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Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 897-3937

FILED
DEC 13 1996
DEPARTMENT OF REAL ESTATE

By *R. Medel*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-26593 LA
TIME DEPOSITS INTERNATIONAL, INC.,)	<u>STIPULATION AND AGREEMENT</u>
and STEPHEN E. BERNAL,)	<u>IN SETTLEMENT AND ORDER</u>
Respondents.)	

It is hereby stipulated by and between TIME DEPOSITS INTERNATIONAL, INC., and STEPHEN E. BERNAL (sometimes referred to as Respondents), and their attorney, Ronald Lewis Gallant, representing the Respondents, and the Complainant, acting by and through James R. Peel, Counsel for the Department of Real Estate, as follows, for the purpose of settling and disposing of the Accusation filed on April 30, 1996, in this matter.

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act (APA), shall instead and in place thereof be

1 submitted solely on the basis of the provisions of this
2 Stipulation and Agreement in Settlement.

3
4 2. Respondents have received, read and understand the
5 Statement to Respondent, the Discovery Provisions of the APA and
6 the Accusation filed by the Department of Real Estate in this
7 proceeding.

8 3. On May 13, 1996, Respondents filed a Notice of
9 Defense pursuant to Section 11505 of the Government Code for the
10 purpose of requesting a hearing on the allegations in the
11 Accusation. Respondents hereby freely and voluntarily withdraw
12 said Notice of Defense. Respondents acknowledge that they
13 understand that by withdrawing said Notice of Defense they will
14 waive other rights afforded to them in connection with the
15 hearing, such as the right to present evidence in defense of the
16 allegations in the Accusation and the right to cross-examine
17 witnesses.

18 4. Respondents, pursuant to the limitations set forth
19 below, although not admitting or denying the truth of the
20 allegations, will not contest the factual allegations contained in
21 the Accusation filed in this proceeding and the Real Estate
22 Commissioner shall not be required to provide further evidence of
23 such allegations.

24 5. It is understood by the parties that the Real Estate
25 Commissioner may adopt the Stipulation and Agreement in Settlement
26 as his decision in this matter thereby imposing the penalty and
27 sanctions on Respondents' real estate licenses and license rights



1 as set forth below in the "Order". In the event that the
2 Commissioner in his discretion does not adopt the Stipulation and
3 Agreement in Settlement, it shall be void and of no effect, and
4 Respondents shall retain the right to a hearing and proceeding on
5 the Accusation under all the provisions of the APA and shall not
6 be bound by any stipulation or waiver made herein.
7

8 6. The Order or any subsequent Order of the Real
9 Estate Commissioner made pursuant to this Stipulation and
10 Agreement in Settlement shall not constitute an estoppel,
11 merger or bar to any further administrative or civil
12 proceedings by the Department of Real Estate with respect to
13 any matters which were not specifically alleged to be causes
14 for accusation in this proceeding, but shall constitute a
15 bar, estoppel and merger as to any allegations actually
16 contained in the accusations against Respondents herein.

17 7. This Stipulation is entered into by each party
18 with the express understanding and agreement that it is to be
19 used for the purposes of settling these proceedings only and
20 that this stipulation shall not be deemed, used, or accepted
21 as an acknowledgment or stipulation in any other civil or
22 administrative proceeding to which this Department is not a
23 party. Said stipulation is expressly limited to these
24 proceedings and to any further proceeding initiated by or
25 brought before the Department of Real Estate, and shall have
26 no collateral estoppel or res judicata effect in any
27 proceeding other than a proceeding brought by the Department
of Real Estate.



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8. That this Stipulation contains the full and complete agreement of the parties hereto with regard to the disposition of these administrative proceedings, only, and that this Stipulation supersedes in their entirety all negotiations, discussions, agreements, and/or proposals which may have been issued or made by the respective parties and/or by attorneys for the respective parties prior to the date of executive of this Stipulation.

