

*facto
pages*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

FILED
OCT - 9 1996
DEPARTMENT OF REAL ESTATE
By Jana B. Orma

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	NO. H-26138 LA
)	
RONALD L. WOLFE & ASSOCIATES, INC.,)	L-9508104
QUADRAN RESOURCES, INC., and)	
RONALD LEIGH WOLFE,)	
)	
Respondents.)	

DECISION AFTER RECONSIDERATION

On August 22, 1996, a Decision was rendered herein by the Real Estate Commissioner. Said Decision is to become effective on October 17, 1996. On September 11, 1996, Respondents RONALD L. WOLFE & ASSOCIATES, INC. and RONALD LEIGH WOLFE filed a Petition for Reconsideration for the purpose of determining whether the disciplinary action imposed against Respondents by said Decision should be reduced. I have considered the petition of Respondents RONALD L. WOLFE & ASSOCIATES, INC. and RONALD LEIGH WOLFE and it is hereby ordered that the disciplinary action therein imposed against Respondents

/

1 be reduced by modifying the Order of said Decision to read as
2 set forth below.

3 ORDER

4 The restricted license upon issuance to
5 Respondents RONALD L. WOLFE & ASSOCIATES, INC. and RONALD LEIGH
6 WOLFE shall be suspended for 90 days, provided said suspension
7 shall be stayed on condition that Respondents pay a monetary
8 penalty pursuant to Section 10175.2 of the Business and
9 Professions Code in the amount of \$10,000 per Respondent (total
10 \$20,000). Said Payment shall be in the form of a cashier's
11 check or certified check made payable to the Recovery Account of
12 the Real Estate Fund.

13 As modified and amended, the Decision of August 22,
14 1996, shall become effective at 12 o'clock noon on October 17,
15 1996.

16 IT IS SO ORDERED 10-3-96

17 JIM ANTT, JR.
18 Real Estate Commissioner

19 
20
21
22

23
24 lbo
25
26
27

1 Code of the State of California, respondents were served with
2 notice of my determination not to adopt the Proposed Decision of
3 the Administrative Law Judge along with a copy of said Proposed
4 Decision. Respondents were notified that the case would be
5 decided by me upon the record, the transcript of proceedings
6 held on January 25, 1996, and upon any written argument offered
7 by the parties.

8 Argument has been submitted by the parties.

9 I have given careful consideration to the record in
10 this case including the transcript of the proceedings of
11 January 25, 1996.

12 The following shall constitute the Decision of the
13 Real Estate Commissioner in this proceeding:

14 The Findings of Facts and Determination of Issues in
15 the Proposed Decision of March 13, 1996 are hereby adopted as
16 the Findings of Fact and Determination of Issues of the Real
17 Estate Commissioner.

18 ORDER

19 Paragraphs A & B of the Order in the original
20 Proposed Decision dated March 13, 1996, are hereby adopted as
21 the Order of the Real Estate Commissioner in this matter. That
22 Order revokes respondents' real estate licenses but provides for
23 issuance of a restricted real estate license. However, any
24 restricted license issued to respondents RONALD L. WOLFE &
25 ASSOCIATES, INC. and RONALD LEIGH WOLFE will immediately be
26 suspended for 90 days commencing at the time of issuance of the
27 license to respondents by the Department of Real Estate.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

If and when application is made for a real estate license through a new application or through a petition for removal of restrictions, all competent evidence of rehabilitation presented by the respondent will be considered by the Real Estate Commissioner. A copy of the Commissioner's Criteria of Rehabilitation is attached hereto.

This Decision shall become effective at 12 o'clock noon on September 17, 1996.

IT IS SO ORDERED 8/22/96

JIM ANTT, JR.
Real Estate Commissioner



lbo

FILED
APR - 3 1996
DEPARTMENT OF REAL ESTATE

By K. Mederholt

Handwritten notes:
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

11	In the Matter of the Accusation of)	
12	RONALD L. WOLFE & ASSOCIATES, INC.,)	NO. H-26138 LA
13	QUADRAN RESOURCES, INC., and)	L-9508104
14	RONALD LEIGH WOLFE,)	
15	Respondents.)	

