

By K. Wenderholt

* * *

1 is in compliance with the Real Estate Law.

- 2 2. Respondents would pay such cost within
3 60 days of receiving an invoice from the
4 Commissioner detailing the activities
5 performed during the audit and the amount
6 of time spent performing those activities.
7 3. The Commissioner may, in her discretion,
8 vacate and set aside the stay order,
9 if payment is not timely made as provided
10 for by the terms of the Decision or a
11 subsequent agreement between the
12 Respondents and the Commissioner.
13

14 The Commissioner has determined that as of this date,
15 Respondents have failed to satisfy this condition, and as such,
16 are in violation of the terms and conditions of stay as set
17 forth above.
18

19 NOW, THEREFORE, IT IS ORDERED that the stay of the
20 suspension of the real estate licenses of respondents TRICOR
21 FUNDING and STEVE L. GALITZ is hereby vacated and set aside and
22 shall remain in effect until payment is made in full, or until
23 Respondents enter into an agreement satisfactory to the
24 Commissioner to provide for payment.
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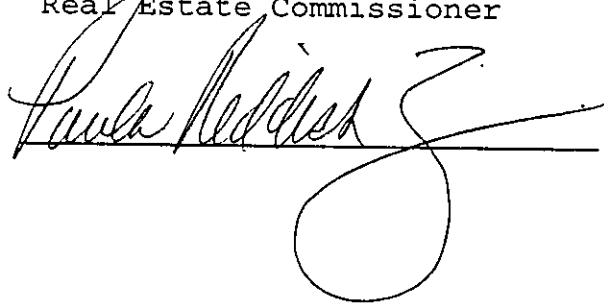
1 IT IS FURTHER ORDERED that all license certificates
2 and identification cards issued by Department which are in the
3 possession of respondents be immediately surrendered by
4 personal delivery or by mailing in the enclosed, self-addressed
5 envelope to:

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

10 This Order shall be effective immediately.

11
12 DATED: December 6, 2000:

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15 PAULA REDDISH ZINNEMANN
Real Estate Commissioner

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SACTO

FILED
FEB 10 1999
DEPARTMENT OF REAL ESTATE
By [Signature]

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) NO. H-27815 LA
TRICOR FUNDING and STEVE L.) STIPULATION AND AGREEMENT
GALITZ)
Respondents.)

It is hereby stipulated by and between Tricor Funding and Steve L. Galitz (sometimes referred to as Respondents), and their attorney, Steven Gourley, 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 August 24, 1998, in this matter.

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

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

5 3. On August 27, 1998, Respondents filed a Notice of
6 Defense, pursuant to Section 11506 of the Government Code for the
7 purpose of requesting a hearing on the allegations in the
8 Accusation. Respondents hereby freely and voluntarily withdraw
9 said Notice of Defense. Respondents acknowledge that they
10 understand that by withdrawing said Notice of Defense they will
11 thereby waive their right to require the Commissioner to prove the
12 allegations in the Accusation at a contested hearing held in
13 accordance with the provisions of the APA and that they will waive
14 other rights afforded to them in connection with the hearing, such
15 as the right to present evidence in defense of the allegations in
16 the Accusation and the right to cross-examine witnesses.

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

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



1 his discretion does not adopt the Stipulation and Agreement in
2 Settlement, it shall be void and of no effect, and Respondents
3 shall retain the right to a hearing and proceeding on the
4 Accusation under all the provisions of the APA and shall not be
5 bound by any stipulation or waiver made herein.

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

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, Tricor Funding and Steve L.
27 Galitz, 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 2831, 2831.1, 2831.2, 2832, 2834 and Section 10177(d) of the
4 Business and Professions Code.