DETERMINATION OF ISSUES

By reason of the foregoing stipulations and waivers and solely for the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the following determination of issues shall be made:

I

The conduct of Respondents, TIME DEPOSITS INTERNATIONAL, INC. and STEPHEN E. BERNAL, as alleged in the Accusation, is grounds for the suspension or revocation of all of the real estate licenses and license rights of Respondents under the provisions of Regulations 2831, 2831.1, 2831.2, and 2725 and Sections 10145(a), 10232.25, 10232.2, 10231.2, 10240, 10177(d), and 10177(h) of the Business and Professions Code.

ORDER

1. All licenses and license rights of Respondents TIME DEPOSITS INTERNATIONAL, INC. and STEPHEN E. BERNAL under Part 1 of Division 4 of the Business and Professions Code are revoked; provided, however, a restricted real estate broker



1 license shall be issued to Respondents, or either of them,
2 pursuant to Section 10156.5 of the Code if Respondents make
3 application therefor, and pay to the Department of Real
4 Estate the appropriate fee for said license within 90 days
5 from the effective date of the Decision.

6 A. The restricted license issued to Respondents
7 TIME DEPOSITS INTERNATIONAL, INC. and STEPHEN E. BERNAL shall
8 be subject to all of the provisions of Section 10156.7 of the
9 Business and Professions Code and to the following
10 limitations, conditions and restrictions, imposed under
11 authority of Section 10156.6 of said Code:

12 (1) The restricted license upon issuance to
13 Respondent shall be suspended for 30 days, provided said
14 suspension shall be stayed on condition that Respondent pays
15 a monetary penalty pursuant to Section 10175.2 of the
16 Business and Professions Code in the amount of \$1,500 or \$50
17 per day. Said payment shall be in the form of a cashier's
18 check or certified check made payable to the Recovery Account
19 of the Real Estate Fund. Said check must be delivered to the
20 Department prior to the effective date of the Order in this
21 matter.

22 (2) The restricted license of TIME DEPOSITS
23 INTERNATIONAL, INC. and STEPHEN E. BERNAL may be suspended,
24 pending final determination made after formal hearing, by
25 Order of the Real Estate Commissioner in the event of
26 Respondent's conviction or plea of nolo contendere to a crime
27



1 which bears a significant relationship to Respondent's
2 fitness or capacity as a real estate licensee.

3
4 (3) The restricted license of TIME DEPOSITS
5 INTERNATIONAL, INC., and STEPHEN E. BERNAL may be suspended,
6 pending final determination made after formal hearing, by
7 Order of the Real Estate Commissioner on evidence
8 satisfactory to the Commissioner that Respondent has, during
9 the time it holds a restricted license, violated provisions
10 of the California Real Estate Law, the Subdivided Lands Law,
11 Regulations of the Real Estate Commissioner, or the
12 conditions attaching to this restricted license.

13 (4) Respondents TIME DEPOSITS INTERNATIONAL, INC.
14 and STEPHEN E. BERNAL shall not be eligible to apply for the
15 issuance of an unrestricted real estate license nor the
16 removal of any of the conditions, limitations or restrictions
17 of a restricted license until one (1) year has elapsed from
18 the date of issuance of the restricted license to Respondent.

19 (5) Respondents TIME DEPOSITS INTERNATIONAL, INC.
20 and STEPHEN E. BERNAL shall report in writing to the
21 Department of Real Estate as the Real Estate Commissioner
22 shall direct by his Order herein or by separate written order
23 issued while Respondent holds a restricted license, such
24 information concerning Respondent's activities for which a
25 real estate license is required as the Commissioner shall
26 deem to be appropriate to protect the public interest.

27 (6) Within two years from the effective date of
this Order, the Commissioner may audit the books and records



1 of Respondent TIME DEPOSITS INTERNATIONAL, INC. to determine
2 compliance with the Real Estate Law and Regulations of the
3 Real Estate Commissioner, pursuant to Code Section 10148.