NOTICE

17 TO: RONALD L. WOLFE & ASSOCIATES, INC., QUADRAN RESOURCES, INC.,
18 and RONALD LEIGH WOLFE, Respondents
19 and
20 LAWRENCE H. LACKMAN, their Counsel

21 YOU ARE HEREBY NOTIFIED that the Proposed Decision
22 herein dated March 13, 1996, of the Administrative Law Judge is
23 not adopted as the Decision of the Real Estate Commissioner. A
24 copy of the Proposed Decision dated March 13, 1996, is attached
25 for your information.

26 In accordance with Section 11517(c) of the Government
27 Code of the State of California, the disposition of this case
will be determined by me after consideration of the record herein

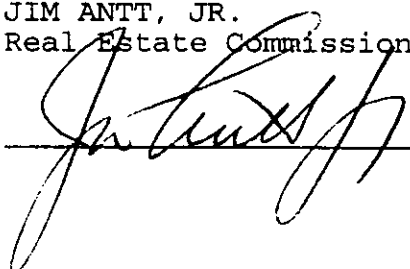
1 including the transcript of the proceedings held on January 25,
2 1996, and any written argument hereafter submitted on behalf of
3 respondents and complainant.

4 Written argument of respondents to be considered by me
5 must be submitted within 15 days after receipt of the transcript
6 of the proceedings of January 25, 1996, at the Los Angeles office
7 of the Department of Real Estate unless an extension of the time
8 is granted for good cause shown.

9 Written argument of complainant to be considered by me
10 must be submitted within 15 days after receipt of the argument of
11 respondents at the Los Angeles office of the Department of Real
12 Estate unless an extension of the time is granted for good cause
13 shown.

14 DATED: 3/27/96

15 JIM ANTT, JR.
16 Real Estate Commissioner

17 
18
19
20
21
22
23
24
25
26
27

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
)
)
RONALD L. WOLFE & ASSOCIATES, INC.,) No. H-26138 LA
QUADRAN RESOURCES, INC., and)
RONALD LEIGH WOLFE,) OAH. L-9508104
)
Respondents.)
_____)

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 January 25, 1996.

James R. Peel, Real Estate Counsel, represented the complainant Department of Real Estate. Lawrence H. Lackman, Attorney at Law, represented both the corporate respondents and the individual respondent Ronald Leigh Wolfe 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 Ronald L. Wolfe & Associates, Inc. (RLWA) has been licensed as a corporate real estate broker since at least 1984, under license ID# 00871248 with Ronald Leigh Wolfe as its designated Officer. Said license expires October 26, 1996.

3. Respondent Quadran Resources, Inc. (Quadran) has been licensed as a corporate real estate broker since October 19, 1993, under license ID# 01166978 with Ronald Leigh Wolfe as its Designated Officer. Said license expires October 18, 1997

4. Respondent Ronald L. Wolfe (Wolfe) has been licensed as a real estate salesperson since 1967 and as a broker since at least 1972, under license ID# 00354504. Said license expires October 26, 1996.

5. Respondents RLWA and Wolfe had their real estate broker licenses restricted as a result of a Decision of the Board effective October 27, 1992.

6. At all times herein mentioned, respondents RLWA, Wolfe and Quadran, on behalf of others or in expectation of compensation, engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California within the meaning of sections 10131(b) and (d) of the Business and Professions Code, including soliciting borrowers and lenders and negotiating loans secured directly by liens on real property, as well as soliciting renter and owners and collecting rents from real properties.

7. During the period 1992 through, 1994, in connection with the aforesaid activities, respondents RLWA, Quadran and Wolfe accepted or received funds from clients, principals, borrowers/lenders and renters/owners and thereafter made disbursements of such funds. Such funds were maintained by respondents in various accounts at City Commerce Bank, 33 E. Carillo Street, Santa Barbara, CA 93101, in Trust Account No.s 1013866 (RLWA T/A 1), 3024563 (RLWA T/A 2), 3001278 (RLWA T/A #3), 3022978 (RLWA Payroll T/A#4), 3021912 (RLWA G/A) and 1031902 (Quadran T/A).

