

FILED
JUL 19 1996

DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

By R. Friederich

* * * * *

In the Matter of the Accusation of)

No. H-26116 LA

CHASE WEST FINANCIAL CORPORATION,
a California Corporation; and)
KEVIN LEE RAYMOND, individually)
and as designated broker of Chase)
West Financial Corporation,)

L-9505278

Respondent(s).)

DECISION

The Proposed Decision dated June 24, 1996,
of the Administrative Law Judge of the Office of
Administrative Hearings, is hereby adopted as the Decision
of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock
noon on August 8, 1996.

IT IS SO ORDERED

7/11/96

JIM ANTT, JR.
Real Estate Commissioner

J. Antt, Jr.

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	
)	
CHASE WEST FINANCIAL CORPORATION,)	No. H-26116 LA
a California Corporation; and)	
KEVIN LEE RAYMOND, individually)	OAH. L-9505278
and as designated broker of Chase)	
West Financial Corporation,)	
)	
Respondents.)	
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PROPOSED DECISION

This matter came on regularly for hearing before Leslie H. Greenfield, Administrative Law Judge, Office of Administrative Hearings, at Los Angeles, California, on May 31, 1996.

Marjorie P. Mersel, Real Estate Counsel, represented the complainant Department of Real Estate. Kenneth G. Bernard, Attorney at Law, represented both the corporate respondent and the individual respondent Kevin Lee Raymond who was present throughout the hearing.

Oral and documentary evidence and evidence by way of stipulation on the record having been received and the matter submitted, the Administrative Law Judge finds as follows:

1. Peter F. Hurst, Deputy Real Estate Commissioner, Department of Real Estate, made the Accusation in his official capacity.
2. Respondent Chase West Financial Corporation (CWFC) has been licensed as a corporate real estate broker since July 1, 1993, under license ID# 00857640 with Kevin Lee Raymond as its designated Officer. Said license expired May 19, 1996.
3. Respondent Kevin Lee Raymond (Raymond) has been licensed as a real estate salesperson since 1981 and as a broker since 1986, under license ID# 00840315. Raymond's current license as officer for C.W. Mortgage Corporation expires May 26, 1997.

4. At all times herein mentioned, for or in expectation of compensation, respondent's CWFC and Raymond were licensed to act as real estate brokers in the State of California within the meaning of section 10131(d) of the Business and Professions Code wherein they solicited for and thereafter negotiated loans secured by liens on real property as the agent of others. As the designated broker officer of the corporation, Raymond had the responsibilities set forth in Business and Professions Code section 10159.2.

5. During the period July 1, 1992 through June 17, 1993 in connection with the aforesaid activities, respondent CWFC accepted or received funds from clients, principals, borrowers and lenders and made disbursements of such funds. Such funds were maintained by respondent in an account under the name Vega Barr Inc-Escrow Trust Account DBA L A Metro Business Center DBA L A Metro Ctr at Bank of America, Los Angels, CA., 90030-0746.

6. A Department of Real Estate Audit was conducted on respondents mortgage loan activity and broker escrow activity, concurrently on June 24, 29 and July 16, 20, and 22, 1993 for the aforesaid periods of time. As a result of said Audit it was determined and here specifically found that respondent:

a. Failed to maintain trust funds received and disbursed in a trust account in the broker's name as trustee;

b. Failed to maintain a complete columnar record of all trust funds received from the trust account;

c. Neglected to maintain a complete separate record of all trust funds received for each beneficiary or transaction;;

d. Failed to reconcile the balance of its columnar records to the balances of separate records on a monthly basis.

7. Respondent CWFC maintained branch offices at 87 E. Green #310, Pasadena, CA, and at 3816 Whittier Blvd., L.A., CA without notifying the Department of said branches.

8. Respondents failed to deliver to borrowers a statement in writing, containing all the information required by section 10241 of the Business and Professions Code.

9. Respondent Raymond failed to initial and date material documents prepared by salespersons found in the loan files.

* * * * *

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

A. Respondent CWFC:

1. Cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code sections 10177(d) for violating the following:

A. Business and Profession Code section 10145 and 10 California Code of Regulations section 2830, by reason of Finding 6.a.

B. 10 California Code of Regulations section 2725 by reason of Finding 6.b.

C. 10 California Code of Regulations section 2831.1, by reason of Finding 6.c.

D. 10 California Code of Regulations section 2831.2, by reason of Finding 6.d.

2. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code section 10 California Code of Regulations section 2715, by reason of Finding 7.

3. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code section 10240, by reason of Finding 8.

