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FILED
MAY - 6 1999
DEPARTMENT OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	NO. H-27248 LA
)	
SCOT WILLIAM HARVEY,)
)	
Respondent.)
)	

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

TO: SCOT WILLIAM HARVEY

On July 22, 1998, a restricted real estate broker license was issued by the Department of Real Estate to respondent on the terms, conditions and restrictions set forth in the Real Estate Commissioner's Order of March 23, 1998, in case No. H-27248 LA. The Order, which was effective April 22, 1998, granted the right to the issuance of a restricted real estate broker license subject to the provisions of Section 10156.7 of the Business and Professions Code and to enumerated additional terms, conditions and restrictions imposed under authority of Section 10156.6 of said Code. Among those terms,

1 conditions and restrictions, you were required to present
2 evidence satisfactory to the Real Estate Commissioner, within
3 nine (9) months from the effective date of the Order, that since
4 the most recent issuance of your original or renewal real estate
5 license, you have taken and successfully completed the continuing
6 education requirements of Article 2.5 of Chapter 3 of the Real
7 Estate Law for renewal of a real estate license. The
8 Commissioner has determined that as of January 22, 1999, you have
9 failed to satisfy this condition, and as such, you are in
10 violation of Section 10177(k) of the Business and Professions
11 Code. (You have no right to renew your restricted license if
12 this condition isn't satisfied by the date of its expiration.
13 Section 10156.7 of the Business and Professions Code.)

14 NOW, THEREFORE, IT IS ORDERED under authority of
15 Section 10156.7 of the Business and Professions Code of the State
16 of California that the restricted real estate broker license
17 heretofore issued to respondent and the exercise of any
18 privileges thereunder is hereby suspended until such time as you
19 provide proof satisfactory to the Department of compliance with
20 the "condition(s)" referred to above, or pending final
21 determination made after hearing (see "Hearing Rights" set forth
22 below).

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27 /

1 IT IS FURTHER ORDERED that all license certificates and
2 identification cards issued by Department which are in the
3 possession of respondent be immediately surrendered by personal
4 delivery or by mailing in the enclosed, self-addressed envelope
5 to:

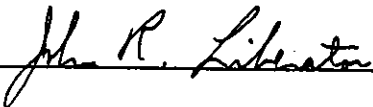
6 Department of Real Estate
7 Attn: Flag Section
8 P. O. Box 187000
9 Sacramento, CA 95818-7000

10 HEARING RIGHTS: Pursuant to the provisions of Section
11 10156.7 of the Business and Professions Code, you have the right
12 to a hearing to contest the Commissioner's determination that you
13 are in violation of Section 10177(k). If you desire a hearing,
14 you must submit a written request. The request may be in any
15 form, as long as it is in writing and indicates that you want a
16 hearing. Unless a written request for a hearing, signed by or on
17 behalf of you, is delivered or mailed to the Department at 320
18 West Fourth Street, Suite 350, Los Angeles, California 90013,
19 within 20 days after the date that this Order was mailed to or
20 served on you, the Department will not be obligated or required
21 to provide you with a hearing.

22 This Order shall be effective immediately.

23 DATED: April 29, 1999

24 JOHN R. LIBERATOR
25 Acting Real Estate Commissioner

26 
27



Sachs Day

1 Department of Real Estate
2 107 South Broadway, Room 8107
3 Los Angeles, California 90012

FILED
APR - 2 1998
DEPARTMENT OF REAL ESTATE

By *Lana B. Luna*

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-27248 LA
12	SCOT WILLIAM HARVEY, individually,)	
13	dba Greenleaf Financial, Greenleaf)	
14	Realty, Monrovia Mortgage, Times)	
15	Square Financial and as designated)	
16	officer of LSL Resources, Inc.,)	
17	Space Age Realty Corp., Equity)	
18	Capital Mortgage Funding, Darcorp)	
19	Management Group, Inc.,)	
20	Agency Publication & Information)	
21	Clearinghouse, LSL Resources, Inc.,)	
22	and Alcohol Enterprises, Inc.;)	
23	LSL RESOURCES, INC., a California)	
	corporate broker, dba First)	
	California Mortgage Bankers,;)	
	EQUITY CAPITAL MORTGAGE FUNDING,)	
	a California corporate broker; and)	
	and SPACE AGE REALTY CORP., a)	
	California corporate broker dba)	
	California Discount Mortgage and)	
	Realty Network,)	
	Respondents.)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

24
25 On July 2, 1997, an Accusation was filed in this matter
26 against Respondent LSL RESOURCES, INC.
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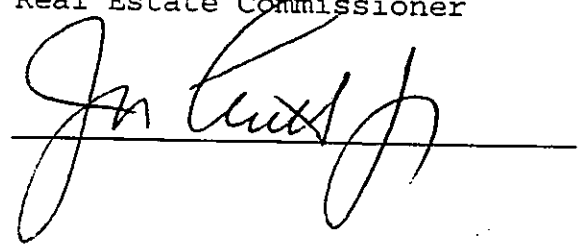
On March 2, 1998, Respondent LSL RESOURCES, INC., petitioned the Commissioner to voluntarily surrender its real estate broker licenses and license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent LSL RESOURCES, INC.'s petition for voluntary surrender of its real estate broker licenses and all license rights appurtenant thereto is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated March 2, 1998 (attached as Exhibit "A" hereto).