8. A Department of Real Estate Audit was conducted from July 11, through August 4, 1994, of respondents RLWA and Wolfe's activities requiring real estate license for the aforementioned periods. As a result of said Audit it was determined and here specifically found that as to respondent RLWA:

a. Accountability for RLWA Payroll T/A #4 could not be determined due to inadequate books and records;

b. RLWA T/A #1 was not complete or accurate as it was missing the date the funds were received and the checks were not always in numerical and chronological order; the control record for RLWA Payroll T/A #4 was not complete as it was missing from whom the funds were received, the date the funds were received and a daily balance;

c. Separate records were not maintained for advance fees for each beneficiary or transaction for RLWA T/A #1 and separate records for RLWA Payroll T/A #4 for each beneficiary or transaction;

d. It failed to reconcile the control record balance with the separate record balance on RLWA T/A #4;

e. It failed to disclose the Mark-Ups on the advertising bills to the property owners on the management agreements. The amount, percent of mark-up, of the profit to be made is not adequately disclosed to the property owners;

f. Trust funds from RLWA T/A#1 for advertising were deposited into RLWA G/A and commingled prior to the payment of the advertising bill, and credit report fees were similarly so deposited prior to payment.

9. It was further found during said Audit that as to respondent Wolfe he failed to initial, date and review Mortgage Loan Disclosure Statements.

10. A Department of Real Estate Audit was conducted from July 11, through August 5, 1994, of respondent Quadran's activities requiring real estate license for the aforementioned periods. As a result of said Audit it was determined and here specifically found that as to respondent Quadran:

a. Its T/A was not in the broker's name as trustee but was in the name Quadran Resources, Inc. dba Quadran Mortgage Consulting;

b. Michael Russer was authorized to sign on Quadran's T/A while not licensed to respondent but to another corporation. Sean Garrity could sign on the trust account without written authorization for him to so sign;

c. Mortgage Loan Statements were not signed by the borrowers within three days of the signing of the loan application and on occasions Wolfe or his salespersons failed to sign the statements;

d. There was no branch license for 826 Grove Avenue, Santa Barbara, CA.;

e. Respondent failed to notify the Department when salespersons entered its employment. Many of Quadran's salespersons were licensed to RLWA.

11. Respondents believed that RLWA T/A #4 was not a trust account but was set up originally to handle payroll for the resident managers. Since the Audit the account has been changed to comply with the Departments regulations.

12. Respondents received one invoice for advertising which it pro-rated among its accounts. Since the Audit respondent now pays the advertising bills from the appropriate trust accounts and no longer commingles the funds.

13. At the suggestion of the Auditor, respondent now maintains separate records for each transaction; and performs a monthly reconciliation of its trust accounts.

14. Quadran's offices were closed in June, 1995 and they were not servicing new loans at the time of the Audit.

15. Respondent has notified the Department of the correct status of the Branch office which is now closed.

* * * * *

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

A. Respondent RLWA:

1. Cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code sections 10177 (g), based on Finding 8.a.

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

A. 10 California Code of Regulations section 2831, by reason of Finding 8.b.

B. 10 California Code of Regulations section 2831.1, by reason of Finding 8.c.

C. 10 California Code of Regulations section 2831.2, by reason of Finding 8.d.

3. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code section 10176 (g), by reason of Finding 8.e.

4. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code section 10176 (e), by reason of Finding 8.f.

5. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Profession Code section 10177 for violating section 10177 (k) of said code by violating the terms and conditions contained in the order granting its restricted license, by reason of Determination of issues 1-4.

B. Respondent Quadran:

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

A. 10 California Code of Regulations section 2830, by reason of Finding 10.a.

B. 10 California Code of Regulations section 2834, by reason of Finding 10 .b.

2. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code sections 10177(d) and (g) for violating section 10240 of said code, by reason of Finding 10.c.

3. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code sections 10177(d) and (g), for violating section 10163 of said code, by reason of Finding 10.d.

4. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Professions Code sections 10177(d) and (g), for violating section 10161.8 of said code, by reason of Finding 10.e.

C. Respondent Wolfe:

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

2. Further cause exists to suspend or revoke the real estate license of respondent pursuant to Business and Profession Code section 10177 (k) by violating the terms and conditions contained in the order granting his restricted license, by reason of Determination of Issues C.1.

3. Due consideration has been given to the fact that no member of the public was harmed by respondent's conduct and that he has attempted to remedy all deficiencies found as a result of the Audit. Respondent has been licensed for almost thirty years with only one 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. Respondents RLWA and Quadran:

Adopted All licenses and licensing rights of respondents RLWA and Quadran under the Real Estate Law are revoked; provided, however, restricted real estate broker licenses shall be issued to each respondent pursuant to section 10156.5 of the Business

and Professions Code if each 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 respondents 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. Each restricted license issued to respondents 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. Each restricted license issued to respondents 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

~~Adopted~~
Adopted

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 Wolfe:

All licenses and licensing rights of respondent Ronald L. Wolfe 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

~~Adopted~~
Adopted

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 five (5) 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.

