regulations and Section 10159.2 of the Code.

8 NOW, THEREFORE, YOU, SAS FINANCIAL CORPORATION, AND YOU,
9 SHEILA A. SIEGEL, AND YOUR AGENTS, EMPLOYEES AND ASSIGNS ARE
10 ORDERED TO DESIST AND REFRAIN from performing any and all
11 activities requiring a real estate license unless and until said
12 activities are performed in compliance with Section 10145 of the
13 Code and Sections 2752, 2830, 2831.1, 2832 and 2842.5 of the
14 Regulations.

15 FURTHER, YOU, SIEGEL, ARE ORDERED TO DESIST AND REFRAIN
16 from any and all conduct requiring a real estate license unless
17 and until your conduct is in compliance with Section 2725 of the
18 Regulations and Section 10159.2 of the Code.

19 DATED: April 29, 1995.

20 JOHN R. LIBERATOR
Interim Commissioner

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23

24 cc: SAS FINANCIAL CORPORATION
25 518 North "H" Street
Lompoc, CA 93436

26 SHEILA A. SIEGEL
1815 State Street
27 Santa Barbara, CA 93101

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