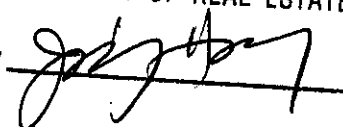


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FILED
FEB 27 2002
DEPARTMENT OF REAL ESTATE
By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-26534 LA
)
STEVE LOVE,)
)
Respondent.)

ORDER GRANTING REINSTATEMENT OF LICENSE

On September 16, 1996, a Decision was rendered herein revoking the real estate broker license of Respondent, but granting Respondent the right to the issuance of a restricted real estate broker license. A restricted real estate broker license was issued to Respondent or about October 15, 1996, and Respondent has operated as a restricted licensee without cause for disciplinary action against Respondent since that time.

On March 6, 2001, Respondent petitioned for reinstatement of said real estate broker license and the Attorney General of the State of California has been given notice of the filing of said petition.

1 I have considered the petition of Respondent and the
2 evidence and arguments in support thereof including
3 Respondent's record as a restricted licensee. Respondent
4 has demonstrated to my satisfaction that Respondent meets
5 the requirements of law for the issuance to Respondent of
6 an unrestricted real estate broker license and that it would
7 not be against the public interest to issue said license to
8 Respondent STEVE LOVE.

9
10 NOW, THEREFORE, IT IS ORDERED that Respondent's
11 petition for reinstatement is granted and that a real estate
12 broker license be issued to Respondent if Respondent satisfies
13 the following conditions within nine (9) months from the date
14 of this Order:

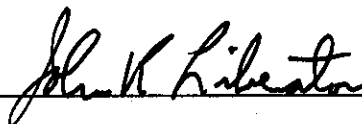
15 1. Submittal of a completed application and payment
16 of the fee for a real estate broker license.

17 2. Submittal of evidence of having, since the most
18 recent issuance of an original or renewal real estate license,
19 taken and successfully completed the continuing education
20 requirements of Article 2.5 of Chapter 3 of the Real Estate
21 Law for renewal of a real estate license.

22 This Order shall become effective immediately.

23 DATED: February 21, 2002.

24 PAULA REDDISH ZINNEMANN
25 Real Estate Commissioner

26 

27 cc: Steve Love
8335 Winnetka Ave., # 103
Winnetka, CA 91306

BY: John R. Liberator
Chief Deputy Commissioner

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

By K. Kriederhoff

* * * * *

In the Matter of the Accusation of)	No. H-26534 LA
)	
)	L-9605055
)	
SLS FINANCIAL SERVICES,)	
AND STEVE LOVE,)	
)	
)	
)	
)	
)	
Respondent(s).)	
_____)	

DECISION

The Proposed Decision dated August 26, 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 October 15, 1996.

IT IS SO ORDERED 9/16/96

JIM ANTT, JR.
Real Estate Commissioner

Jim Antt, Jr.

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation)
Against:)
) NO. H-26534
SLS FINANCIAL SERVICES,)
and STEVE LOVE,) L-9605055
)
Respondents.)
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PROPOSED DECISION

This matter came on regularly for hearing before Carolyn Richardson Owens, Administrative Law Judge of the Office of Administrative Hearings, at Los Angeles, California, on August 1, 1996. Complainant was represented James R. Peel, Staff Counsel. Respondent Steve Love was present throughout the hearing and represented himself. Respondent SLS Financial was represented throughout the hearing by its chief financial officer, Gene Peralta.

Oral and documentary evidence having been received and the matter submitted, the Administrative Law Judge finds as follows:

FINDINGS OF FACT

1. The Administrative Law Judge takes official notice that the Accusation was made by Thomas McCrady in his official capacity as Deputy Real Estate Commissioner of the Department of Real Estate (hereinafter Department), State of California.

2. On some undetermined date, the Department issued real estate broker's license number 00634704 to Steve Love (hereinafter respondent Love). On May 23, 1993, the Department issued designated officer's license of SLS Financial Services, Inc. (hereinafter respondent SLS) to respondent Love. Said licenses are in full force and effect.

3. On or about May 23, 1993, the Department issued real estate corporate broker's license number 01157096 to respondent SLS. Said license is in full force and effect.

4. At all times mentioned herein, respondent SLS acted as a broker within the meaning of Business and Professions Code (hereinafter BPC) section 10131(d).

5. On December 7, 1995, and December 21, 1995, an auditor from the Department examined the accounting and other records of respondent SLS's mortgage loan business for the period January 1995, through November 17, 1995, to determine whether respondent SLS handled and accounted for trust funds in accordance with Real Estate Law and Real Estate Commissioner's Regulations.

