

1 this Order. Should such a determination be made, the
2 Commissioner may, in his discretion, vacate and set aside the
3 stay order and reimpose all or a portion of the stated
4 suspension."

5 In an Order effective May 30, 2000, Legal Conclusions
6 were made in Case No. H-28279 LA that there was cause for
7 discipline against SENTRY HOME LOANS pursuant to Business and
8 Professions Code (Code) Sections 10177(d) and (g) and that
9 there was cause for discipline against HENDON MASON HARRIS
10 pursuant to Code Section 10177(h).

11 NOW, THEREFORE, IT IS ORDERED that the stay of the
12 remaining sixty (60) day suspensions set forth in the Order of
13 May 29, 1998, is vacated.

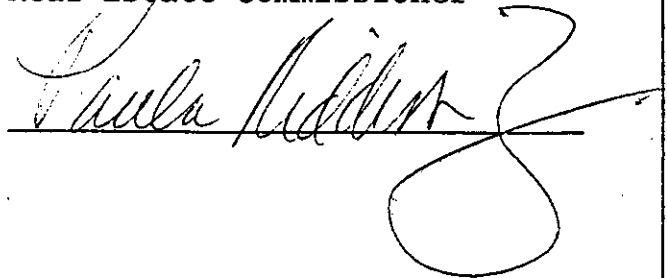
14 IT IS FURTHER ORDERED that all license certificates
15 and identification cards issued by Department which are in the
16 possession of respondents be immediately surrendered by
17 personal delivery or by mailing in the enclosed, self-addressed
18 envelope to:

19 Department of Real Estate
20 Attn: Flag Section
21 P. O. Box 187000
Sacramento, CA 95818-7000

22 This Order shall be effective immediately.

23 DATED: July 6, 2000.

24
25 PAULA REDDISH ZINNEBANN
Real Estate Commissioner

26 
27

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Hag

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

FILED
JUN 08 1998
DEPARTMENT OF REAL ESTATE

By [Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of) No. H-27536 LA
SENTRY HOME LOANS and)
HENDON MASON HARRIS,) STIPULATION AND AGREEMENT
Respondents.)

It is hereby stipulated by and between

SENTRY HOME LOANS and HENDON MASON HARRIS, (sometimes referred to as Respondents) and the Complainant, acting by and through James R. Peel, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on January 29, 1998, in this matter.

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



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

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

7 3. On February 11, 1998, Respondents filed a Notice of
8 Defense pursuant to Section 11506 of the Government Code for the
9 purpose of requesting a hearing on the allegations in the
10 Accusation. Respondents hereby freely and voluntarily withdraw
11 said Notice of Defense. Respondents acknowledge that they
12 understand that by withdrawing said Notice of Defense they will
13 thereby waive their right to require the Commissioner to prove the
14 allegations in the Accusation at a contested hearing held in
15 accordance with the provisions of the APA and that they will waive
16 other rights afforded to them in connection with the hearing, such
17 as the right to present evidence in defense of the allegations in
18 the Accusation and the right to cross-examine witnesses.

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

25 5. It is understood by the parties that the Real
26 Estate Commissioner may adopt the Stipulation and Agreement as his
27 decision in this matter thereby imposing the penalty and sanctions



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

8 6. The Order or any subsequent Order of the Real Estate
9 Commissioner made pursuant to this Stipulation and Agreement shall
10 not constitute an estoppel, merger or bar to any further
11 administrative or civil proceedings by the Department of Real
12 Estate with respect to any matters which were not specifically
13 alleged to be causes for accusation in this proceeding.

14 7. This Stipulation is entered into by each party with
15 the express understanding and agreement that it is to be used for
16 the purposes of settling these proceedings only and that this
17 Stipulation shall not be deemed, used, or accepted as an
18 acknowledgment or stipulation in any other civil or administrative
19 proceeding to which this Department is not a party.

20 DETERMINATION OF ISSUES

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

25 I

26 The conduct of Respondents, SENTRY HOME LOANS and HENDON
27 MASON HARRIS, as alleged in the Accusation, is grounds for the



1 suspension or revocation of all of the real estate licenses and
2 license rights of Respondents under the provisions of Regulations
3 2832, 2950(h), 2752, and Sections 10234, 10244.1, 10177(d) and
4 10177(h) of the Business and Professions Code.