4 (a) The Real Estate Commissioner may charge
5 Respondents TIME DEPOSITS INTERNATIONAL, INC., and
6 STEPHEN E. BERNAL the reasonable cost of this
7 audit. In calculating the amount of the reasonable
8 costs, the Commissioner may use the estimated
9 average hourly salary for all persons performing
10 audits of real estate brokers, and shall include an
11 allocation for travel costs, including mileage,
12 time to and from the auditor's place of work, and
13 per diem. The Commissioner's reasonable costs
14 shall in no event exceed \$4,600.

15 (b) Respondents shall pay, within 45 days from
16 receipt of the invoice, the Commissioner's
17 reasonable costs for the chargeable follow-up
18 audit.

19 (c) If Respondents TIME DEPOSITS INTERNATIONAL,
20 INC. and STEPHEN E. BERNAL fail to pay, within 45
21 days from receipt of the invoice, for the
22 Commissioner's reasonable costs for an audit, the
23 Commissioner may order the indefinite suspension of
24 Respondents' real estate licenses and license
25 rights. The suspension shall remain in effect
26 until payment is made in full, or until Respondents
27 enter into an agreement satisfactory to the



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Commissioner to provide for such payment. The
Commissioner may impose further reasonable
disciplinary terms and conditions upon
Respondents' real estate licenses and license
rights as part of any such agreement.

(7) Respondent STEPHEN E. BERNAL shall, within
twelve 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, including 3 hour courses in
ethics, agency, fair housing and trust fund handling. 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.

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(8) Respondent STEPHEN E. BERNAL shall, within six months from the effective date of this Decision, 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 order suspension of Respondent's license until Respondent passes the examination.

DATED: Nov. 20, 1996 James R. Peel
JAMES R. PEEL
Counsel for Complainant

* * * * *


I have read the Stipulation and Agreement in Settlement, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights,

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including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

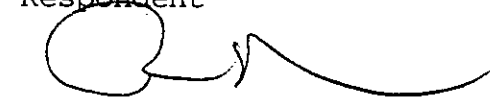
DATED: 10/12/96


TIME DEPOSITS INTERNATIONAL,
INC. Respondent

DATED: 10/12/96


STEPHEN E. BERNAL
Respondent

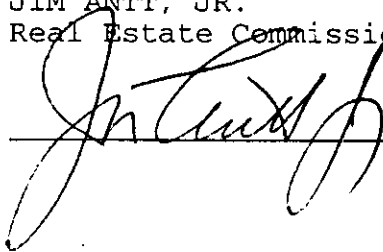
DATED: 10/24/96


RONALD LEWIS GALLANT
Counsel for Respondents

* * * * *

The foregoing Stipulation and Agreement in Settlement is hereby adopted as my Order and shall become effective at 12 o'clock noon on January 2, 1997

IT IS SO ORDERED 12-4-96

JIM ANTT, JR.
Real Estate Commissioner


Sacto July

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUL 11 1996
DEPARTMENT OF REAL ESTATE

By *K. Mederholz*

In the Matter of the Accusation of

TIME DEPOSITS INTERNATIONAL INC.
and STEPHEN E. BERNAL,

Case No. H-26593 LA

OAH No. L-9606148

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 23, 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: Time Deposits International Inc.
Stephen E. Bernal
Sacto OAH LR
Ronald Lewis Gallant, Esq.

Accused

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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
APR 30 1996
DEPARTMENT OF REAL ESTATE

By *K. Grederbolt*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-26593 LA
TIME DEPOSITS INTERNATIONAL,)	A C C U S A T I O N
INC., and STEPHEN E. BERNAL,)	
Respondents.)	

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against TIME DEPOSITS INTERNATIONAL, INC., and STEPHEN E. BERNAL, 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

TIME DEPOSITS INTERNATIONAL, INC., and STEPHEN E. BERNAL (hereinafter referred to as respondents) are presently licensed and/or have license rights under the Real Estate Law (Part 1. of

1 Division 4 of the California Business and Professions Code,
2 hereinafter referred to as the "Code").

3 III

4 At all times herein mentioned, respondent TIME DEPOSITS
5 INTERNATIONAL, INC., was licensed by the Department of Real Estate
6 as a corporate real estate broker, and respondent STEPHEN E.
7 BERNAL was licensed as the designated broker officer of said
8 corporation, and ordered, authorized or participated in the
9 illegal conduct of respondent TIME DEPOSITS INTERNATIONAL, INC.,
10 as alleged in this Accusation. Respondents were previously
11 subject to a Desist and Refrain Order H-22773 LA filed January 12,
12 1987.