This Order shall become effective at 12 o'clock noon on April 22, 1998.

DATED: 3/24, 1998

JIM ANTT, JR.
Real Estate Commissioner



SC/sc

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

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8 DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-27248 LA
12 SCOT WILLIAM HARVEY, individually,)
13 dba Greenleaf Financial, Greenleaf)
14 Realty, Monrovia Mortgage, Times)
15 Square Financial and as designated)
16 officer of LSL Resources, Inc.,)
17 Space Age Realty Corp., Equity)
18 Capital Mortgage Funding, Darcorp)
19 Management Group, Inc.,)
20 Agency Publication & Information)
21 Clearinghouse, LSL Resources, Inc.,)
22 and Alcohol Enterprises, Inc.;)
23 LSL RESOURCES, INC., a California)
24 corporate broker, dba First)
25 California Mortgage Bankers,;)
26 EQUITY CAPITAL MORTGAGE FUNDING,)
27 a California corporate broker; and)
and SPACE AGE REALTY CORP., a)
California corporate broker dba)
California Discount Mortgage and)
Realty Network,)
Respondents.)

24 DECLARATION

25 My name is Don Slaughter. I am President of LSL
26 RESOURCES, INC., a Respondent in the above-entitled case and have

27


1 authority to surrender the real estate license of LSL RESOURCES,
2 INC. LSL RESOURCES, INC., is represented by Michael Overing, Esq.

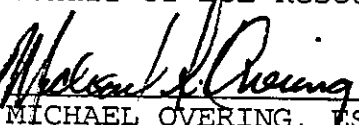
3 Pursuant to Business and Professions Code Section
4 10100.2, I wish to voluntarily surrender all real estate licenses,
5 and all license rights, issued by the Department to LSL RESOURCES,
6 INC. I, on behalf of LSL RESOURCES, INC., understand that by so
7 voluntarily surrendering its real estate licenses and license
8 rights, it agrees to the following:

9 The filing of a petition by me or by LSL RESOURCES, INC.
10 shall be deemed to be an understanding and agreement by it that
11 upon acceptance by the Commissioner, as evidenced by an
12 appropriate order, all affidavits and all relevant evidence
13 obtained in the investigation prior to the acceptance and all
14 allegations contained in the Accusation filed in Department of
15 Real Estate Case No. H-27248 LA may be considered by the
16 Department to be true and correct for the purpose of deciding
17 whether or not to grant reinstatement of LSL RESOURCES, INC's
18 license.

19 I declare under penalty of perjury under the laws of the
20 State of California that the above is true and correct.

21 DATED: ~~February~~ **MARCH** 2, 1998, at Los Angeles, California.

22
23
24 
Don Slaughter, President, on
behalf of LSL Resources, Inc.

25
26 
MICHAEL OVERING, ESQ.
Counsel for
LSL Resources, Inc.,
27 approved as to form.

1 Department of Real Estate
107 South Broadway, Room 8107
2 Los Angeles, California, 90012
3 (213) 897-3937

FILED
APR - 2 1998
DEPARTMENT OF REAL ESTATE

By Janis B. Crane

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

11 In the Matter of the Accusation of)
12 SCOT WILLIAM HARVEY, individually,)
13 dba Greenleaf Financial, Greenleaf)
14 Realty, Monrovia Mortgage, Times)
15 Square Financial and as designated)
16 officer of LSL Resources, Inc.,)
17 Space Age Realty Corp., Equity)
18 Capital Mortgage Funding, Darcorp)
19 Management Group, Inc.,)
20 Agency Publication & Information)
21 Clearinghouse, LSL Resources, Inc.,)
22 and Alcohol Enterprises, Inc.;)
23 LSL RESOURCES, INC., a California)
24 corporate broker, dba First)
25 California Mortgage Bankers,;)
26 EQUITY CAPITAL MORTGAGE FUNDING,)
27 a California corporate broker; and)
and SPACE AGE REALTY CORP., a)
California corporate broker dba)
California Discount Mortgage and)
Realty Network,)
Respondents.)

No. H-27248 LA

STIPULATION AND AGREEMENT

It is hereby stipulated by and between SCOT WILLIAM HARVEY (hereafter HARVEY) and the Complainant, acting by and through Sean Crahan, Counsel for the Department of Real Estate, as

1 follows for the purpose of settling and disposing of the Accusation
2 filed on July 2, 1997, in this matter:

3 1. All issues which were to be contested and all
4 evidence which was to be presented by Complainant and Respondents
5 at a formal hearing on the Accusation, which hearing was to be held
6 in accordance with the provisions of the Administrative Procedure
7 Act (APA), shall instead and in place thereof be submitted solely
8 on the basis of the provisions of this Stipulation And Agreement
9 (hereafter Stipulation).

10 2. Respondents have received, read and understand the
11 Statement to Respondent, the Discovery Provisions of the APA and
12 the Accusation, filed by the Department of Real Estate in this
13 proceeding.