B. Respondent Raymond:

1. Cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code section 10177(d) for violating 10 California Code of Regulations section 2725 , by reason of Finding 9.

2. Further cause exists to suspend or revoke the real estate license of respondent for failing to properly supervise respondent CWFC, and to take steps to keep CWFC in compliance with the appropriate Real Estate Law pursuant to Business and Professions Code section 10177(h), by reason of Finding 4 and Determination of Issues A.

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3. Due consideration has been given to the fact that no member of the public was harmed by respondents' conduct and that the corporation is no longer in the mortgage loan origination business. Respondent Raymond has been licensed for almost fifteen years with no other disciplinary charges or allegations of misconduct as a result of using his real estate licenses. The public interest would not be adversely affected by the Order below and the Department would be assured that the defects found during the Audit had been remedied.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is hereby made:

A. Respondent CWFC:

All licenses and licensing rights of respondent CWFC under the Real Estate Law are revoked; provided, however, a restricted real estate broker licenses shall be issued to respondent pursuant to section 10156.5 of the Business and Professions Code if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted licenses issued to respondent shall be subject to all of the provisions of section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of section 10156.6 of that Code:

1. 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.
2. The restricted license issued to respondent 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 attaching to the restricted license.
3. Respondents shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until five (5) years have elapsed from the effective date of this Decision.

4. 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 violations found in 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. Respondent shall pay such cost within 45 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may suspend the restricted license issued to respondent pending a hearing in accordance with Section 11500 et seq, of the government Code, if payment is not timely made as provided for herein, or as provided in a subsequent agreement between the respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until respondent enters into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

5. Respondents shall report in writing to the Department of Real Estate as the Real Estate Commissioner shall direct by his Decision herein or by separate written order issued while respondents hold a restricted license, such information concerning respondent's activities for which a real estate license is required as the Commissioner shall deem to be appropriate to protect the public interest.

Such reports may include, but shall not be limited to periodic summaries of salient information concerning each real estate transaction in which the respondent engaged during the period covered by the report.

B. Respondent Raymond:

All licenses and licensing rights of respondent Kevin L. Raymond under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to respondent pursuant to section 10156.5 of the Business and Professions Code if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to respondent shall be subject to all of the provisions of section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of section 10156.6 of that Code:

1. 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.
2. The restricted license issued to respondent 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 attaching to the restricted license.
3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until three (3) years have elapsed from the effective date of this Decision.
4. Respondent shall, within twelve (12) months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that respondent 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 a 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 shall afford respondent the opportunity for a hearing pursuant to the

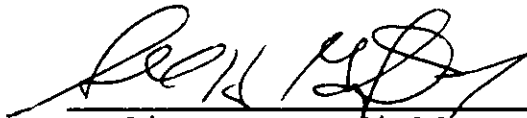
Administrative Procedure Act to present such evidence.

5. Respondent shall, within six (6) months from the effective date of the Decision herein, 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 set aside the stay order until respondent passes the examination.

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

Such reports may include, but shall not be limited to periodic summaries of salient information concerning each real estate transaction in which the respondent engaged during the period covered by the report.

Dated: June 24, 1996



Leslie H. Greenfield
Administrative Law Judge
Office of Administrative Hearings

LHG:me

Sacto
3/2/96

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
FEB 16 1996
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
CHASE WEST FINANCIAL CORP)
and KEVIN LEE RAYMOND,)
)
)

Case No. H-26116 LA Reguel R. Arzola
OAH No. L-9505278

Respondent(s)

NOTICE OF CONTINUED 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 the Office of Administrative Hearings, 314 W. First Street, Los Angeles, CA 90012 on Friday, May 31, 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: February 16, 1996

By Marjorie P. Mersel
Marjorie P. Mersel,
Counsel

cc: Chase West Financial Corp.
Kevin Lee Raymond
Kenneth G. Bernard, Esq.
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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUN 14 1995
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
 CHASE WEST FINANCIAL CORP.)
 and KEVIN LEE RAYMOND,)
)
)

Case No. H-26116 LA
OAH No. L-9505278 By Raguel P. P. P.

Respondent (s)

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 the Office of Administrative Hearings, 314 W. First Street, Los Angeles, CA 90012 on Friday, September 29, 1995, 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 14, 1995

By

Marjorie P. Mersel
MARJORIE P. MERSEL, Counsel

cc: Chase West Financial Corp.
Kevin Lee Raymond
Kenneth G. Bernard, Esq.
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MARJORIE P. MERSEL, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 897-3937

FILED
APR 13 1995
DEPARTMENT OF REAL ESTATE
By Raquel Brera

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) No. H-26116 LA
)
CHASE WEST FINANCIAL CORPORATION,) ACCUSATION
a California corporation; and)
KEVIN LEE RAYMOND, individually)
and as designated broker of)
Chase West Financial Corporation,)
)
Respondent (s).)