5 ORDER

6 All licenses and licensing rights of Respondents Tricor
7 Funding and Steve L. Galitz under the Real Estate Law are
8 suspended for a period of sixty (60) days from the effective date
9 of this Order; provided, however, that sixty (60) days of said
10 suspension shall be stayed for two (2) years upon the following
11 terms and conditions:

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

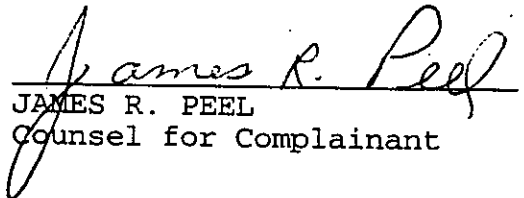
15 2. That no final subsequent determination be made,
16 after hearing or upon stipulation that cause for disciplinary
17 action occurred within two (2) years of the effective date of this
18 Order. Should such a determination be made, the Commissioner may,
19 in his discretion, vacate and set aside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

23 3. Pursuant to Section 10148 of the Business and
24 Professions Code, Respondents Tricor Funding and Steve L. Galitz
25 shall pay the Commissioner's reasonable cost for an audit to
26 determine if Respondent Tricor Funding is now in compliance with
27



1 Real Estate Law. In calculating the amount of the Commissioner's
2 reasonable cost, the Commissioner may use the estimated average
3 hourly salary for all persons performing audits of real estate
4 brokers, and shall include an allocation for travel costs,
5 including mileage, time to and from the auditor's place of work,
6 and per diem. The Commissioner's reasonable cost shall in no
7 event exceed \$6,700. Respondents shall pay such cost within 60
8 days of receiving an invoice from the Commissioner detailing the
9 activities performed during the audit and the amount of time spent
10 performing those activities. The Commissioner may, in his
11 discretion, vacate and set aside the stay order, if payment is not
12 timely made as provided for herein, or as provided for in a
13 subsequent agreement between the Respondents and the Commissioner.
14 The vacation and the set aside of the stay shall remain in effect
15 until payment is made in full, or until Respondents enters into an
16 agreement satisfactory to the Commissioner to provide for payment.
17 Should no order vacating the stay be issued, either in accordance
18 with this condition or condition "2" the stay imposed herein shall
19 become permanent.

20
21 DATED: DEC. 17, 1998

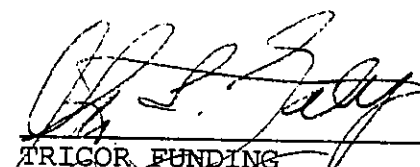
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23 JAMES R. PEEL
24 Counsel for Complainant
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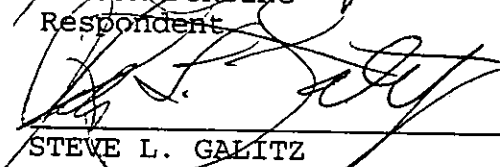
* * * *

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

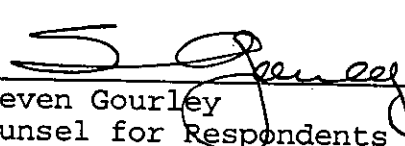
DATED: 12/11/98


TRICOR FUNDING
Respondent

DATED: 12/11/98


STEVE L. GALITZ
Respondent

DATED: 12/14/98


Steven Gourley
Counsel for Respondents



1 The foregoing Stipulation and Agreement is hereby adopted
2 as my Decision in this matter and shall become effective at
3 12 o'clock noon on March 2, 1999.

4 IT IS SO ORDERED January 15, 1999.

5 JOHN R. LIBERATOR
6 Acting Commissioner

7
8 John R. Liberator
9



198-0528-018
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA
* * * *

FILED
OCT 19 1998
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of) Case No. Case No. HI-27815 LA
) OAH No. L-1998 090 202
TRICOR FUNDING INC. and,)
STEVE L. GALITZ,)
)
Respondents.)

NOTICE OF CONTINUED 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 Fl., Los Angeles, California, on November 19, 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.

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: October 19, 1998

DEPARTMENT OF REAL ESTATE

By:

James R. Peel
JAMES R. PEEL, Counsel

cc: Tricor Funding Inc. and
Steve Galitz
Steven Gourley, Esq.
Sacto. OAH, & CL

SACTO

198-0528-018
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
SEP 23 1998
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

Case No. H-27815 LA

TRICOR FUNDING INC. and
STEVE L. GALITZ,

NOTICE OF HEARING ON ACCUSATION

Respondents.

L- 1998 090-200

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 October 27, 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.