~~Adopted~~
Adopted

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: February 29, 1996

Revised: March 13, 1996



Leslie H. Greenfield
Administrative Law Judge
Office of Administrative Hearings

LHG:me

Handwritten initials

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
SEP. - 6 1995
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

RONALD L. WOLFE & ASSOCIATES, INC.,
et al.,

} _____

Respondent

By K. Medvedev

Case No. H-26138 LA

OAH No. L-9508104

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 25, 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: SEP. - 6 1995

By James R. Peel
Counsel

cc: Ronald L. Wolfe & Associates, Inc.
Quadran Resources
Ronald Leigh Wolfe
Sacto OAH MLB
Lawrence H. Lackman, Esq.

RE 501 (1/92)

kw

*Jacks
Flag*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

JAMES R. PEEL, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 897-3937

FILED
MAY 15 1995

DEPARTMENT OF REAL ESTATE

By *R. W. ...*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-26138 LA
RONALD L. WOLFE & ASSOCIATES, INC.,)	
QUADRAN RESOURCES, INC., and)	A C C U S A T I O N
RONALD LEIGH WOLFE,)	
Respondents.)	

The Complainant, Peter F. Hurst, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against RONALD L. WOLFE & ASSOCIATES, INC., QUADRAN RESOURCES, INC., and RONALD LEIGH WOLFE, 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.

II

RONALD L. WOLFE & ASSOCIATES, INC., QUADRAN RESOURCES, INC., and RONALD LEIGH WOLFE (hereinafter referred to as respondents) are presently licensed and/or have license rights

1 under the Real Estate Law (Part 1 of Division 4 of the Business
2 and Professions Code, hereinafter referred to as the "Code").

3 III

4 At all times herein mentioned, respondents RONALD L.
5 WOLFE & ASSOCIATES, INC., and QUADRAN RESOURCES, INC., were
6 licensed by the Department of Real Estate as corporate real estate
7 brokers, and respondent RONALD LEIGH WOLFE was licensed as the
8 designated broker officer of said corporations, and ordered,
9 authorized or participated in the illegal conduct of respondents
10 RONALD L. WOLFE & ASSOCIATES, INC., and QUADRAN RESOURCES, INC.,
11 as alleged in this Accusation. Respondents RONALD L. WOLFE &
12 ASSOCIATES, INC., and RONALD LEIGH WOLFE had their real estate
13 broker licenses restricted as a result of the Decision in Case No.
14 H-24643 LA, effective October 27, 1992.

15 IV

16 At all times herein mentioned, respondents RONALD L.
17 WOLFE & ASSOCIATES, INC., and QUADRAN RESOURCES, INC., on behalf
18 of others in expectation of compensation, engaged in the business
19 of, acted in the capacity of, advertised or assumed to act as a
20 real estate broker in the State of California within the meaning
21 of Sections 10131(b) and (d) of the Code, including soliciting
22 borrowers and lenders and negotiating loans secured directly by
23 liens on real property, as well as soliciting renters and owners
24 and collecting rents from real properties.

25 V

26 During 1992 through 1994, in connection with the
27 aforesaid real estate brokerage activities, respondents RONALD L.

1 WOLFE & ASSOCIATES, INC., and QUADRAN RESOURCES, INC., accepted
2 or received funds from borrowers/lenders and renters/owners and
3 thereafter made disbursements of such funds.
4

5 VI

6 In connection with respondents activities as a real
7 estate broker as described above, respondents acted in violation
8 of the Real Estate Law, Business and Professions Code (hereinafter
9 Code), and California Code of Regulations (hereinafter
10 Regulations), Title 10, Chapter 6, as follows:

11 1. RONALD L. WOLFE & ASSOCIATES, INC. violated Section
12 10177(g) of the Code in that the accountability for Trust Account
13 3022978 could not be determined due to inadequate books and
14 records.

15 2. RONALD L. WOLFE & ASSOCIATES, INC. violated
16 Regulation 2831 in that the control record for Trust Account
17 1013866 was not complete or accurate as it was missing the date
18 the funds were received and the checks were not always in
19 numerical and chronological order; the control record for Trust
20 Account 3022978 was not complete as it was missing from whom the
21 funds were received, the date the funds were received and a daily
22 balance.