14 3. On July 24 and August 14, 1997, Respondent HARVEY
15 filed a Notice of Defense pursuant to Section 11506 of the
16 Government Code for the purpose of requesting a hearing on the
17 allegations in the Accusation. Respondent hereby freely and
18 voluntarily withdraws said Notice of Defense. Respondent
19 acknowledges that he understands that by withdrawing said Notices
20 of Defense, he will thereby waive his right to require the
21 Commissioner to prove the allegations in the Accusation at a
22 contested hearing held in accordance with the provisions of the APA
23 and that he will waive other rights afforded to him in connection
24 with the hearing such as the right to present evidence in defense
25 of the allegations in the Accusation and the right to cross-examine
26 witnesses.

27 4. Respondent, pursuant to the limitations set forth



1 below, hereby admits that the factual allegations in Paragraphs one
2 (1) through ten (10) in the Accusation filed in this proceeding are
3 true and correct and the Real Estate Commissioner shall not be
4 required to provide further evidence to prove such allegations.

5 5. It is understood by the parties that the Real Estate
6 Commissioner may adopt the Order in this Stipulation as his
7 Decision in this matter thereby imposing the penalty and sanctions
8 on Respondents' real estate licenses and/or license rights as set
9 forth in the below Order. In the event that the Commissioner in
10 his discretion does not adopt the Stipulation, the Stipulation And
11 Agreement shall be void and of no effect, and Respondent shall
12 retain the right to a hearing and proceeding on the Accusation
13 under all the provisions of the APA and shall not be bound by any
14 admission or waiver made herein.

15 7. The Order or any subsequent Order of the Real Estate
16 Commissioner made pursuant to this Stipulation shall not constitute
17 an estoppel, merger or bar to any further administrative or civil
18 proceedings by the Department of Real Estate with respect to any
19 matters which were not specifically alleged to be causes for
20 accusation in this proceeding.

21 DETERMINATION OF ISSUES

22 By reason of the foregoing stipulations and waivers, made
23 solely for the purpose of settlement of the pending Accusation
24 without a hearing, it is stipulated and agreed that the following
25 Determination of Issues shall be made:

26 The conduct or omissions of Respondent SCOT WILLIAM
27 HARVEY, as set forth in one (1) through ten (10) in the Accusation,

1 constitute cause to suspend or revoke his real estate broker
2 license and/or license rights under the provisions of Code Section
3 10177(d) for violation of Code Sections 10159.2, 10159.5, 10160,
4 10161.8 and 10240 and Regulations 2715, 2725, 2731, 2752, 2753 and
5 2840.

6 ORDER

7 WHEREFORE, THE FOLLOWING ORDER is hereby made:

8 All licenses and license rights of Respondent SCOT
9 WILLIAM HARVEY under Part 1 of Division 4 of the Business and
10 Professions Code are revoked; provided, however, a restricted real
11 estate broker license shall be issued to Respondent SCOT WILLIAM
12 HARVEY pursuant to Section 10156.5 of the Code if Respondent SCOT
13 WILLIAM HARVEY (HARVEY) makes application therefor and pays to the
14 Department of Real Estate the appropriate fee for said licenses
15 within ninety (90) days from the effective date of the Decision.
16 The restricted license issued to Respondent HARVEY shall be subject
17 to all of the provisions of Section 10156.7 of the Business and
18 Professions Code and to the following limitations, conditions and
19 restrictions imposed under authority of Section 10156.6 of said
20 Code:

21 A. The restricted license may be suspended prior to
22 hearing by order of the Real Estate Commissioner in the event of
23 Respondent HARVEY's conviction or plea of nolo contendere to a
24 crime which bears a significant relation to Respondent's fitness or
25 capacity as a real estate licensee.

26 B. The restricted license may be suspended prior to
27 hearing by Order of the Real Estate Commissioner on evidence

1 satisfactory to the Commissioner that Respondent HARVEY has
2 violated provisions of the California Real Estate Law, the
3 Subdivided Lands Law, Regulations of the Real Estate Commissioner,
4 or the conditions attaching to these restricted licenses.

5 C. Respondent HARVEY shall not, during the time he holds
6 a restricted license, become an officer or designated officer of a
7 corporate broker. Respondent HARVEY shall not, during the time he
8 holds a restricted license become the broker for a business under a
9 fictitious business name, unless he owns 51 or more percent of such
10 corporation or business.

11 D. Respondent HARVEY shall report in writing to the
12 Department of Real Estate as the Real Estate Commissioner shall
13 direct by his Decision herein or by separate written order issued
14 while Respondent holds a restricted license, such information
15 concerning Respondent's activities for which a real estate license
16 is required as the Commissioner shall deem to be appropriate to
17 protect the public interest.

18 E. Respondent HARVEY shall not be eligible to apply for
19 the issuance of an unrestricted real estate license nor the removal
20 of any of the conditions, limitations or restrictions of a
21 restricted license until two (2) years have elapsed from the date
22 of issuance of the restricted license to Respondent.

23 F. Respondent HARVEY shall, within nine (9) months from
24 the effective date of this Decision, present evidence satisfactory
25 to the Real Estate Commissioner that Respondent has, since the most
26 recent issuance of an original or renewal real estate license,
27 taken and successfully completed the continuing education

1 requirements of Article 2.5 of Chapter 3 of the Real Estate Law for
2 renewal of a real estate license. If Respondent HARVEY fails to
3 satisfy this condition, the Commissioner may order the suspension
4 of the restricted license until the Respondent presents such
5 evidence. The Commissioner shall afford Respondent the opportunity
6 for a hearing pursuant to the Administrative Procedure Act to
7 present such evidence.