5 ORDER

6 All licenses and licensing rights of Respondent SENTRY
7 HOME LOANS and Respondent HENDON MASON HARRIS under the Real
8 Estate Law are suspended for a period of ninety (90) days from the
9 effective date of this Order; provided, however, that sixty (60)
10 days of said suspension shall be stayed for two (2) years upon the
11 following terms and conditions:

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

15 2. That no final subsequent determination be made, after
16 hearing or upon stipulation that cause for
17 disciplinary action occurred within two (2) years of
18 the effective date of this Order. Should such a
19 determination be made, the Commissioner may, in his
20 discretion, vacate and set aside the stay order and
21 reimpose all or a portion of the stayed suspension.
22 Should no such determination be made, the stay imposed
23 herein shall become permanent.

24 3. Pursuant to Section 10148 of the Business and Professions
25 Code, Respondents SENTRY HOME LOANS and HENDON MASON
26 HARRIS, shall pay the Commissioner's reasonable cost for
27 an audit to determine if Respondent SENTRY HOME LOANS has
corrected the trust fund violations found in paragraph I



1 of the Determination of Issues. In calculating the amount
2 of the Commissioner's reasonable cost, the Commissioner
3 may use the estimated average hourly salary for all
4 persons performing audits of real estate brokers, and
5 shall include an allocation for travel costs, including
6 mileage, time to and from the auditor's place of work, and
7 per diem. The Commissioner's reasonable cost shall in no
8 event exceed \$5,200. Respondents shall pay such cost
9 within 45 days of receiving an invoice from the
10 Commissioner detailing the activities performed during the
11 audit and the amount of time spent performing those
12 activities. The Commissioner may, in his discretion,
13 vacate and set aside the stay order, if payment is not
14 timely made as provided for herein, or as provided for in
15 a subsequent agreement between the Respondents and the
16 Commissioner. The vacation and the set aside of the stay
17 shall remain in effect until payment is made in full, or
18 until Respondents enter into an agreement satisfactory to
19 the Commissioner to provide for payment. Should no order
20 vacating the stay be issued, either in accordance with
21 this condition or condition "2" the stay imposed herein
22 shall become permanent.

23 4. Provided further, that the remaining thirty (30) days of
24 said 90 day suspension shall be stayed on condition that:

25 a. Respondents pay a monetary penalty pursuant to
26 Section 10175.2 of the Business and Professions Code at
27 the rate of \$50 for each day of the suspension for a

1 total monetary penalty of \$1,500 (\$3,000 for both
2 respondents).

3 b. Said payment shall be in the form of a
4 cashier's check or certified check made payable to the Recovery
5 Account of the Real Estate Fund. Said check must be delivered to
6 the Department prior to the effective date of the Decision in this
7 matter.

8
9 DATED: April 15, 1998

James R. Peel
JAMES R. PEEL
Counsel for Complainant

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

22
23
24 DATED: 4/13/98

Hendon Mason Harris
HENDON MASON HARRIS,
Respondent

25
26 DATED: 4/13/98

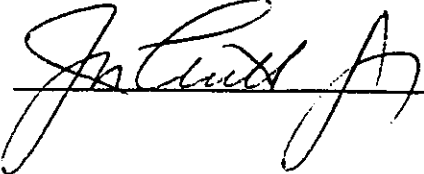
Hendon Mason Harris
SENTRY HOME LOANS,
Respondent *Resident*



1 The foregoing Stipulation and Agreement is hereby
2 adopted as my Decision in this matter and shall become effective
3 at 12 o'clock noon on June 29, 1998.

4 IT IS SO ORDERED

5 5/27/98
6 JIM ANTT, JR.
7 Real Estate Commissioner
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SACTO

FILED
MAR 12 1998
DEPARTMENT OF REAL ESTATE
By [Signature]

197-0121-018
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
SENTRY HOME LOANS and,) NOTICE OF HEARING ON ACCUSATION
HENDON MASON HARRIS)
Respondent.) H-27536 LA
L-1998 030 048

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 107 South Broadway, 2nd. Floor, Los Angeles, California 90012 on APRIL 14, 1998. at 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: March 12, 1998

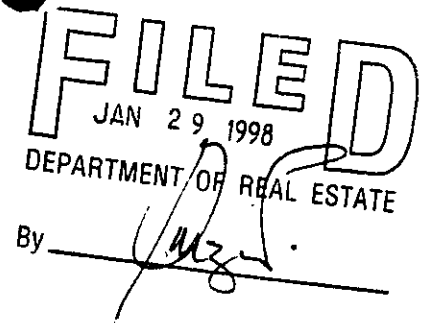
DEPARTMENT OF REAL ESTATE

By: James R. Peel
JAMES R. PEEL
DRE Counsel

cc: SENTRY HOME LOANS
HENDON MASON HARRIS
MA, OAH & SACTO

JAMES R. PEEL, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012
State Bar 47055

(213) 897-3937



DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	NO. H-27536 LA
SENTRY HOME LOANS and)	
HENDON MASON HARRIS,)	<u>A C C U S A T I O N</u>
)	
Respondents.)	

