

FILED
FEB 16 2000
DEPARTMENT OF REAL ESTATE

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DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)
ALEJANDRINA OCHOA)
Respondent)
_____)

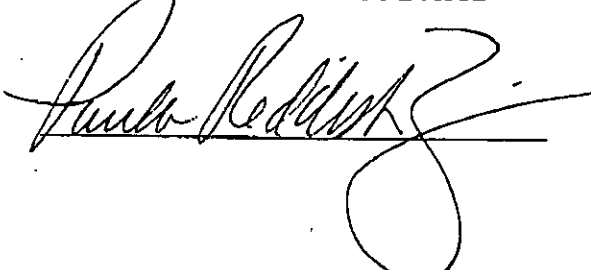
No. H-27189 LA

ORDER VACATING SUSPENSION

The Order Suspending Restricted Real Estate License dated January 24, 2000, is hereby vacated, said action to be retroactively effective January 24, 2000.

IT IS SO ORDERED this 14th day of February, 2000.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



1 terms, conditions and restrictions, you were required to take and
2 pass the Professional Responsibility Examination within six
3 months from the effective date of the restricted license and,
4 within twelve months from the issuance of your restricted
5 license, present evidence that you have taken and successfully
6 completed the continuing education requirements of Article 2.5 of
7 Chapter 3 of the Real Estate Law for renewal of a real estate
8 license since the most recent issuance of an original or renewal
9 real estate license. The Commissioner has determined that as of
10 the date of this Order, you have failed to satisfy either
11 condition, and as such, you are in violation of Section 10177(k)
12 of the Business and Professions Code. (You have no right to
13 renew your restricted license if this condition isn't satisfied
14 by the date of its expiration. Section 10156.7 of the Business
15 and Professions Code.)

16 NOW, THEREFORE, IT IS ORDERED under authority of
17 Section 10156.7 of the Business and Professions Code of the State
18 of California that the restricted real estate salesperson license
19 heretofore issued to respondent and the exercise of any
20 privileges thereunder is hereby suspended pending final
21 determination made after hearing (see "Hearing Rights" set forth
22 below).

23 IT IS FURTHER ORDERED that all license certificates and
24 identification cards issued by Department which are in the
25 possession of respondent be immediately surrendered by personal
26 delivery or by mailing in the enclosed, self-addressed envelope
27 to:

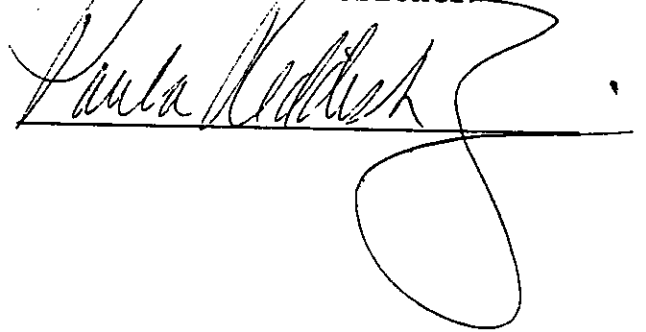
1 Department of Real Estate
2 Attn: Flag Section
3 P. O. Box 187000
4 Sacramento, CA 95818-7000

5 HEARING RIGHTS: Pursuant to the provisions of Section
6 10156.7 of the Business and Professions Code, you have the right
7 to a hearing to contest the Commissioner's determination that you
8 are in violation of Section 10177(k). If you desire a hearing,
9 you must submit a written request. The request may be in any
10 form, as long as it is in writing and indicates that you want a
11 hearing. Unless a written request for a hearing, signed by or on
12 behalf of you, is delivered or mailed to the Department at 320 W.
13 4th, Suite 350, Los Angeles, California, within 20 days after
14 the date that this Order was mailed to or served on you, the
15 Department will not be obligated or required to provide you with
16 a hearing.

16 This Order shall be effective immediately.

17 DATED: January 24, 2000

18 PAULA REDDISH ZINNEMANN
19 Real Estate Commissioner

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FILED
SEP 30 1998
DEPARTMENT OF REAL ESTATE

By Jama B. Orma

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THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-27189 LA
JERRY LEE ARMSTRONG,)	L-1997050447
individually, dba Omega)	
Funding, dba Omega)	
Professional Services and as)	
designated officer of Bactel)	
International, Inc. and)	
ALEJANDRINA OCHOA,)	
Respondents.)	

ORDER MODIFYING DECISION
PURSUANT TO STIPULATED SETTLEMENT
AFTER DISMISSAL OF PETITION FOR
WRIT OF MANDATE

On March 4, 1998, a Decision was rendered by the Real Estate Commissioner, effective March 26, 1998, revoking the real estate broker license of Respondent JERRY LEE ARMSTRONG with a right to apply for a restricted real estate broker license under the provisions of the California Business and Professions Code.

On April 23, 1998, Respondent petitioned the Superior Court of the State of California in and for the County of Los Angeles, in Case No. BS050733, for a Writ of Administrative Mandate

1 to compel the Real Estate Commissioner to vacate and set aside the
2 Decision of March 4, 1998.

3 In consideration for the dismissal with prejudice and in
4 complete settlement of Respondent's said Petition for Writ of
5 Administrative Mandate, the following order is made replacing the
6 order dated March 4, 1998, in this matter:

7 NOW, THEREFORE, IT IS ORDERED that all real estate
8 licenses and licensing rights of Respondent JERRY LEE ARMSTRONG
9 under the Real Estate Law are suspended for a period of two (2)
10 years from March 26, 1998. Said two year suspension will be stayed
11 on the following terms and conditions:

12 1. The suspension is stayed permanently for the period
13 of time from March 26, 1998 to August 20, 1998 when the Petition
14 For Writ of Mandate was dismissed.