6. The audit disclosed the following violations of Real Estate Laws and Regulations:

a) Respondent SLS deposited trust funds - credit report and appraisal fees from borrowers' loan proceeds - it received into its general account, rather than a trust fund account, in violation of BPC section 10145. For instance, on behalf of Linda Chavez, SLS negotiated a loan for a first trust deed on realty. On June 16, 1995, the loan closed and the lender forwarded a check in the amount of \$2810.00 to respondent SLS. Said check included fees for a credit report in the amount of \$50.00 and an appraisal in the amount of \$375.00. The monies for the credit report and appraisal were the borrower's loan proceeds. Said proceeds were deposited into respondent SLS's general account, rather than a trust account.

b) Respondent SLS maintained no control records of trust funds it received and did not deposit into a trust account, in violation of Title 10, California Code of Regulations (hereinafter CCR), section 2831. For instance, On April 23, 1995, Henry Chavez, utilizing SLS's services, applied for a loan to refinance realty. At some undetermined later time, the loan was cancelled. Henry Chavez forwarded a check in the amount of \$375.00 to respondent SLS. Said check was to pay for the property appraisal and was made payable to the appraiser. Respondent SLS forwarded the check to the appraiser, without maintaining any record of this transaction.

c) Respondent SLS maintains two control records for its trust accounts. For the period September 20, 1995, through November 17, 1995, one of the records was missing its daily balance and the other did not have a correct daily balance, in violation of 10 CCR 2831.

d) For the period September 20, 1995, through November 17, 1995, respondent SLS failed to maintain separate records for each beneficiary or transaction, accounting for all funds which had been deposited into respondent SLS's trust account, in violation of 10 CCR 2831.1.

e) Because respondent SLS failed to comply with 10 CCR 2831.1, as described above in Finding 6d, it had no reconciliation of the records for the trust account, reconciling it with the separate record balances on a monthly basis, in violation of 10 CCR 2831.2.

f) Respondent SLS allowed unlicensed individuals - Gene Peralta, Chris Lopez and Socorro Sanchez - to make withdrawals from its trust account when there was no fidelity bond coverage for those individuals and no written authorization from respondent Love allowing the unlicensed individuals to make such withdrawals. Said conduct by respondent SLS constitutes violation of 10 CCR 2834.

g) Respondent SLS failed to provide borrowers Avila, Walters, Morfin, Lopez and Diaz with a written statement containing all the information required under BPC section 10241; (hereinafter Mortgage Loan Disclosure Statement) within three days of receipt of each borrower's completed loan application, in violation of BPC section 10240.

h) Respondent SLS failed to obtain borrower Lydia Chavez's signature and the signature of the real estate broker negotiating the loan, or the real estate licensee acting for the broker in negotiating the loan, on the Mortgage Loan Disclosure Statement, in violation of BPC section 10240.

i) Respondent SLS either failed to furnish a Mortgage Loan Disclosure Statement to borrower Henry Chavez or to maintain the Statement in its file for a period of four years, in violation of BPC section 10240.

j) Neither respondent Love nor a qualified real estate salesperson, licensed to and delegated by respondent Love, reviewed, initialed and dated the Mortgage Loan Disclosure Statements of borrowers Avila, Walters, Morfin, Lopez, and Diaz, in violation of 10 CCR 2725.

k) Respondent SLS employed real estate salesperson Frank Sanchez, but failed to possess Sanchez's real estate salesperson's license, in violation of BPC section 10160.

7. The acts described above in Finding 6 require a real estate license. Respondent SLS was negligent in performing those acts.

8. Respondent Love failed to make himself aware of all the legal duties and obligations he owed respondent SLS prior to, and after, becoming its designated broker officer. Further, respondent Love did not actually work at respondent SLS in 1995. He allowed respondent SLS to act through its other corporate officers. Respondent Love, through his neglect of respondent

SLS, allowed and permitted respondent SLS to engage in the improper conduct described above in Finding 6:

9. Based upon Finding 8, respondent Love, as the designated officer of respondent SLS, failed to exercise reasonable supervision and control of the activities of respondent SLS for which a real estate license is required.

10. Upon learning that respondent SLS was in violation of the Real Estate Laws and Regulations described above in Finding 6, respondent Love immediately resigned his position with respondent SLS. Currently, respondent Love engages only in real estate sales. He does not list any properties for sales and only represents buyers.