The Complainant, Peter F. Hurst, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against CHASE WEST FINANCIAL CORPORATION, a California corporation
("CWF"); and KEVIN LEE RAYMOND, individually and as designated
broker of Chase West Financial Corporation ("RAYMOND"), alleges as
follows:

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, RAYMOND was, and still is, licensed by the Department of Real Estate of the State of California ("Department") as a real estate broker, both individually and as the designated broker of CWF. At all times mentioned herein, CWF was, and still is, licensed by the Department as a corporate real estate broker.

III

At all times mentioned herein, for or in expectation of compensation, CWF and RAYMOND (sometimes referred to as "Respondents") were licensed to act as real estate brokers in the State of California within the meaning of Section 10131(d) of the Business and Professions Code ("Code") wherein they solicited for and thereafter negotiated loans secured by liens on real property as the agent of others. As the designated broker officer of the corporation RAYMOND had responsibilities set forth in Section 10159.2 of the Business and Professions Code.

IV

On or about July 22, 1993, a representative of the Department of Real Estate completed her examination of the books and records of Respondents with respect to activities requiring a real estate license for the period from July 1, 1992 to June 17, 1993. The audit included, but was not limited to, an examination of the trust account maintained by Respondents for the deposit of funds received and disbursed in escrow and deposited with the Bank of America under the account name of

1 Vega Barr Inc.-Escrow Trust Account, dba L A Metro Business
2 Center, dba L A Metro Business Ctr (hereinafter "the trust
3 account"). Said examination determined that Respondents were
4 operating in violation of several Sections of the Code and
5 Chapter 6, Title 10, California Code of Regulations
6 ("Regulations") as set forth in the following paragraphs.

7 V

8 With particular reference to the trust account
9 Respondents:

10 a. Failed to maintain trust funds received and
11 disbursed in a trust account in the broker's name as trustee as
12 required by Section 2830 and Section 10145 of the Code.

13 b. Failed to maintain a complete columnar record of
14 all the trust funds received from the trust account, in
15 violation of Section 2831 of the Regulations.

16 c. Neglected to maintain a complete separate record of
17 all trust funds received for each beneficiary or transaction in
18 the manner required by Section 2831.1 of the Regulations.

19 d. Did not reconcile its 2831 record with its records
20 maintained pursuant to Section 2831.1 of the Regulations, in
21 violation of Section 2831.2 of the Regulations.

22 VI

23 In addition to the violations cited above, concerning
24 the manner in which Respondents were handling trust funds,
25 additional findings were made in the aforementioned audit, as
26 follows:

27 //

1 a. Respondents maintained branch offices at
2 87 E. Green #310, Pasadena, California and 3816 Whittier Blvd.,
3 Los Angeles, California, without notifying the Department of
4 said branches, in violation of Section 2715 of the Regulations.

5 b. When negotiating conventional loans, Respondents
6 failed to deliver to the borrowers a statement in writing,
7 containing all the information required by Section 10241 of the
8 Code, in violation of Section 10240 of the Code.

9 c. RAYMOND failed to initial and date material
10 documents prepared by salespersons found in Respondents' loan
11 files, in violation of Section 2725 of the Regulations.

12 VII

13 The acts and omissions of RAYMOND, in failing to
14 properly supervise the conduct of CWF, and to take steps to keep
15 CWF in compliance with Real Estate Law, and the omissions set
16 forth in Paragraphs V and VI, are cause to suspend or revoke his
17 license rights pursuant to Sections 10177(d) and 10177(h) of the
18 Code.

19 VIII

20 Further, the acts and omissions of CWF, as set forth
21 in Paragraphs V and VI, are in violation of Section 10145 of the
22 Code and cause to suspend or revoke the licenses and license
23 rights of Respondent pursuant to Section 10177(d) of the Code.

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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 the license rights of Respondent, CHASE WEST FINANCIAL CORPORATION, a California corporation; and KEVIN LEE RAYMOND, individually and as designated broker of Chase West Financial Corporation, 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 13th day of April, 1995.

PETER F. HURST
Deputy Real Estate Commissioner

cc: Chase West Financial Corporation
Kevin Lee Raymond
Sacto.
LR
L.A. Audit Section