15 2. Respondent's license will be suspended for thirty
16 (30) days from August 20, 1998, provided, however, that if
17 Respondent petitions, this thirty (30) days of said suspension (or
18 a portion thereof) shall be stayed upon condition that:

19 (a) Respondent pays a monetary penalty pursuant to
20 Section 10175.2 of the Business and Professions Code at the rate of
21 \$170 for each day of the suspension for a total monetary penalty of
22 \$5,100.

23 (b) Said payment shall be in the form of a
24 cashier's check or certified check made payable to the Recovery
25 Account of the Real Estate Fund. Said check must be delivered to
26 the Department prior to the effective date of Dismissal of the Writ
27 in this matter.



1 (c) If Respondent fails to pay the monetary penalty
2 in accordance with the terms and conditions of the Decision, the
3 Commissioner may, without a hearing, order the immediate execution
4 of all or any part of the stayed suspension in which event the
5 Respondent shall not be entitled to any repayment nor credit,
6 prorated or otherwise, for money paid to the Department under the
7 terms of this Order.

8 3. The remaining period of the two (2) year suspension
9 shall be stayed for two (2) years upon the following terms and
10 conditions:

11 (a) Respondent shall obey all laws, rules and
12 regulations governing the rights, duties and responsibilities of a
13 real estate licensee in the State of California; and

14 (b) The Commissioner may, in his discretion, vacate
15 and set aside the stay order and reimpose all or a portion of the
16 stayed suspension prior to hearing on evidence satisfactory to the
17 Commissioner that Respondent has violated provisions of the
18 California Real Estate Law, the Subdivided Lands Law, Regulations
19 of the Real Estate Commissioner or conditions attaching to the
20 suspended license.

21 (c) The Commissioner may, in his discretion, vacate
22 and set aside the stay order and reimpose all or a portion of the
23 stayed suspension prior to hearing on evidence satisfactory to the
24 Commissioner that Respondent has been convicted (including a plea
25 of nolo contendere) of a crime which is substantially related to
26 Respondent's fitness or capacity as a real estate licensee.

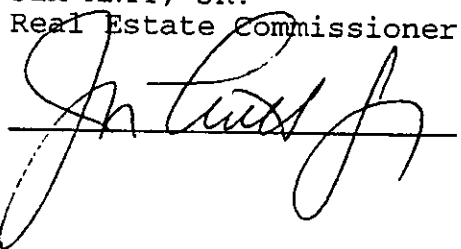
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1 4. If Respondent pays the monetary penalty and if no further cause
2 for disciplinary action against the real estate license of
3 Respondent occurs within two years from March 26, 1998, the stay
4 hereby granted shall become permanent.

5
6 This Order is to become effective nunc pro tunc at 12:00
7 noon on March 26, 1998.

8 IT IS SO ORDERED 9/23, 1998.

10 JIM ANTT, JR.
11 Real Estate Commissioner
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FILED
MAR - 6 1998
DEPARTMENT OF REAL ESTATE

By Laura B. Crow

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
JERRY LEE ARMSTRONG, individually,)
and dba Omega Funding, dba Omega)
Professional Services and as)
designated officer of Bactel)
International, Inc., and)
ALEJANDRINA OCHOA,)
Respondent.)

NO. H-27189 LA
L-1997050447

DECISION

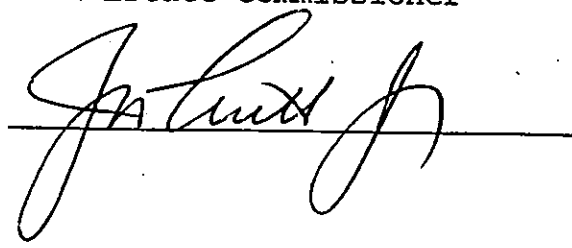
The Proposed Decision dated February 23, 1998, of the Administrative Law Judge of the Office of Administrative Hearings is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter with the following exception.

Condition "4" of the Order of the Proposed Decision as set forth herein, is not adopted and shall not be part of the Decision as to Respondent Ochoa: "4. Respondent must have complied with the continuing education requirements of section 10154 prior to applying for any renewal of the conditional license. Failure to comply with those provisions will result in a denial of the renewal application after which respondent shall not be eligible for the issuance of another license subject to section 10153.4 until four years after the date of the issuance of the preceding restricted license."

This Decision shall become effective at 12 o'clock noon
on March 26, 1998.

IT IS SO ORDERED 3/4, 1998.

JIM ANTT, JR.
Real Estate Commissioner

A handwritten signature in cursive script, appearing to read "Jim Antt, Jr.", is written over a horizontal line.

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation)	Agency No. H-27189
Against:)	
)	OAH No. L-1997050447
)	
JERRY LEE ARMSTRONG, individually)	
and dba Omega Professional Services)	
and as designated officer of Bactel)	
International, Inc. and)	
ALEJANDRINA OCHOA,)	
)	
Respondents.)	

PROPOSED DECISION

This matter came on regularly for hearing before Carolyn D. Magnuson, Administrative Law Judge of the Office of Administrative Hearings, in Los Angeles, California on November 25, 1997 and January 9, 1998.

Thomas McCrady, complainant, was represented by Sean Crahan, Staff Counsel.

Jerry Armstrong, respondent, appeared personally and was represented by Robert J. Huston, III, attorney at law.

Alejandrina Ochoa, respondent, appeared personally and represented herself.