11. Respondent SLS, through its chief financial officer, is correcting the areas, described above in Finding 6, in which it was in violation. No client of respondent SLS was financially harmed due to respondents' violations set forth in the above findings.

* * * * *

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

CONCLUSIONS OF LAW

1. Grounds exist to suspend or revoke respondent SLS's corporate broker's license pursuant to BPC section 10177(d), in that respondent SLS violated BPC sections 10145(a), 10240, and 10160 and 10 CCR 2831, 2831.1, 2831.2, 2834, and 2725, as set forth in Finding 6 above.

2. Grounds also exist to suspend or revoke respondent SLS's license pursuant to BPC section 10177(g), in that respondent SLS was negligent in performing acts for which it is required to hold a real estate license, as set forth in Finding 7 above.

3. Grounds exist to suspend or revoke respondent Love's broker's and designated officer's licenses under BPC sections 10177(d), in that respondent Love permitted and allowed respondent SLS to engage in the conduct described above in Finding 6, as set forth in Finding 8 above.

4. Grounds also exist to suspend or revoke respondent

Love's broker's and designated officer's license under BPC section 10177(h), in that respondent Love failed to exercise reasonable supervision and control of the activities of respondent SLS for which a real estate license is required, as set forth in Finding 9 above.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is hereby made:

ORDER

Respondent Steve Love

Real estate broker's license and designated officer's license issued to respondent Steve Love are hereby revoked; provided, however, that respondent Love shall be entitled to apply for, and shall be issued, a restricted real estate broker's license pursuant to section 10156.5, if he makes application therefor and pays the appropriate fee for said license within ninety (90) days from the effective date of this Decision. The restricted license issued to respondent Love shall be subject to the provisions of BPC sections 10156.6 and 10156.7, and the following terms and conditions:

1. Respondent Love shall, within twelve (12) months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner, that he 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 Love fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until respondent Love presents such evidence. The Commissioner shall afford respondent Love the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

2. Respondent Love shall, within six (6) months from the effective date of the restricted license, take and pass the Professional Responsibility Examination administered by the Department, including the payment of the appropriate examination fee. If respondent Love fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until respondent Love passes the examination.

3. Said restricted license may be suspended prior to hearing by order of the Real Estate Commissioner in the event of respondent Love's conviction of, or plea of nolo contendere to, a

crime which bears a substantial relationship to respondent Love's fitness or capacity to act as a real estate licensee.

4. Said restricted license may be suspended prior to hearing by order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent Love has violated the provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner, or conditions attached to said restricted license.

5. Respondent Love shall not be eligible for the issuance of an unrestricted license, nor for the removal of any of the conditions, limitations, or restrictions of a restricted license, until one (1) year has elapsed from the date of issuance of the restricted license to him.

Respondent SLS Financial Services, Inc.

Real estate corporate broker's license issued to respondent SLS Financial Services is hereby revoked; provided, however, that respondent SLS shall be entitled to apply for, and shall be issued, a restricted real estate corporate broker's license pursuant to section 10156.5, if it makes application therefor and pays the appropriate fee for said license within ninety (90) days from the effective date of this Decision. The restricted license issued to respondent SLS shall be subject to the provisions of BPC sections 10156.6 and 10156.7, and the following terms and conditions:

1. Pursuant to Business and Professions Code section 10148, respondent SLS shall pay the Commissioner's reasonable cost for an audit as a result of the trust fund violations found in Conclusions of Law 1. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all Department of Real Estate Audit Personnel, and shall include an allocation for travel time to and from the auditor's place of work. Respondent SLS 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 SLS pending a hearing held in accordance with the Administrative Procedure Act, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between respondent SLS and the Commissioner. The suspension shall remain in effect until payment is made in full or until respondent SLS 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.

2. Said restricted license may be suspended prior to hearing by order of the Real Estate Commissioner in the event of respondent SLS's conviction of, or plea of nolo contendere to, a crime which bears a substantial relationship to respondent SLS's fitness or capacity to act as a real estate licensee.

3. Said restricted license may be suspended prior to hearing by order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent SLS has violated the provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner, or conditions attached to said restricted license.

4. Respondent SLS shall not be eligible for the issuance of an unrestricted license, nor for the removal of any of the conditions, limitations, or restrictions of a restricted license, until one (1) year has elapsed from the date of issuance of the restricted license to it.