8 G. Respondent HARVEY shall, within six months from the
9 effective date of this Decision, take and pass the Professional
10 Responsibility Examination administered by the Department including
11 payment of the appropriate examination fee. If Respondent fails to
12 satisfy this condition, the Commissioner may order suspension of
13 Respondent HARVEY's license until he passes the examination.

14 * * * * *

15 I have read the Stipulation And Agreement, and its terms
16 are understood by me and are agreeable and acceptable to me. I
17 understand that I am waiving rights given to me by the California
18 Administrative Procedure Act (including but not limited to Sections
19 11506, 11508, 11509 and 11513 of the Government Code), and I
20 willingly, intelligently and voluntarily waive those rights,
21 including the right of requiring the Commissioner to prove the
22 allegations in the Accusation at a hearing at which I would have
23 the right to cross-examine witnesses against me and to present
24 evidence in defense and mitigation of the charges.

25
26 DATED: 2-2-98

Scot William Harvey
27 SCOT WILLIAM HARVEY, Respondent,



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DATED: 3-5-98

Sean Crahan
SEAN CRAHAN, Counsel for
Complainant.

* * * * *

The foregoing Stipulation And Agreement is hereby adopted
as my Decision as to Respondents SCOT WILLIAM HARVEY and shall
become effective at 12 o'clock noon on April 22, 1998.

IT IS SO ORDERED 3/23 1998.

JIM ANTT, JR.
Real Estate Commissioner
J. Antt, Jr.

Santa Ana

FILED
MAR 17 1998
DEPARTMENT OF REAL ESTATE

By *Jenna B. Cune*

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-27248 LA
<u>SCOT WILLIAM HARVEY</u> , individually,)	
dba Greenleaf Financial, Greenleaf)	
Realty, Monrovia Mortgage, Times)	
Square Financial and as designated)	
officer of LSL Resources, Inc.,)	
Space Age Realty Corp., Equity)	
Capital Mortgage Funding, Darcorp)	
Management Group, Inc.,)	
Agency Publication & Information)	
Clearinghouse, LSL Resources, Inc.,)	
and Alcohol Enterprises, Inc.;)	
<u>LSL RESOURCES, INC.</u> , a California)	
corporate broker, dba First)	
California Mortgage Bankers,;)	
<u>EQUITY CAPITAL MORTGAGE FUNDING</u> ,)	
a California corporate broker; and)	
and <u>SPACE AGE REALTY CORP.</u> , a)	
California corporate broker dba)	
California Discount Mortgage and)	
Realty Network,)	
Respondents.)	

DECISION AFTER DEFAULT

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on

evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on February 24, 1998, and the findings of fact set forth herein are based on one or more of the following: (1) respondent's express admissions; (2) affidavits; and (3) other evidence.

The right to reinstatement of a revoked real estate license is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

FINDINGS OF FACT

I

(a) On July 2, 1997, Thomas Mc Crady made the Accusation in his official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, Provisions Relating to Discovery and Notice of Defense were mailed, by certified mail, to respondents Equity Capital Mortgage Funding's and Space Age Realty Corp's. last known mailing addresses on file with the Department on July 2, 1997.

(b) The Accusation, Statement to Respondent, Provisions Relating to Discovery and Notice of Defense were mailed by regular mail to both respondents Equity Capital Mortgage Funding's and Space Age Realty Corp's. last known mailing addresses on file with the Department on August 15, 1997.

(c) Both mailings to Space Age Realty Corp. were returned by the US Post O with the notation "Space Age Realty Cor moved left no address unable to forward.."

(d) On February 24, 1998, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, respondent Equity Capital Mortgage Funding's and Space Age Realty Corp.'s default were entered herein.

(e) Respondents Scot William Harvey and LSL Resources, Inc., having filed Notices of Defense, are severed from this default proceeding.

II

EQUITY CAPITAL MORTGAGE FUNDING (hereafter Respondent ECMF) 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 (hereafter cited as the Code). At all times herein mentioned, Respondent ECMF was licensed by the Department of Real Estate of the State of

California (hereafter the Department) as a corporate real estate broker.

III

SPACE AGE REALTY CORP. (hereafter Respondent SARC) is presently licensed and/or has license rights under the Real Estate Law, individually and doing business as California Discount Mortgage and doing business as Realty Network. At all times herein mentioned, Respondent SARC was licensed by the Department of Real Estate of the State of California (hereafter the Department) as a corporate real estate broker doing business as California Discount Mortgage and doing business as Realty Network.

IV

From time to time, auditors from the Department examined the books and records of Respondents' activities for which a real estate license was required, during below stated time periods (hereafter the "audit periods"). Those examinations revealed that corporate Respondents EQUITY CAPITAL MORTGAGE FUNDING and SPACE AGE REALTY CORP., during the respective audit periods, violated the following Code Sections and Regulations from Title 10, Chapter 6, California Code of Regulations (hereafter Regulations):

V

EQUITY CAPITAL MORTGAGE FUNDING

Between January 1, 1995 through June 30, 1996, (hereafter ECMF's audit period), Respondent ECMF was engaged in the mortgage loan brokerage business as defined by Code Section 10131(d) in that Respondent ECMF, for or in expectation of compensation, solicited and negotiated with borrowers for loans from third-party lenders secured by real property (secured loans). During the ECMF audit period, Respondent ECMF violated the following Code Sections and Regulations:

(a) Respondent ECMF failed to inform the Department of the termination of sales licensee David D. Hariri and Desiree M. Schubert in willful violation of Code Section 10161.8 and Regulation 2752.