Oral and documentary evidence was received, and the record was left open for the filing of an amended accusation and post-trial written argument.

The Second Amended Accusation was received on January 20, 1998; Exhibit 1 was amended to include the new pleading.

Complainant's brief was received January 20, 1998; respondent Armstrong's brief was received January 20, 1998; complainant's reply brief was received January 21, 1998; on January 22, 1998 respondent Ochoa's brief was received, the record close, and the matter submitted.

The Administrative Law Judge finds the following facts:

I

The accusation herein was made by Thomas McCrady in his official capacity as a Deputy Real Estate Commissioner of the Department of Real Estate ("Department" or "DRE").

II

At all relevant times, Jerry Lee Armstrong ("Armstrong") has been licensed and/or has had licensing rights as a broker under the Real Estate Law. Armstrong was licensed both individually and doing business as Omega Funding ("Omega") from January 1995 to August 1996 and as the designated officer of Bactel International Inc. from June 11, 1996 to the present.

In October 1994, Armstrong submitted to DRE a Broker Change Application changing his mailing address to 2082 Business Center Drive #282, Irvine, California 92715 and his main office address to 14425 7th Street #A, Victorville, California 92392.

In December 1994, Armstrong submitted a Broker Change Application which changed his main office and mailing address to 14425 Seventh Street, Suite I, Victorville, California 92392 and added the fictitious business names of Omega Funding ("Omega") and Omega Professional Services to his license.

In January 1995, Armstrong submitted a Broker Renewal Application which changed his mailing address to 206 Marine #5394, Newport Beach, California 92662.

In March 1995, Armstrong submitted a Change Application which changed both his mailing address and his main office address to 801 E. Chapman Avenue, Suite 200, Fullerton, California.

III

At all relevant times, Alejandrina Ochoa ("Ochoa") has been licensed and/or has had licensing rights as a real estate salesperson under the Real Estate Law.

Between April 1995 and June 9, 1996, Ochoa was licensed to Diamond Coast Federal Inc. From July 23, 1996 through October 3, 1996, Ochoa was licensed to Armstrong.

In October 1996, Ochoa's license was suspended because she failed to complete required continuing education courses.

IV

Omega was engaged in the business of brokering loans to various financial institutions. The business was owned by Jesse Uribe and Octavio Ochoa, respondent Ochoa's husband and father, respectively.

V

In April 1995, Armstrong and Ochoa signed a contract entitled Account Executive Contract. This document provided that Ochoa was an independent contractor engaged to "perform all the normal duties required to originate loan packages from the origination of a loan until the closing and funding of a loan" and to act as Omega Funding's designated representative and salesmanager. For her efforts Ochoa was to receive 40% of the loan origination fees paid by the lender.

VI

In February 1995, Marcelino Garza ("Garza") approached Omega to obtain real estate loans on his property. One of the loans was brokered by Omega through the lender Money Store. The other loan was brokered by Diamond and was a Title I loan. Ochoa negotiated both loans.

Garza did not receive a properly executed loan disclosure statement within the required time period. The loan documents were not initialled or dated by Armstrong.

VII

Some time prior to May 1995, Thelma Evans ("Evans") applied for a loan through Omega. Although the documents do not reflect that Ochoa participated in negotiating a loan on Evans' behalf, Ochoa acknowledged that she had done so.

The loan application was not signed by a representative of Omega and was not initialed and dated by Armstrong. There was no loan disclosure statement included in the loan documents.

VIII

In March 1996, Jose Flores applied for a loan through Omega. Ochoa negotiated the loan. The Loan Disclosure Statement was signed by Ochoa. The loan documents were not initialled or dated by Armstrong.

IX

In addition to the transactions set forth in paragraphs VI, VII and VIII, there were another five loan transactions for which loan documents were admitted into evidence. These documents also showed a pattern of failing to properly prepare, provide and review loan documents.

X

Title 10 of the California Code of Regulations section 2725(a) provides:

"Every instrument prepared or signed by a real estate salesperson in connection with any transaction for which a real estate license is required, which may have a material effect upon the rights or obligations of a party to the transaction shall be reviewed, initialed and dated by the broker of the salesperson within five working days after preparation or signing by the salesperson or before the close of escrow, whichever occurs first."

Section 2725(b) provides:

"A broker may delegate his responsibility and authority under subdivision (a) hereof as follows so long as the broker does not relinquish his overall responsibility for supervision of the acts of salespersons licensed to him.

....

(2) to a real estate salesperson licensed to the broker if the salesperson has accumulated at least two years full-time experience as a salesperson licensee . . . and has entered into a written agreement with the broker with respect to the delegation of responsibility."

Armstrong maintains that he was not required to personally review Omega's loan documents because Ochoa was his authorized representative, as provided in 10 CCR section 2725(b)(2), with authority to review and to initial and date loan documents on his behalf.

There are four problems with this claim. First, at the time of many of the transactions, Ochoa was not licensed to Armstrong, and thus, was not eligible for such delegation.

Second, there was no written agreement between Ochoa and Armstrong "with respect to the delegation of responsibility." The employment contract the two signed provides that Ochoa would "perform all normal duties required to originate loan packages" and that she would "act as the designated representative/salesmanager." Neither of these provisions are sufficiently specific to qualify as a delegation under the provisions of section 2725(b)(2).

Third, even if there had been a valid delegation, Ochoa could not review and initial her own transactions.

Finally, there were many documents which should have been reviewed and initialled, but were not by anyone. Thus, even if there had been a proper delegation, the work was not done as required, which Armstrong ought to have known, had he done even the most cursory supervision and review.