13 IV

14 At all times herein mentioned, TIME DEPOSITS
15 INTERNATIONAL, INC., on behalf of others in expectation of
16 compensation, engaged in the business, acted in the capacity of,
17 advertised or assumed to act as a real estate broker in the State
18 of California within the meaning of Section 10131(d) of the Code,
19 including soliciting borrowers and lenders and negotiating loans
20 on real property, as well as collecting payments from borrowers on
21 behalf of the lenders.

22 V

23 During 1994 and 1995, in connection with the aforesaid
24 real estate brokerage activities, respondent TIME DEPOSITS
25 INTERNATIONAL, INC., accepted or received funds from borrowers and
26 lenders and thereafter made disbursements of such funds.

27 /



VI

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

8 1. TIME DEPOSITS INTERNATIONAL, INC., violated Section
9 10145(a) of the Code by maintaining as of February 28, 1995, a
10 shortage in its trust accounts of \$98,867.27.

11 2. TIME DEPOSITS INTERNATIONAL, INC., violated Section
12 10232.25 of the Code by filing the quarterly report for the period
13 ending August 31, 1994, with the Department on November 1, 1994;
14 violated Section 10232.2 of the Code by filing the annual business
15 Activity Report for the period ending May 31, 1994, with the
16 Department on November 8, 1994; violated Section 10232.25 of the
17 Code by failing to include all trust accounts in the quarterly
18 report for the period ending February 28, 1995; violated Section
19 10232.2 in that the annual trust account review report for the
20 period ending May 31, 1994, was not accurate in that the report
21 failed to mention all trust accounts and the amount of the overage
22 \$632.21 was an incorrect amount in that the overage was actually
23 \$5,036.75.

24 3. TIME DEPOSITS INTERNATIONAL, INC., violated Section
25 10145(a) of the Code by depositing funds received from investor
26 Williams for the Raphalian and Calórosa loans into an account
27 which was not a trust account.



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4. TIME DEPOSITS INTERNATIONAL, INC., violated Regulation 2831 in that the columnar record for account 01-55-308 failed to reflect an accurate daily balance, and for account 01-55-272, the date the funds were received was missing and the daily balance was not accurate.

5. TIME DEPOSITS INTERNATIONAL, INC., violated Regulation 2831.1 by failing to maintain separate records for each beneficiary or transaction.

6. TIME DEPOSITS INTERNATIONAL, INC., violated Regulation 2831.2 by not maintaining a monthly record of trust account reconciliation. The columnar record was not reconciled to the separate or subsidiary records.

7. TIME DEPOSITS INTERNATIONAL, INC., violated Section 10231.2 of the Code by failing to notify the Department prior to acceptance of funds from investor Michael Post when respondent was the borrower.

8. TIME DEPOSITS INTERNATIONAL, INC., violated Section 10240 of the Code and Regulation 2840 by failing to deliver to borrowers Thompson, Coney, Perez, Carter and Alderson the required mortgage loan disclosure statement within 3 business days of the receipt of a completed written loan application, and the notice to borrower was not in bold type.

9. STEPHEN E. BERNAL violated Regulation 2725 by failing to review, initial, and date all material documents prepared by his employees and salespersons such as mortgage loan disclosure statements, escrow instructions and escrow closing statements.

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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 TIME DEPOSITS INTERNATIONAL, INC., and STEPHEN E. BERNAL, 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 30th day of April, 1996.

THOMAS MC CRADY

Deputy Real Estate Commissioner

cc: Time Deposits International, Inc.
Stephen E. Bernal
Sacto.
LR