23 3. RONALD L. WOLFE & ASSOCIATES, INC. violated
24 Regulation 2831.1 by not maintaining separate records for advance
25 fees for each beneficiary or transaction for Trust Account
26 1013866, and separate records for Trust Account 3022978, for each
27 beneficiary or transaction.

1
2 4. RONALD L. WOLFE & ASSOCIATES, INC. violated
3 Regulation 2831.2 for Trust Account 3022978 by not reconciling the
4 control record balance with the separate record balances on a
5 monthly basis.

6 5. RONALD L. WOLFE & ASSOCIATES, INC. violated Section
7 10176(g) of the Code by not disclosing on the management
8 agreements mark-ups on the advertising bills. The amount, percent
9 of the mark-up, of the profit to be made by respondent is not
10 adequately disclosed to the property owners.

11 6. RONALD L. WOLFE & ASSOCIATES, INC. violated Section
12 10176(e) of the Code in that trust funds from Trust Account
13 1013866 for advertising were deposited into the general account
14 and commingled with respondent's funds prior to the payment of the
15 advertising bill from the general account, and credit report fees
16 from the trust account were deposited into the general account and
17 commingled with respondent's funds prior to the payment of the
18 credit report bills.

19 7. QUADRAN RESOURCES, INC. violated Regulation 2830 in
20 that Trust Account 1031902 was not in the broker's name as trustee
21 but was in the name "Quadran Resources, Inc. dba Quadran Mortgage
22 Consulting".

23 8. QUADRAN RESOURCES, INC. violated Regulation 2834 in
24 that Michael Russer can sign on Trust Account 1031902 but he is
25 not licensed to respondent, but to another corporation. Sean
26 Garrity can sign on the trust account but there is no written
27 authorization from respondent for Garrity to sign.

1
2 9. QUADRAN RESOURCES, INC. violated Section 10240 of
3 the Code in that Mortgage Loan Disclosure Statements were not
4 signed by the borrowers within three days of the signing of the
5 loan application, and respondent WOLFE on occasion failed to sign
6 the statements or have a salesperson sign the statements.

7 10. RONALD LEIGH WOLFE violated Regulation 2725 by
8 failing to initial, date, and review Mortgage Loan Disclosure
9 Statements. Certain statements were initialed and dated by
10 Michael Russer but he is not licensed to respondent QUADRAN
11 RESOURCES, INC.

12 11. QUADRAN RESOURCES, INC. violated Section 10163 of
13 the Code by not having a branch office license for 826 Grove
14 Avenue, Santa Barbara.

15 12. QUADRAN RESOURCES, INC. violated Section 10161.8 of
16 the Code by not notifying the Department of Real Estate when
17 salespersons entered its employment. Many of the salespersons
18 employed by respondent were licensed to RONALD L. WOLFE &
19 ASSOCIATES, INC.

20 VII

21 The conduct of respondents RONALD L. WOLFE & ASSOCIATES,
22 INC., and QUADRAN RESOURCES, INC., as alleged above, subjects
23 their real estate licenses and license rights to suspension or
24 revocation pursuant to Sections 10177(d) and 10177(g) of the Code,
25 and in addition, Section 10177(k) for respondent RONALD L. WOLFE &
26 ASSOCIATES, INC.

27 /
/

VIII

1
2 The conduct of respondent RONALD LEIGH WOLFE, as alleged
3 above, as the responsible individual, by allowing and permitting
4 RONALD L. WOLFE & ASSOCIATES, INC. and QUADRAN RESOURCES, INC. to
5 engage in the conduct specified in Paragraph VI above, subjects
6 his real estate licenses and license rights to suspension or
7 revocation pursuant to Sections 10177(d), 10177(k) and 10177(h) of
8 the Code.
9

10 WHEREFORE, Complainant prays that a hearing be
11 conducted on the allegations of this Accusation and, that upon
12 proof thereof, a decision be rendered imposing disciplinary action
13 against all licenses and license rights of Respondents RONALD L.
14 WOLFE & ASSOCIATES, INC., QUADRAN RESOURCES, INC., and RONALD
15 LEIGH WOLFE under the Real Estate Law and for such other and
16 further relief as may be proper under other applicable provisions
17 of law.

18 Dated at Los Angeles, California
19 this 15th day of May, 1995.

20 PETER F. HURST

21 Deputy Real Estate Commissioner
22
23
24
25

26 cc: Ronald L. Wolfe & Associates, Inc.
27 Quadran Resources, Inc.
Ronald Leigh Wolfe
Sacto
MLB