XI

When Armstrong changed his mailing address and main office address to the Fullerton address, the Victorville office was not mentioned as a branch office, and no license was obtained for it.

Armstrong explains that he intended only to change his mailing address, not that of his main office, and the error occurred because someone checked the box for change of main office location without his knowledge.

However, since the Fullerton address was filled in for both addresses, it must be inferred that Armstrong knew what he signed and intended the logical consequences of his submission to the Department.

In any event, it is Armstrong's responsibility to ensure that the information submitted to DRE is accurate.

XII

Armstrong claimed that the work Ochoa performed for Omega was limited to managing the office and that she was not supposed to obtain loan business for Omega. Thus she was not employed in her licensed capacity, and it was not necessary for her to be licensed to him.

This claim is totally unsubstantiated by the evidence. It is clear from the employment agreement between Armstrong and Ochoa that she was supposed to obtain loan business and was to be compensated for doing so. The evidence is that Ochoa did obtain such business and engaged in activities which required a real estate license on behalf of Omega.

The evidence established that, while Ochoa was licensed under Diamond, she was working for Armstrong as well. This was an arrangement agreed to by both brokers.

However, the law is very clear: "It is unlawful for any real estate broker to employ or compensate, directly or indirectly, any person for performing any of the acts within the scope of this chapter who is not . . . a real estate salesman licensed under the broker employing or compensating him"

While there was no direct evidence that Ochoa was paid money by Armstrong or Omega, it is unlikely in the extreme that Ochoa would have continued to work for Omega for the many months she did unless she was being compensated in some manner for her work.

At the least, Ochoa received compensation indirectly through the benefit her work conferred on the business owned by her husband and her father and operated by Armstrong.

XIII

While it was established that certain violations occurred for which the licensees must be accountable, it was not established that either respondent had acted deliberately to avoid complying with the laws governing real estate transactions nor was it shown that any client of the respondents was harmed by their lapses.

Although, the lack of intentional wrongdoing and of injury do not excuse the respondent's misconduct, it is sufficient mitigation to conclude that it would be consistent with the public interest to allow the respondents to hold properly conditioned licenses.

* * * * *

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

With regard to respondent Armstrong:

1. It was established that cause exists to discipline respondent's license under the provisions of Business and Professions Code section 10137 for compensation a salesperson for licensed activity when that individual was not licensed to him.

2. It was established that cause exists to discipline respondent's license under the provisions of Business and Professions Code section 10177(d) for willful violations of Business and Professions Code sections 10163 and 10240 and 10 CCR sections 2725, 2715, 2752 2842, 2842.5.

3. It was established that cause exists to discipline respondent's license under the provisions of Business and Professions Code section 10177(h) for failure to exercise reasonable supervision over the activities of employees.

II

With regard to respondent Ochoa, it was established that cause exists to discipline respondent's license under the provisions of Business and Professions Code section 10137 for accepting compensation from a person other than the broker under whom she was licensed.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I

With regard to respondent Armstrong:

All licenses and licensing rights of respondent Jerry Armstrong 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 therefore 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 the 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 years have elapsed from the effective date of this Decision.

4. Respondent shall, within six months from the effective date of the 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 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 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 fails to satisfy this condition, the Commissioner may order suspension of the restricted license until respondent passed the examination.

With regard to respondent Ochoa:

All licenses and licensing rights of respondent Alejandrina Ochoa under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to respondent pursuant to section 10156.5 of the Business and Professions Code, if respondent makes application therefore 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 the 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 two years have elapsed from the effective date of this Decision.

4. Respondent must have complied with the continuing education requirements of section 10154 prior to applying for any renewal of the conditional license. Failure to comply with those provisions will result in a denial of the renewal application after which respondent shall not be eligible for the issuance of another license subject to section 10153.4 until four years after the date of the issuance of the preceding restricted license.

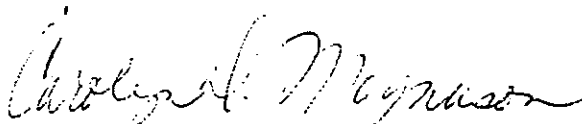
*not adapted
(see pg 1 for
new condition)*

4. Respondent shall, prior to the issuance of the restricted license, submit evidence satisfactory to the Commissioner of successful completion, at an accredited institution, of two of the courses listed in Code section 10153.2, other than real estate principles, advanced legal aspects of real estate, advanced real estate finance or advanced real estate appraisal. If respondent fails to provide such evidence, the restricted license will not be issued to her.

5. Respondent shall, within twelve months from the issuance of the restricted license, 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 offered respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

6. Respondent shall within six 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 fails to satisfy this condition, the Commissioner may order suspension of the restricted license until respondent passed the examination.

Dated: February 23, 1998



CAROLYN D. MAGNUSON
Administrative Law Judge
Office of Administrative Hearings

facto

1 Sean Crahan, Counsel
2 State Bar No. 49351
3 Department of Real Estate
4 107 South Broadway, Room 8107
5 Los Angeles, CA 90012
6 California Bar #49351
7
8 (213) 897-3937

FILED
JAN 16 1998
DEPARTMENT OF REAL ESTATE

By James B. Crahan

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

11	In the Matter of the Accusation of)	No. H-27189 LA
12	JERRY LEE ARMSTRONG,)	L-1997050447
13	individually, dba Omega)	
14	Funding, dba Omega)	<u>S E C O N D A M E N D E D</u>
15	Professional Services and as)	<u>A C C U S A T I O N</u>
16	designated officer of Bactel)	Hearing closed January 9, 1998
17	International, Inc. and)	before ALJ Carolyn Magnuson.
18	ALEJANDRINA OCHOA,)	
19	Respondents.)	