(b) In connection with the business of obtaining loans from third party lenders, Respondent ECMF failed to provide to borrowers Zahoor Alvi, Bessie Anderson, Apithan Thepprasit and Abelino Villagrana, the Mortgage Loan Disclosure Statements (Borrower), in willful violation of Code Section 10240 and Regulation 2840.

VI

SPACE AGE REALTY CORP.

Between January 1, 1995 through May 31, 1996 (hereafter SARC's audit period), Respondent SARC was engaged in the mortgage loan brokerage business as defined by Code Section 10131(d) in that Respondent SARC, for or in expectation of compensation, solicited and negotiated with borrowers for loans from third-party lenders secured by real property (secured loans). During the SARC audit period, Respondent SARC violated the following Code Sections and Regulations:

(a) Respondent SARC failed to inform the Department of the termination of sales licensees, including but not limited to Adolf Asianian, Karen Bahat, Ashwani Chawla, Ricardo Del Rosario and Jean Delavigne, in willful violation of Code Section 10161.8 and Regulation 2752.

(b) In connection with the business of obtaining loans from third party lenders, Respondent SARC failed to provide to borrowers the required the Mortgage Loan Disclosure Statements (Borrower) to borrowers Radha Sharma, Kubera Williams and Bayani Lopez in complete compliance with, and in willful violation of Code Section 10240 and Regulation 2840.

DETERMINATION OF ISSUES

I

The conduct or omissions of Respondent ECMF as set forth above subject its real estate license and license rights to suspension or revocation under Code Section 10177(d) for willful violations of the following Code Sections and Regulations:

(a) Code Section 10161.8 and Regulation 2752 for failure to timely inform the Department of the employment of salespeople, as set forth above in paragraph V(a), above.

(b) Code Section 10240 and Regulation 2840 for failure to provide to borrowers the Mortgage Loan Disclosure Statements, as set forth above in paragraph V(b), above.

II

The conduct or omissions of Respondent SARC as set forth above subject its real estate license and license rights to suspension or revocation under Code Section 10177(d) for willful violations of the following Code Sections and Regulations:

(a) Code Section 10161.8 and Regulation 2752 for failure to timely inform the Department of the termination of sales licensees, as set forth above in paragraph VI(a), above.

(b) Code Section 10240 and Regulation 2840 for failure to provide to borrowers the required Mortgage Loan Disclosure Statements, as set forth above in paragraph VI(b), above.

III

The standard of proof applied was clear and convincing proof to a reasonable certainty.

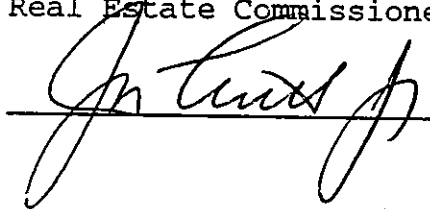
ORDER

All real estate licenses and license rights of Respondents EQUITY CAPITAL MORTGAGE FUNDING and SPACE AGE REALTY CORP. are hereby revoked.

This Decision shall become effective at 12 o'clock noon on April 7, 1998.

DATED: 3/4, 1998.

JIM ANTT, JR.
Real Estate Commissioner



By Saina B. Orma

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

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In the Matter of the Accusation of)
SCOT WILLIAM HARVEY, individually,)
dba Greenleaf Financial, Greenleaf)
Realty, Monrovia Mortgage, Times)
Square Financial and as designated)
officer of LSL Resources, Inc.,)
Space Age Realty Corp., Equity)
Capital Mortgage Funding, Darcorp)
Management Group, Inc.,)
Agency Publication & Information)
Clearinghouse, LSL Resources, Inc.,)
and Alcohol Enterprises, Inc.;)
LSL RESOURCES, INC., a California)
corporate broker, dba First)
California Mortgage Bankers,;)
EQUITY CAPITAL MORTGAGE FUNDING,)
a California corporate broker; and)
and SPACE AGE REALTY CORP., a)
California corporate broker dba)
California Discount Mortgage and)
Realty Network,)
Respondents.)

No. H-27248 LA

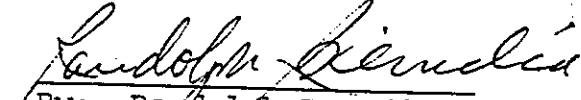
DEFAULT ORDER

Respondents EQUITY CAPITAL MORTGAGE FUNDING and SPACE AGE REALTY CORP. having failed to file Notices of Defense within the time required by Section 11506 of the Government Code, are now in

1 default. It is, therefore, ordered that a default be entered on
2 the record in this matter as to Respondents EQUITY CAPITAL MORTGAGE
3 FUNDING and SPACE AGE REALTY CORP.

4 IT IS SO ORDERED 28 Feb. 1998

5
6 JIM ANTT, JR.
Real Estate Commissioner

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8 
9 By: Randolph Brenda
Regional Manager

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Scot Harvey

FILED
SEP - 3 1997

**BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

By Jana B. Orna

In the Matter of the Accusation of
SCOT WILLIAM HARVEY, et al.,

} Case No. H-27248 LA
} OAH No. L-1997080187

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 107 South Broadway, 2nd Floor, Los Angeles, CA 90012 on MARCH 3, 4, 5, 6, 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 on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the 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.

