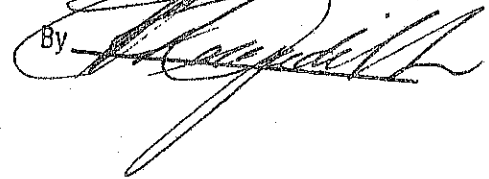


1
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, CA 90012
5 (213) 620-4790

FILED
MAR 2 1 1997
DEPARTMENT OF REAL ESTATE

By 

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7
8
9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * *

12 To:) No.H- 27079 LA
13)
14 GOLD CREST FINANCIAL, INC.,)
15 and SAMUEL JACKSON ARRIETTA JR.)
16 individually and as)
designated officer of)
Gold Crest Financial, Inc.)
_____)

ORDER TO DESIST
AND REFRAIN

17 The Real Estate Commissioner of the State of California
18 ("Commissioner") has caused an investigation to be conducted of
19 your activities as real estate brokers, and based upon the
20 findings of that investigation, is of the opinion that you, GOLD
21 CREST FINANCIAL, INC. (GCF) have violated Sections 2830, 2831,
22 2831.1 and 2831.2 of Title 10, Chapter 6, California Code of
23 Regulations ("Regulations"), and that you, SAMUEL JACKSON ARRIETTA
24 JR. (ARRIETTA) have violated Section 10159.2 of the California
25 Business and Professions Code (Code)..

26 I

27 At all times mentioned herein, you, GCF, a corporation,
were and still are licensed by the Department of Real Estate of

1 the State of California ("Department") as a corporate real estate
2 broker.

3 II

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

11 III

12 All further references herein to "you" include the
13 parties identified in Paragraphs I and II and also include the
14 officers, directors, employees, agents and real estate licensees
15 employed by or associated with those parties who at all times
16 herein mentioned were engaged in the furtherance of the business
17 or operations of those parties and who were acting within the
18 course and scope of their authority and employment.

19 IV

20 At all times mentioned herein, in Los Angeles County,
21 California, for or in expectation of compensation, you engaged in
22 the business of, acted in the capacity of, advertised or assumed
23 to act as real estate brokers in the State of California, within
24 the meaning of Section 10131(d) of the Code, including the
25 operation of a mortgage loan brokerage business with the public
26 wherein lenders and borrowers were solicited for loans secured
27 directly or collaterally by liens on real property, and such loans



1 were arranged, negotiated, processed, and consummated on behalf of
2 others.

3
4 V

5 On January 17, 1997, Department personnel completed an
6 investigative audit of your books and records pertaining to your
7 activities as a mortgage loan broker requiring a real estate
8 broker license, for a period commencing on April 1, 1995, and
9 terminating on November 30, 1996, which revealed violations of the
10 Real Estate Law now described.

11 VI

12 In connection with the aforesaid mortgage loan broker
13 activities, you accepted or received funds in trust ("trust
14 funds") from or on behalf of borrowers for credit reports and
15 appraisal fees. You deposited these funds into an account at
16 Citizens Bank in Corona, California, entitled the Freedom Funding
17 Account No. 232161582.

18 VII

19 In connection with the trust funds referred to in
20 Paragraph VI, you, GCF:

21 (a) failed to deposit trust funds in a trust account
22 held in your name as broker in violation of Section 2830 of the
23 Regulations;

24 (b) failed to maintain a record in columnar form of all
25 trust funds received including the name of the borrowers from whom
26 such funds were received in violation of Section 2831 of the
27 Regulations;



1 (c) failed to maintain any separate records for each
2 beneficiary or transaction, thereby accounting for all trust funds
3 received, deposited and disbursed, as required by Regulation
4 2831.1;

5 (d) failed to perform a monthly reconciliation of trust
6 funds received by you with the balance of all separate beneficiary
7 or transaction records, as required by Regulation 2831.2.

8 VIII

9 Finally, the audit examination revealed that you,
10 ARRIETTA, failed to properly supervise the acts of GCF requiring a
11 real estate license as necessary to secure full compliance with
12 Real Estate Law in violation Section 10159.2 of the Code.

13
14 NOW, THEREFORE, YOU, GCF, AND YOUR OFFICERS, AGENTS,
15 EMPLOYEES, SUCCESSORS AND ASSIGNS ARE ORDERED TO DESIST AND
16 REFRAIN from any and all conduct requiring a real
17 estate license unless and until your conduct is in compliance with
18 Regulations 2830, 2831, 2831.1 and 2831.2.

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21 /

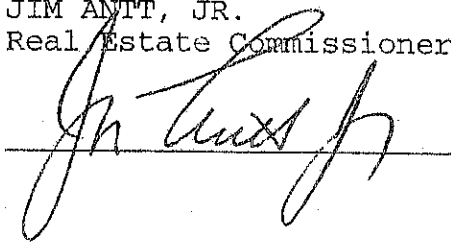
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2 FURTHER, YOU, ARRIETTA, ARE ORDERED TO DESIST AND
3 REFRAIN from any and all conduct requiring a real estate license
4 unless and until your conduct is in compliance with Section
5 10159.2 of the Code.
6

7 DATED: 3/17, 1997.
8

9
10 JIM ANTT, JR.
11 Real Estate Commissioner
12 
13
14
15
16
17
18
19

20 cc: GOLD CREST FINANCIAL, INC.
21 P.O. Box 1843
22 Corona, California 91718

23 SAMUEL JACKSON ARRIETTA JR.
24 Same as above
25

26 REB/rd
27