18 The Complainant, Thomas McCrady, a Deputy Real Estate
19 Commissioner of the State of California, for cause of accusation
20 against JERRY LEE ARMSTRONG, individually and doing business as
21 Omega Funding and Omega Professional Services and as designated
22 officer of Bactel International Inc and ALEJANDRINA OCHOA, amends
23 the accusation filed on May 8, 1997 and amended May 13, 1997 in its
24 entirety, by adding the underscored portions, and alleging as
25 follows:

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1.

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

2.

At all times mentioned herein, JERRY LEE ARMSTRONG is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code, hereinafter referred to as the "Code"). At all times mentioned herein, Respondent ARMSTRONG was and still is licensed by the Department as a real estate broker both individually and doing business as Omega Funding (hereafter Omega) from January 19, 1995 to August 23, 1996 and Omega Professional Services until September 16, 1996 and as designated officer of Bactel International Inc from June 11, 1996 to the present.

3.

At all times mentioned herein, ALEJANDRINA OCHOA (hereafter Respondent OCHOA or OCHOA) is presently licensed and/or has license rights under the Real Estate Law.

(a) At all times mentioned herein, Respondent OCHOA was and still is licensed by the Department as a real estate salesperson.

(b) Between April 3, 1995 through June 9, 1996, Respondent OCHOA was licensed to Diamond Coast Federal Inc. From July 23, 1996 through October 3, 1996, Respondent OCHOA was licensed to Respondent ARMSTRONG.

1 (c) Respondent OCHOA's sales license was suspended on
2 October 3, 1996 for her failure to complete the education courses
3 required pursuant to Code Section 10153.4

4 (d) At no time herein mentioned was Respondent OCHOA
5 licensed as a real estate broker.

6 4.

7 Respondent ARMSTRONG, dba Omega, employed or compensated
8 Respondent OCHOA to solicit and negotiate with prospective
9 borrowers in the following proposed secured loan transactions:

10 Borrower:	Date of Application:	Property:
11 Marcelino Garza	2-9-95	13359 Tutelo Road.
12 Thelma Evans	5-4-95	16771 D Street
13 <u>Jose R. Flores</u>	<u>3-29-96</u>	<u>38530 Rancho Los Cerritos</u>

14 In soliciting and negotiating with borrowers, Respondent OCHOA was
15 performing acts requiring a real estate license. Respondent OCHOA
16 was at no time licensed as a real estate broker. Respondent OCHOA
17 accepted employment and compensation from a person other than the
18 broker under whom she was at the time licensed.

19 5.

20 On or about September 13, 1995, a representative of the
21 Department completed his audit of the books and records of
22 Respondent ALEXANDER dba Omega, with respect to activities
23 requiring a real estate license for the period from January 1, 1995
24 through July 31, 1996. That audit determined that Respondent
25 ARMSTRONG, doing business as Omega Funding, was operating in
26 violation of several Code Sections and Regulations from Chapter 6,
27 Title 10, California Code of Regulations (Regulations) as set forth

1 below:

2 (a) Respondent ARMSTRONG failed to review, initial and
3 date documents prepared by employees of Omega which would have a
4 material bearing on the rights of borrowers or lenders including
5 but not limited to ~~escrow instructions and closing statements~~ loan
6 applications and Mortgage Loan Broker Statements in willful
7 violation of Regulation 2725.

8 (b) Respondent ARMSTRONG, doing business as Omega
9 Funding, failed to inform the Department he was doing business at,
10 or to obtain a branch office license for 14425 Seventh Street,
11 Suite J, Victorville, California, in willful violation of Code
12 Section 10163 and Regulation ~~2731~~ 2715.

13 (c) Respondent ARMSTRONG failed to timely inform the
14 Department of his employment of Respondents OCHOA, in willful
15 violation of Regulation 2752.

16 (d) When negotiating loans, Respondent ARMSTRONG failed
17 to deliver to borrowers a statement in writing, containing all the
18 information required by Code Section 10241 and Regulation 2840 in
19 willful violation of Code Section 10240 and Regulations 2840 and
20 2842.5.

21
22 6.

23 Respondent ARMSTRONG knew or should have known that the
24 above violations occurred or were occurring. Respondent ARMSTRONG
25 failed to exercise reasonable supervision over the activities of
26 employees of Omega Funding for which a real estate license was
27 required so as to prevent the violations.



7.

1
2 The conduct or omissions of Respondent ARMSTRONG as set
3 forth above subject his real estate licenses and license rights to
4 suspension or revocation under the following Code Sections:

5 (a) 10137 for employing or compensating Respondent OCHOA
6 for performing acts requiring a real estate license while not
7 licensed to Respondent ARMSTRONG.

8 (b) 10177(d) for willful violations of the following
9 Code Sections and Regulations:

10 (i) Regulation 2725 for failure to review, initial
11 and date documents, as set forth in paragraph 5(a) above.

12 (ii) Code Section 10163 and Regulation ~~2731~~ 2715
13 for failure to obtain a branch office license for 14425 Seventh
14 Street, Suite J. Victorville, California, as set forth in paragraph
15 5(b), above.

16 (iii) Regulation 2752 for failure to inform the
17 Department of the employment of Respondent OCHOA, as set forth in
18 paragraph 5(c), above.

19 (iv) Code Section 10240 and Regulations 2840 and/or
20 2842.5 for failure to provide to borrowers Mortgage Loan Disclosure
21 Statements (Borrower), as set forth in paragraph 5(d), above.