DEPARTMENT OF REAL ESTATE

Dated: SEP - 3 1997

By Sean Crahan
SEAN CRAHAN, Counsel

RE 501 (Rev. 8/97)

cc: Scot William Harvey
LSL Resources, Inc.
Equity Capital Mortgage Funding
Space Age Realty, Corp.
Sacto.
OAH

*Sacto
Harvey*

FILED
JUL - 2 1997
DEPARTMENT OF REAL ESTATE

Jana B. Crane

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

(213) 897-3937

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-27248 LA
SCOT WILLIAM HARVEY, individually,)	
dba Greenleaf Financial, Greenleaf)	
Realty, Monrovia Mortgage, Times)	
Square Financial and as designated)	
officer of LSL Resources, Inc.,)	<u>A C C U S A T I O N</u>
Space Age Realty Corp., Equity)	
Capital Mortgage Funding, Darcorp)	
Management Group, Inc.,)	
Agency Publication & Information)	
Clearinghouse, LSL Resources, Inc.,)	
and Alcohol Enterprises, Inc.;)	
LSL RESOURCES, INC., a California)	
corporate broker, dba First)	
California Mortgage Bankers,;)	
EQUITY CAPITAL MORTGAGE FUNDING,)	
a California corporate broker; and)	
and SPACE AGE REALTY CORP., a)	
California corporate broker dba)	
California Discount Mortgage and)	
Realty Network,)	
)	
Respondents.)	

The Complainant, Thomas Mc Crady, a Deputy Real Estate Commissioner of the State of California for cause of accusation against SCOT WILLIAM HARVEY, individually, doing business as

1 Greenleaf Financial, doing business as Greenleaf Realty, doing
2 business as Monrovia Mortgage, doing business as Times Square
3 Financial and as designated officer of LSL Resources, Inc., Space
4 Age Realty Corp., Equity Capital Mortgage Funding, Darcorp
5 Management Group, Inc., Agency Publication & Information
6 Clearinghouse, LSL Resources, Inc., and Alcohol Enterprises, Inc.;
7 LSL RESOURCES, INC., a California corporate broker doing business
8 as First California Mortgage Bankers,; EQUITY CAPITAL MORTGAGE
9 FUNDING, a California corporate broker; and SPACE AGE REALTY CORP.,
10 a California corporate broker doing business as California Discount
11 Mortgage and doing business as Realty Network, alleges as follows:

12 1.

13 The Complainant, Thomas Mc Crady, a deputy real estate
14 commissioner, brings this accusation in his official capacity.

15 2.

16 SCOT WILLIAM HARVEY (hereafter Respondent HARVEY) is
17 presently licensed and/or has license rights under the Real Estate
18 Law.

19 (a) At all times herein mentioned, Respondent HARVEY was
20 licensed by the Department as a real estate broker individually,
21 doing business as Greenleaf Financial, doing business as Greenleaf
22 Realty, doing business as Monrovia Mortgage, doing business as
23 Times Square Financial and as designated officer of LSL Resources,
24 Inc., Agency Publication & Information Clearinghouse, Equity
25 Capital Mortgage Funding, Space Age Realty Corp., Darcorp
26 Management Group, Inc., and Alcohol Enterprises, Inc.;

27 /



1 (b) Pursuant to Code Section 10159.2, from on or about
2 May 17, 1994, to the present, Respondent HARVEY was responsible for
3 the supervision of the officers, agents and employees of all
4 corporate Respondents, hereinbelow mentioned, for which a real
5 estate license was required. Pursuant to Code Section 10177(h)
6 Respondent HARVEY was responsible for the supervision of his
7 employees of all fictitious business names licensed to him
8 hereinabove and hereinbelow mentioned, for which a real estate
9 license was required

10 3.

11 LSL RESOURCES, INC. (hereafter Respondent LSL) is
12 presently licensed and/or has license rights under the Real Estate
13 Law, Part 1 of Division 4 of the California Business and
14 Professions Code (hereafter cited as the Code).

15 (a) At all times herein mentioned, Respondent LSL was
16 licensed by the Department of Real Estate of the State of
17 California (hereafter the Department) as a corporate real estate
18 broker doing business as First California Mortgage Bankers.

19 (b) Respondent HARVEY was licensed as the designated
20 officer of Respondent LSL from October 30, 1995 until on or about
21 November 26, 1996

22 4.

23 EQUITY CAPITAL MORTGAGE FUNDING (hereafter Respondent
24 ECMF) is presently licensed and/or has license rights under the
25 Real Estate Law, Part 1 of Division 4 of the California Business
26 and Professions Code (hereafter cited as the Code).

27 /



1 (a) At all times herein mentioned, Respondent ECMF was
2 licensed by the Department of Real Estate of the State of
3 California (hereafter the Department) as a corporate real estate
4 broker.

5 (b) Respondent HARVEY was licensed as the designated
6 officer of Respondent ECMF from February 28, 1995 to the present.

7 5.

8 SPACE AGE REALTY CORP. (hereafter Respondent SARC) is
9 presently licensed and/or has license rights under the Real Estate
10 Law, individually and doing business as California Discount
11 Mortgage and doing business as Realty Network.