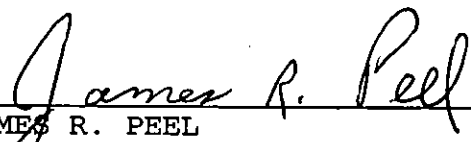
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Dated: September 23, 1998

DEPARTMENT OF REAL ESTATE

By:


JAMES R. PEEL
Counsel

cc: TRICOR FUNDING INC.
STEVE L. GALITZ
DR, OAH & SACTO

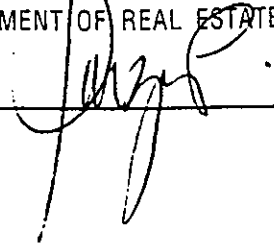
SACTO

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

(213) 897-3937

FILED
AUG 24 1998

DEPARTMENT OF REAL ESTATE

By 

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of	)	NO. H-27815 LA
	)	
TRICOR FUNDING and	)	A C C U S A T I O N
STEVE L. GALITZ	)	
	)	
Respondents.	)	

The Complainant, Thomas Mc Crady, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against TRICOR FUNDING and STEVE L. GALITZ alleges as follows:

I

The Complainant, Thomas Mc Crady acting in his official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against TRICOR FUNDING and STEVE L. GALITZ.

II

TRICOR FUNDING and STEVE L. GALITZ (hereinafter referred to as respondents) are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4

1 of the Business and Professions Code (hereinafter referred to as
2 "the Code").
3

4 III

5 At all times herein mentioned, respondent TRICOR
6 FUNDING was licensed by the Department of Real Estate of the
7 State of California as a corporate real estate broker,
8 respondent STEVE L. GALITZ, was licensed as the designated
9 broker officer of said corporation, and ordered, authorized or
10 participated in the illegal conduct of respondent TRICOR FUNDING
11 as alleged in this Accusation.

12 IV

13 At all times herein mentioned, respondent TRICOR
14 FUNDING on behalf of others in expectation of compensation,
15 engaged in the business, acted in the capacity of, advertised or
16 assumed to act as a real estate broker in the State of
17 California within the meaning of Section 10131 (d) of the Code,
18 including soliciting borrowers and lenders and negotiating loans
19 on real property.

20 V

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

25 VI

26 In connection with respondents' activities as a real
27 estate broker, as described above, respondents, TRICOR FUNDING
and STEVE L. GALITZ, acted in violation of the Real Estate Law,



1 Business and Professions Code (hereinafter Code), and California
2 Code of Regulations (hereinafter Regulations), Title 10, Chapter
3 6, as follows:

4 1. Violated Regulation 2831 by maintaining columnar
5 records that were not accurate or complete. Not all receipts
6 and disbursements were posted to said registers and the daily
7 trust fund balance was not accurate.

8 2. Violated Regulation 2831.1 by maintaining separate
9 transaction records that were not accurate or complete. Not all
10 escrow receipts and disbursements were reflected on the separate
11 escrow transaction records. No separate record was maintained
12 for Yamazaki transaction.

13 3. Violated Regulation 2831.2 by not maintaining monthly
14 reconciliations of columnar records to the separate transaction
15 records for all trust accounts.

16 4. Violated Regulation 2832 in that the escrow trust
17 account was not maintained in the broker's name as trustee.

18 5. Violated Regulation 2834 by allowing unlicensed and
19 unbounded persons to sign on the trust accounts.

20 VII

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

25 VIII

26 The conduct of respondent, STEVE L. GALITZ,, as
27 alleged above, as the responsible broker, by allowing and



1 permitting respondent TRICOR FUNDING to engage in the conduct
2 specified in paragraph VI above, subjects his real estate
3 licenses and license rights to suspension or revocation pursuant
4 to Sections 10177(d) and 10177(h) of the Code.

5
6 WHEREFORE, Complainant prays that a hearing be
7 conducted on the allegations of this Accusation and, that upon
8 proof thereof, a decision be rendered imposing disciplinary
9 action against all licenses and licensing rights of respondents
10 TRICOR FUNDING and STEVE L. GALITZ, under the Real Estate Law
11 (Part 1 of Division 4 of the Business and Professions Code) and
12 for such other and further relief as may be proper under other
13 applicable provisions of law.

14 Dated at Los Angeles, California this 24th day of August, 1998.

15
16 
17 Deputy Real Estate Commissioner

18
19 cc: Tricor Funding
20 Steve L. Galitz
21 Sacto.
22 CL

23
24 JRP:rgp
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