22 (c) Code Section 10177(h) for failure to exercise
23 reasonable supervision over the activities of employees of Omega
24 Funding, as set forth in paragraph 6, above.

25 8.

26 The conduct or omissions of Respondent OCHOA as set forth
27 above subject her real estate licenses and license rights to



1 suspension or revocation under Code Section 10137 for accepting
2 employment from any person other than the broker under whom she was
3 at the time licensed, as set forth in paragraph 5 4, above.

4 WHEREFORE, Complainant prays that a hearing be conducted
5 on the allegations of this Accusation and that upon proof thereof,
6 a decision be rendered imposing disciplinary action against all
7 licenses and/or license rights of JERRY LEE ARMSTRONG, individually
8 and doing business as Omega Funding and Omega Professional Services
9 and as designated officer of Bactel International Inc and
10 ALEJANDRINA OCHOA, under the Real Estate Law and for such other and
11 further relief as may be proper under applicable provisions of law.

12 Dated at Los Angeles, California this 16th day of January, 1998.
13
14

15 THOMAS McCRADY

16 Thomas McCrady
17 Deputy Real Estate Commissioner
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22

23 cc: Jerry Lee Armstrong
24 Alejandrina Ochoa
25 MB
Sacto

26 SC/sc
27



SACTO

FILED
MAY 13 1997

DEPARTMENT OF REAL ESTATE

By *[Signature]*

1 Sean Crahan, Counsel
Department of Real Estate
2 107 South Broadway, Room 8107
Los Angeles, CA 90012
3 California Bar #49351
4 (213) 897-3937

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-27189 LA
JERRY LEE ARMSTRONG,)	F I R S T A M E N D E D
individually, dba Omega)	A C C U S A T I O N
Funding, dba Omega)	
Professional Services and as)	
designated officer of Bactel)	
International, Inc. and)	
ALEJANDRINA OCHOA,)	
Respondents.)	

17 The Complainant, Thomas McCrady, a Deputy Real Estate
18 Commissioner of the State of California, for cause of accusation
19 against JERRY LEE ARMSTRONG, individually and doing business as
20 Omega Funding and Omega Professional Services and as designated
21 officer of Bactel International Inc and ALEJANDRINA OCHOA, amends
22 the accusation filed on May 8, 1997 in its entirety, by adding the
23 underscored portions, and alleging as follows:

24 1.

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

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12 2.

At all times mentioned herein, JERRY LEE ARMSTRONG is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code, hereinafter referred to as the "Code"). At all times mentioned herein, Respondent ARMSTRONG was and still is licensed by the Department as a real estate broker both individually and doing business as Omega Funding (hereafter Omega) from January 19, 1995 to August 23, 1996 and Omega Professional Services until September 16, 1996 and as designated officer of Bactel International Inc from June 11, 1996 to the present.

13 3.

At all times mentioned herein, ALEJANDRINA OCHOA (hereafter Respondent OCHOA or OCHOA) is presently licensed and/or has license rights under the Real Estate Law.

16 (a) At all times mentioned herein, Respondent OCHOA was
17 and still is licensed by the Department as a real estate
18 salesperson.

19 (b) Between April 3, 1995 through June 9, 1996,
20 Respondent OCHOA was licensed to Diamond Coast Federal Inc. From
21 July 23, 1996 through October 3, 1996, Respondent OCHOA was
22 licensed to Respondent ARMSTRONG

23 (c) Respondent OCHOA's sales license was suspended on
24 October 3, 1996 for her failure to complete the education courses
25 required pursuant to Code Section 10153.4

26 (d) At no time herein mentioned was Respondent OCHOA
27 licensed as a real estate broker.



1 4.

2 Respondent ARMSTRONG, dba Omega, employed or compensated
3 Respondent OCHOA to solicit and negotiate with prospective
4 borrowers in the following proposed secured loan transactions:

5 Borrower:	Date of Application:	Property:
6 Marcelino Garza	2-9-95	13359 Tutelo Road.
7 Thelma Evans	5-4-95	16771 D Street

8 In soliciting and negotiating with borrowers, Respondent OCHOA was
9 performing acts requiring a real estate license. Respondent OCHOA
10 was at no time licensed as a real estate broker. Respondent OCHOA
11 accepted employment and compensation from a person other than the
12 broker under whom she was at the time licensed.

13 5.

14 On or about September 13, 1995, a representative of the
15 Department completed his audit of the books and records of
16 Respondent ALEXANDER dba Omega, with respect to activities
17 requiring a real estate license for the period from January 1, 1995
18 through July 31, 1996. That audit determined that Respondent
19 ARMSTRONG, doing business as Omega Funding, was operating in
20 violation of several Code Sections and Regulations from Chapter 6,
21 Title 10, California Code of Regulations (Regulations) as set forth
22 below:

23 (a) Respondent ARMSTRONG failed to review, initial and
24 date documents prepared by employees of Omega which would have a
25 material bearing on the rights of borrowers or lenders including
26 but not limited to escrow instructions and closing statements in
27 willful violation of Regulation 2725.



1 (b) Respondent ARMSTRONG, doing business as Omega
2 Funding, failed to obtain a branch office license for 14425 Seventh
3 Street, Suite J, Victorville, California, in willful violation of
4 Code Section 10163 and Regulation 2731.

5 (c) Respondent ARMSTRONG failed to timely inform the
6 Department of his employment of Respondents OCHOA, in willful
7 violation of Regulation 2752.

8 (d) When negotiating loans, Respondent ARMSTRONG failed
9 to deliver to borrowers a statement in writing, containing all the
10 information required by Code Section 10241 and Regulation 2840 in
11 willful violation of Code Section 10240 and Regulation 2840.