12 (a) At all times herein mentioned, Respondent SARC was
13 licensed by the Department of Real Estate of the State of
14 California (hereafter the Department) as a corporate real estate
15 broker doing business as California Discount Mortgage and doing
16 business as Realty Network.

17 (b) Respondent HARVEY was licensed as the designated
18 officer of Respondent SARC from February 28, 1995 to the present.

19 6.

20 From time to time, auditors from the Department examined
21 the books and records of Respondents' activities for which a real
22 estate license was required, during below stated time periods
23 (hereafter the "audit periods"). Those examinations revealed that
24 Respondents HARVEY and the corporate Respondents, during the
25 respective audit periods, violated the following Code Sections and
26 Regulations from Title 10, Chapter 6, California Code of
27 Regulations (hereafter Regulations):



LSL RESOURCES, INC.

dba First California Mortgage Bankers

LA 950607

Between January 1, 1996 through September 27, 1996 (hereafter LSL audit period), Respondent LSL was engaged in the mortgage loan brokerage business as defined by Code Section 10131(d) in that Respondent LSL, for or in expectation of compensation, solicited and negotiated with borrowers for loans from third-party lenders secured by real property (secured loans). During the LSL audit period, Respondents LSL and HARVEY violated the following Code Sections and Regulations:

(a) At a time unknown, but prior to August 1, 1996, Respondent LSL moved its main office from 21747 Devonshire Street, Chatsworth, to 24007 Ventura Boulevard, #120. Respondents LSL and HARVEY failed to notify the Department of the change of LSL'S main office address in willful violation of Regulation 2715.

(b) Respondents LSL and HARVEY failed to review, initial and date Mortgage Loan Disclosure Statements to borrowers Riggins, Nowaczyk, Hunt and Mahorney in willful violation of Regulation 2725.

(c) At a time unknown but prior to September 11, 1995, Respondent LSL commenced doing business as First California Mortgage. Respondents LSL and HARVEY willfully failed to obtain a license bearing that fictitious business name in willful violation of Code Section 10159.5 and Regulation 2731. On or about September 11, 1995, Respondent LSL obtained real estate license to do



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business as First California Mortgage Bankers.

(d) Respondents LSL and HARVEY failed to inform the Department of the employment of sales licensees, Donald Slaughter (employed 3-20-96), Theodore Simms (employed 3-15-96), Nancy Feldman, (employed 8-1-96) and Anthony Chavez (employed 4-23-96), in willful violation of Code Section 10161.8 and Regulation 2752. As of September 30, 1996, there were no salespersons listed as being employed by Respondent LSL.

(e) Respondents LSL and HARVEY failed to maintain possession of the real estate licenses of Theodore Simms and Anthony Chavez, in willful violation of Code Section 10160 and Regulation 2753.

(f) In connection with the business of obtaining loans from third party lenders, Respondent failed to provide to borrowers Riggins, Tate and Mahoney, within three days of the date on the loan applications, the Mortgage Loan Disclosure Statements (Borrower), in willful violation of Code Section 10240 and Regulation 2840.

(g) Mortgage Loan Disclosure Statements for borrowers Tate, Nowaczyk, Mahorney and Hunt were not complete, missing the broker and broker representative's license number. The Mahorney Mortgage Loan Disclosure Statement was not signed by the broker or his representative, all in willful violation of Code Section 10240 and Regulation 2840.

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8.

EQUITY CAPITAL MORTGAGE FUNDING

LA-950612

Between January 1, 1995 through June 30, 1996, (hereafter ECMF's audit period), Respondent ECMF was engaged in the mortgage loan brokerage business as defined by Code Section 10131(d) in that Respondent ECMF, for or in expectation of compensation, solicited and negotiated with borrowers for loans from third-party lenders secured by real property (secured loans). During the ECMF audit period, Respondents ECMF and HARVEY violated the following Code Sections and Regulations:

(a) Respondents ECMF and HARVEY failed to inform the Department of the termination of sales licensee David D. Hariri and Desiree M. Schubert in willful violation of Code Section 10161.8 and Regulation 2752.

(b) In connection with the business of obtaining loans from third party lenders, Respondents ECMF and HARVEY failed to provide to borrowers Zahoor Alvi, Bessie Anderson, Apithan Thepprasit and Abelino Villagrana, the Mortgage Loan Disclosure Statements (Borrower), in willful violation of Code Section 10240 and Regulation 2840.

9.

SPACE AGE REALTY CORP.

LA 950608

Between January 1, 1995 through May 31, 1996 (hereafter SARC's audit period), Respondent SARC was engaged in the mortgage loan brokerage business as defined by Code Section 10131(d) in that



1 Respondent SARC, for or in expectation of compensation, solicited
2 and negotiated with borrowers for loans from third-party lenders
3 secured by real property (secured loans). During the SARC audit
4 period, Respondents SARC and HARVEY violated the following Code
5 Sections and Regulations:

6 (a) Respondents SARC and HARVEY failed to review,
7 initial and date Mortgage Loan Disclosure Statements to borrowers
8 Radha Sharma, Mark L. Baker and others, in willful violation of
9 Regulation 2725.

10 (b) Respondents SARC and HARVEY failed to inform the
11 Department of the termination of sales licensees, including but not
12 limited to Adolf Asianian, Karen Bahat, Ashwani Chawla, Ricardo Del
13 Rosario and Jean Delavigne, in willful violation of Code Section
14 10161.8 and Regulation 2752.