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against SENTRY HOME LOANS and HENDON MASON HARRIS, alleges as follows:

I.

The Complainant, Thomas McCrady, acting in his official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against SENTRY HOME LOANS and HENDON MASON HARRIS.

II.

SENTRY HOME LOANS and HENDON MASON HARRIS (hereinafter referred to as respondents) are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of

1 the Business and Professions Code (hereinafter referred to as "the
2 Code").

3 III.

4 At all times herein mentioned, respondent SENTRY HOME
5 LOANS, was licensed by the Department of Real Estate of the State
6 of California as a corporate real estate broker, respondent HENDON
7 MASON HARRIS, was licensed as the designated broker officer of
8 said corporation, and ordered, authorized, or participated in the
9 illegal conduct of respondent SENTRY HOME LOANS, as alleged in
10 this Accusation.

11 IV.

12 At all times herein mentioned, respondent SENTRY HOME
13 LOANS, on behalf of others in expectation of compensation,
14 engaged in the business, acted in the capacity of, advertised or
15 assumed to act as a real estate broker in the State of
16 California within the meaning of Sections 10131(d) and (e) of
17 the Code, including soliciting borrowers and lenders and
18 negotiating loans on real property, as well as servicing loans
19 secured by liens on real property.

20 V.

21 During 1996 and 1997, in connection with the aforesaid
22 real estate brokerage activities, respondent SENTRY HOME LOANS,
23 accepted or received funds from borrowers and lenders and
24 thereafter made disbursements of such funds.

25 VI.

26 In connection with respondents' activities as a real
27 estate broker, as described above, respondents, SENTRY HOME



1 LOANS and HENDON MASON HARRIS acted in violation of the Real
2 Estate Law, Business and Professions Code (hereinafter Code),
3 and California Code of Regulations (hereinafter Regulations),
4 Title 10, Chapter 6, as follows:

5 1. Violated Regulation 2832 in that trust account No.
6 351-030267 established to receive escrow funds held in trust was
7 not maintained in broker's name as trustee.

8 2. Violated Regulation 2950(h) by failing to advise
9 all parties in writing of their interest as a stockholder,
10 officer, partner or owner of the agency holding the escrow for
11 transactions arranged by respondents.

12 3. Violated Section 10234 of the Code by failing to
13 record deeds of trust naming as beneficiary the lender or his
14 nominee for lenders KEES, SEYMOUR, LOOMIS, and KLEIN.

15 4. Violated Section 10244.1 of the Code by requiring
16 the borrower to pay a balloon payment at maturity of the Note
17 for loan Nos. T02928 and SN2835.

18 5. Violated Regulation 2752 by failing to Notify the
19 Department of Real Estate upon termination of Salespersons
20 VICKIE HAIGHT, HOLLIS HENDRICH, and RALPH SERPICO.

21 VII

22 The conduct of respondent SENTRY HOME LOANS, as
23 alleged above, subjects its real estate license and license
24 rights to suspension or revocation pursuant to Sections 10177(d)
25 and 10177(g) of the Code.



VIII

The conduct of respondent HENDON MASON HARRIS, as alleged above, as responsible individual, by allowing and permitting respondent SENTRY HOME LOANS to engage in the conduct specified in paragraph VI above, subjects his real estate licenses and license rights to suspension or revocation pursuant to Sections 10177(d) and 10177(h) of the Code.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of respondents SENTRY HOME LOANS, and HENDON MASON HARRIS, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California this 29th, day of January, 1998.

Thomas Mc Crady

THOMAS MC CRADY

Thomas Mc Crady
Deputy Real Estate Commissioner

cc: Sentry Home Loans
187 E. Wilbur Road
Thousand Oaks, CA 91360

Hendon Mason Harris
187 E. Wilbur Road
Thousand Oaks, CA 91360

JRP/rgp