12 6.

13 Respondent ARMSTRONG knew or should have known that the
14 above violations occurred or were occurring. Respondent ARMSTRONG
15 failed to exercise reasonable supervision over the activities of
16 employees of Omega Funding for which a real estate license was
17 required so as to prevent the violations.

18 7.

19 The conduct or omissions of Respondent ARMSTRONG as set
20 forth above subject his real estate licenses and license rights to
21 suspension or revocation under the following Code Sections:

22 (a) 10137 for employing or compensating Respondent OCHOA
23 for performing acts requiring a real estate license while not
24 licensed to Respondent ARMSTRONG.

25 (b) 10177(d) for willful violations of the following
26 Code Sections and Regulations:
27



1 (i) Regulation 2725 for failure to review, initial
2 and date documents, as set forth in paragraph 5(a) above.

3 (ii) Code Section 10163 and Regulation 2731 for
4 failure to to obtain a branch office license for 14425 Seventh
5 Street, Suite J. Victorville, California, as set forth in paragraph
6 5(b), above.

7 (iii) Regulation 2752 for failure to inform the
8 Department of the employment of Respondents OCHOA, as set forth in
9 paragraph 5(c), above.

10 (iv) Code Section 10240 and Regulation 2840 for
11 failure to provide to borrowers Mortgage Loan Disclosure Statements
12 (Borrower), as set forth in paragraph 5(d), above.

13 (c) Code Section 10177(h) for failure to exercise
14 reasonable supervision over the activities of employees of Omega
15 Funding, as set forth in paragraph 6, above.

16 8.

17 The conduct or omissions of Respondent OCHOA as set forth
18 above subject her real estate licenses and license rights to
19 suspension or revocation under Code Section 10137 for accepting
20 employment from any person other than the broker under whom she was
21 at the time licensed, as set forth in paragraph 4, above.

22 WHEREFORE, Complainant prays that a hearing be conducted
23 on the allegations of this Accusation and that upon proof thereof,
24 a decision be rendered imposing disciplinary action against all
25 licenses and/or license rights of JERRY LEE ARMSTRONG, individually
26 and doing business as Omega Funding and Omega Professional Services
27 and as designated officer of Bactel International Inc and

1 ALEJANDRINA OCHOA, under the Real Estate Law and for such other and
2 further relief as may be proper under applicable provisions of law.

3
4 Dated at Los Angeles, California this 13th day of May, 1997.

5
6 THOMAS MC CRADY

7 Thomas McCrady
8 Deputy Real Estate Commissioner

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cc: Jerry Lee Armstrong
Alejandrina Ochoa
MB
Sacto

SC/sc



Sacto

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

FILED
DEC - 5 1997
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of) Case No. H-27189 LA
) OAH No. L-1997050447
JERRY LEE ARMSTRONG &)
ALEJANDRINA OCHOA,)
Respondents.)

By Laura B. Crowe

NOTICE OF FURTHER 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 Office of Administrative Hearings, 107 South Broadway, 2nd Floor, Los Angeles, California, on JANUARY 9, 1998, at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of hearing.

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 and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: DEC - 5 1997

DEPARTMENT OF REAL ESTATE

By: Sean Crahan
SEAN CRAHAN, Counsel

cc: Jerry Lee Armstrong
Alejandrina Ochoa
Robert J. Huston, III, Esq.
ALJ Magnuson
Sacto., OAH

*Jerry
Hoy*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUN 25 1997
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of) Case No. H-27189 LA
) OAH No. L-1997050447
JERRY LEE ARMSTRONG &)
ALEJANDRINA OCHOA,)
Respondents)

By Lana B. Orona

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 Office of Administrative Hearings, 107 South Broadway, 2nd Floor, Los Angeles, California, NOVEMBER 25, 1997, 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.

Dated: JUN 25 1997

DEPARTMENT OF REAL ESTATE

By: Sean Crahan
SEAN CRAHAN, Counsel

cc: Jerry Lee Armstrong
Alejandrina Ochoa
Sacto.
OAH

SACTO

1 Sean Crahan, Counsel
Department of Real Estate
2 107 South Broadway, Room 8107
Los Angeles, CA 90012
3 California Bar #49351
4 (213) 897-3937
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FILED
MAY 08 1997

DEPARTMENT OF REAL ESTATE

By *Thomas McCrady*

10 DEPARTMENT OF REAL ESTATE
11 STATE OF CALIFORNIA

12 * * * *

13 In the Matter of the Accusation of) No. H-27189 LA
14 JERRY LEE ARMSTRONG,) A C C U S A T I O N
individually, dba Omega)
15 Funding, dba Omega)
Professional Services and as)
16 designated officer of Bactel)
International, Inc. and)
17 ALEJANDRINA OCHOA,)
18 Respondents.)
19

20 The Complainant, Thomas McCrady, a Deputy Real Estate
21 Commissioner of the State of California, for cause of accusation
22 against JERRY LEE ARMSTRONG, individually and doing business as
23 Omega Funding and Omega Professional Services and as designated
24 officer of Bactel International Inc and ALEJANDRINA OCHOA, alleges
25 as follows:

26 1.

27 The Complainant, Thomas McCrady, a Deputy Real Estate

1 Commissioner of the State of California, makes this Accusation in
2 his official capacity.

3 2.