DATED: August 26, 1996



CAROLYN RICHARDSON OWENS
Administrative Law Judge
Office of Administrative Hearings

Jason

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUL 11 1996
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

SLS FINANCIAL SERVICES and
STEVE LOVE

By K. Millerbold

Case No. H-26534 LA

OAH No. L-9605055

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 August 1, 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 11, 1996

By James R. Peel
Counsel

cc: SLS Financial Services
Steve Love
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James R. Peel

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

(213) 897-3937

FILED
MAR 25 1996
DEPARTMENT OF REAL ESTATE

By *K. Kuehbold*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-26534 LA
SLS FINANCIAL SERVICES,)	A C C U S A T I O N
and STEVE LOVE,)	
Respondents.)	

The complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against SLS FINANCIAL SERVICES and STEVE LOVE, alleges as follows:

I

The complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

II

SLS FINANCIAL SERVICES and STEVE LOVE (hereinafter referred to as respondents) are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of

1 the California Business and Professions Code, hereinafter referred
2 to as the "Code").
3

4 III

5 At all times herein mentioned, respondent SLS FINANCIAL
6 SERVICES was licensed by the Department of Real Estate as a
7 corporate real estate broker, and respondent STEVE LOVE was
8 licensed as the designated broker officer of said corporation, and
9 ordered, authorized or participated in the illegal conduct of
10 respondent SLS FINANCIAL SERVICES, as alleged in this Accusation.

11 IV

12 At all times herein mentioned, SLS FINANCIAL SERVICES on
13 behalf of others in expectation of compensation, engaged in the
14 business, acted in the capacity of, advertised or assumed to act
15 as a real estate broker in the State of California within the
16 meaning of Section 10131(d) of the Code, including soliciting
17 borrowers and lenders and negotiating loans on real property.

18 V

19 During 1995, in connection with the aforesaid real
20 estate brokerage activities, respondent SLS FINANCIAL SERVICES
21 accepted or received funds from borrowers and lenders and
22 thereafter made disbursements of such funds.

23 VI

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

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1. SLS FINANCIAL SERVICES violated Section 10145(a) of the Code by depositing appraisal fees and credit report fees into an account which was not a trust account. Examples: Lydia Chavez.

2. SLS FINANCIAL SERVICES violated Regulation 2831 by maintaining a columnar record that failed to comply with all of the requirements of the regulation. The record was not complete and accurate, and there was no record for trust funds received and not deposited into a trust account (Example: Henry Chavez).

3. SLS FINANCIAL SERVICES violated Regulation 2831.1 by failing to maintain separate records for each beneficiary or transaction.

4. SLS FINANCIAL SERVICES violated Regulation 2831.2 by failing to maintain a monthly record of trust fund account reconciliation. The columnar record was not reconciled to the separate or subsidiary records.

5. SLS FINANCIAL SERVICES violated Regulation 2834 by allowing non-licensees Gene Peralta, Chris Lopez and Socorro Sanchez to be signatories on the trust account when there was no fidelity bond and written authorization from the broker for them to be signatories.

6. SLS FINANCIAL SERVICES violated Section 10240 of the Code by failing to furnish borrowers with the required Mortgage Loan Disclosure Statement. The Avila, Walters, Morfin, Lopez and Diaz statements were not delivered to the borrowers within three days of the signing of the loan application. The statement for

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Lydia Chavez was not signed by the borrower, loan representative and broker. Borrower Henry Chavez was not furnish any statement.

7. STEVE LOVE violated Regulation 2725 by not reviewing, initialing, and dating documents contained in the loan files (including loan applications and disclosure statements) prepared by real estate licensees in the employment of SLS FINANCIAL SERVICES. Examples: Avila, Walters, Morfin, Lopez and Diaz.

8. SLS FINANCIAL SERVICES violated Section 10160 of the Code by failing to maintain the license of Frank Sanchez in its possession and available for inspection by the employees of the Department of Real Estate.

VII

The conduct of respondent SLS FINANCIAL SERVICES, as alleged above, subjects its real estate license and license rights to suspension or revocation pursuant to Sections 10177(d) and 10177(g) of the Code.

VIII

The conduct of respondent STEVE LOVE, as alleged above, as the responsible individual, by allowing and permitting SLS FINANCIAL SERVICES to engage in the conduct specified in Paragraph VI above, subjects his real estate licenses and license rights to suspension or revocation pursuant to Sections 10177(d) and 10177(h) 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 all licenses and license rights of respondents SLS FINANCIAL SERVICES and STEVE LOVE 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 25th day of March, 1996.

THOMAS MC CRADY
Deputy Real Estate Commissioner

cc: SLS Financial Services
Steve Love
Sacto
CPL