15 (c) In connection with the business of obtaining loans
16 from third party lenders, Respondent SARC and HARVEY failed to
17 provide to borrowers the required the Mortgage Loan Disclosure
18 Statements (Borrower) to borrowers Radha Sharma, Kubera Williams
19 and Bayani Lopez in complete compliance with, and in willful
20 violation of Code Section 10240 and Regulation 2840.

21 10.

22 Respondent HARVEY knew or should have known that the
23 above violations occurred or were occurring. Respondent HARVEY
24 failed to exercise reasonable supervision over the activities of
25 officers and employees of corporate officers, agents and employees,
26 and the employees of fictitious business entities, for which a real
27 estate license was required so as to prevent those violations.



11.

1
2 The conduct or omissions of Respondent LSL as set forth
3 above subject its real estate license and license rights to
4 suspension or revocation under Code Section 10177(d) for willful
5 violations of the following Code Sections and Regulations:

6 (a) Regulation 2715 for failure to notify the Department
7 of the change of LSL'S main office address, as set forth above in
8 7(a), above.

9 (b) Regulation 2725 for failure to review, initial and
10 date Mortgage Loan Disclosure Statements prepared by salespeople
11 employed by Respondent LSL, as set forth above in paragraph 7(b),
12 above.

13 (c) Code Section 10159.5 and Regulation 2731 for failure
14 to obtain a license bearing a fictitious business name, as set
15 forth above in paragraph 7(c), above.

16 (d) Code Section 10161.8 and Regulation 2752 for failure
17 to timely inform the Department of the employment of salespeople,
18 as set forth above in paragraph 7(d), above.

19 (e) Code Section 10160 and Regulation 2753 for failure
20 to maintain possession of the real estate licenses of Theodore
21 Simms and Anthony Chavez, as set forth above in paragraph 7(e),
22 above.

23 (f) Code Section 10240 and Regulation 2840 for failures
24 to comply, as set forth above in paragraphs 7(f) and 7(g), above.

25 12.

26 The conduct or omissions of Respondents ECMF and HARVEY
27 as set forth above subject its real estate license and license



1 rights to suspension or revocation under Code Section 10177(d) for
2 willful violations of the following Code Sections and Regulations:

3 (a) Code Section 10161.8 and Regulation 2752 for failure
4 to timely inform the Department of the employment of salespeople,
5 as set forth above in paragraph 8(a), above.

6 (b) Code Section 10240 and Regulation 2840 for failure
7 to provide to borrowers the Mortgage Loan Disclosure Statements, as
8 set forth above in paragraph 8(b), above.

9 13.

10 The conduct or omissions of Respondent SARC and HARVEY as
11 set forth above subject its real estate license and license rights
12 to suspension or revocation under Code Section 10177(d) for willful
13 violations of the following Code Sections and Regulations:

14 (a) Regulation 2725 for failure to review, initial and
15 date loan applications prepared by salespeople employed by
16 Respondent LSL, as set forth above in paragraph 9(a), above.

17 (b) Code Section 10161.8 and Regulation 2752 for failure
18 to timely inform the Department of the termination of sales
19 licensees, as set forth above in paragraph 9(b), above.

20 (c) Code Section 10240 and Regulation 2840 for failure
21 to provide to borrowers the required Mortgage Loan Disclosure
22 Statements, as set forth above in paragraph 9(c), above.

23 14.

24 The conduct or omissions of Respondent HARVEY as set
25 forth above subject his real estate license and license rights to
26 suspension or revocation under Code Section 10177(d) for willful
27 violation of Code Section 10159.2, as set forth in paragraph 10,



1 above.

2 WHEREFORE, Complainant prays that a hearing be conducted
3 on the allegations of this Accusation and, that upon proof thereof,
4 a decision be rendered imposing disciplinary action against all
5 licenses and license rights of Respondents SCOT WILLIAM HARVEY,
6 individually, doing business as Greenleaf Financial, doing business
7 as Greenleaf Realty, doing business as Monrovia Mortgage, doing
8 business as Times Square Financial and as designated officer of LSL
9 Resources, Inc., Space Age Realty Corp., Equity Capital Mortgage
10 Funding, Darcorp Management Group, Inc., Agency Publication &
11 Information Clearinghouse, LSL Resources, Inc., and Alcohol
12 Enterprises, Inc.; LSL RESOURCES, INC., a California corporate
13 broker doing business as First California Mortgage Bankers,; EQUITY
14 CAPITAL MORTGAGE FUNDING, a California corporate broker; and SPACE
15 AGE REALTY CORP., a California corporate broker doing business as
16 California Discount Mortgage and doing business as Realty Network,
17 under the Real Estate Law (Part 1 of Division 4 of the Business and
18 Professions Code) and for such other and further relief as may be
19 proper under other applicable provisions of law.

20 Dated at Los Angeles, California this 2nd day of July,
21 1997.

THOMAS Mc CRADY

Thomas Mc Crady,
Deputy Real Estate Commissioner

22
23
24 cc: Scot William Harvey
LSL Resources, Inc.
Equity Capital Mortgage Funding
25 Space Age Realty Corp.
Sacto
26 AK

27 SC/sc