4 At all times mentioned herein, JERRY LEE ARMSTRONG is
5 presently licensed and/or has license rights under the Real Estate
6 Law (Part 1 of Division 4 of the California Business and
7 Professions Code, hereinafter referred to as the "Code"). At all
8 times mentioned herein, Respondent ARMSTRONG was and still is
9 licensed by the Department as a real estate broker both
10 individually and doing business as Omega Funding (hereafter Omega)
11 from January 19, 1995 to August 23, 1996 and Omega Professional
12 Services until September 16, 1996 and as designated officer of
13 Bactel International Inc from June 11, 1996 to the present.

14 3.

15 At all times mentioned herein, ALEJANDRINA OCHOA
16 (hereafter Respondent OCHOA or OCHOA) is presently licensed and/or
17 has license rights under the Real Estate Law.

18 (a) At all times mentioned herein, Respondent OCHOA was
19 and still is licensed by the Department as a real estate
20 salesperson.

21 (b) Between April 3, 1995 through June 9, 1996,
22 Respondent OCHOA was licensed to Diamond Coast Federal Inc. From
23 July 23, 1996 through October 3, 1996, Respondent OCHOA was
24 licensed to Respondent ARMSTRONG

25 (c) Respondent OCHOA's sales license was suspended on
26 October 3, 1996 for her failure to complete the education courses
27 required pursuant to Code Section 10153.4

1 (d) At no time herein mentioned was Respondent OCHOA
2 licensed as a real estate broker.

3 4.

4 Respondent ALEXANDER, dba Omega, employed or compensated
5 Respondent OCHOA to solicit and negotiate with prospective
6 borrowers in the following proposed secured loan transactions:

7 Borrower:	Date of Application:	Property:
8 Marcelino Garza	2-9-95	13359 Tutelo Road.
9 Thelma Evans	5-4-95	16771 D Street

10 In soliciting and negotiating with borrowers, Respondent OCHOA was
11 performing acts requiring a real estate license. Respondent OCHOA
12 was at no time licensed as a real estate broker. Respondent OCHOA
13 accepted employment and compensation from a person other than the
14 broker under whom she was at the time licensed.

15 5.

16 On or about September 13, 1995, a representative of the
17 Department completed his audit of the books and records of
18 Respondent ALEXANDER dba Omega, with respect to activities
19 requiring a real estate license for the period from January 1, 1995
20 through July 31, 1996. That audit determined that Respondent
21 ARMSTRONG, doing business as Omega Funding, was operating in
22 violation of several Code Sections and Regulations from Chapter 6,
23 Title 10, California Code of Regulations (Regulations) as set forth
24 below:

25 (a) Respondent ARMSTRONG failed to review, initial and
26 date documents prepared by employees of Omega which would have a
27 material bearing on the rights of borrowers or lenders including

1 but not limited to escrow instructions and closing statements in
2 willful violation of Regulation 2725.

3 (b) Respondent ARMSTRONG, doing business as Omega
4 Funding, failed to obtain a branch office license for 14425 Seventh
5 Street, Suite J, Victorville, California, in willful violation of
6 Code Section 10163 and Regulation 2731.

7 (c) Respondent ARMSTRONG failed to timely inform the
8 Department of his employment of Respondents OCHOA, in willful
9 violation of Regulation 2752.

10 (d) When negotiating loans, Respondent ARMSTRONG failed
11 to deliver to borrowers a statement in writing, containing all the
12 information required by Code Section 10241 and Regulation 2840 in
13 willful violation of Code Section 10240 and Regulation 2840.

14 6.

15 Respondent ARMSTRONG knew or should have known that the
16 above violations occurred or were occurring. Respondent ARMSTRONG
17 failed to exercise reasonable supervision over the activities of
18 employees of Omega Funding for which a real estate license was
19 required so as to prevent the violations.

20 7.

21 The conduct or omissions of Respondent ARMSTRONG as set
22 forth above subject his real estate licenses and license rights to
23 suspension or revocation under the following Code Sections:

24 (a) 10177(d) for willful violations of the following
25 Code Sections and Regulations:

26 (i) Regulation 2725 for failure to review, initial
27 and date documents, as set forth in paragraph 5(a) above.

1 (ii) Code Section 10163 and Regulation 2731 for
2 failure to to obtain a branch office license for 14425 Seventh
3 Street, Suite J. Victorville, California, as set forth in paragraph
4 5(b), above.

5 (iii) Regulation 2752 for failure to inform the
6 Department of the employment of Respondents OCHOA, as set forth in
7 paragraph 5(c), above.

8 (iv) Code Section 10240 and Regulation 2840 for
9 failure to provide to borrowers Mortgage Loan Disclosure Statements
10 (Borrower), as set forth in paragraph 5(d), above.

11 (b) Code Section 10177(h) for failure to exercise
12 reasonable supervision over the activities of employees of Omega
13 Funding, as set forth in paragraph 6, above.

14 8.

15 The conduct or omissions of Respondent OCHOA as set forth
16 above subject her real estate licenses and license rights to
17 suspension or revocation under Code Section 10137 for accepting
18 employment from any person other than the broker under whom she was
19 at the time licensed, as set forth in paragraph 4, above.

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon proof
3 thereof, a decision be rendered imposing disciplinary action
4 against all licenses and/or license rights of JERRY LEE ARMSTRONG,
5 individually and doing business as Omega Funding and Omega
6 Professional Services and as designated officer of Bactel
7 International Inc and ALEJANDRINA OCHOA, under the Real Estate Law
8 and for such other and further relief as may be proper under
9 applicable provisions of law.

10 Dated at Los Angeles, California this 8th day of May, 1997.
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THOMAS MC GRADY
Thomas McCrady
Deputy Real Estate Commissioner

cc: Jerry Lee Armstrong
 Alejandrina Ochoa
 MB
 Sacto

SC/sc