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FILED
JUN 15 2000
DEPARTMENT OF REAL ESTATE

By CS

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	NO. H-28343 LA
)	
HEMET MORTGAGE, INC. and)	L-1999120459
BRENDA LEE KRASOVEC, individually)	
and doing business as Cal-West)	
Properties, and as designated)	
officer of Hemet Mortgage, Inc.,)	
)	
Respondents.)	

DECISION AFTER RECONSIDERATION

On April 6, 2000, a Decision was rendered in the above-entitled matter, by the Real Estate Commissioner which suspended the real estate licenses of Respondents HEMET MORTGAGE, INC. and BRENDA LEE KRASOVEC for ninety (90) days commencing upon the sixtieth (60th) day following the effective date of the Decision. Said Decision was to become effective on May 10, 2000, and was stayed by separate orders to June 19, 2000.

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1 Respondents HEMET MORTGAGE, INC. and BRENDA LEE
2 KRASOVEC have petitioned for reconsideration of said Decision.
3 I have considered the petitions of Respondents HEMET MORTGAGE,
4 INC. and BRENDA LEE KRASOVEC and have concluded that good cause
5 has been presented for reconsideration of the Decision of
6 April 6, 2000, for the limited purpose of determining whether
7 the disciplinary action therein imposed should be reduced.

8 I have reconsidered said Decision and it is hereby
9 ordered that the disciplinary action therein imposed against the
10 real estate licenses of Respondents HEMET MORTGAGE, INC. and
11 BRENDA LEE KRASOVEC be reduced by modifying the Order of said
12 Decision to read as follows:

13 ORDER

14 All licenses and license rights of Respondents
15 HEMET MORTGAGE, INC. and BRENDA LEE KRASOVEC under the Real
16 Estate Law are suspended for a period of ninety (90) days,
17 commencing upon the thirtieth (30th) day following the effective
18 date of this Decision; provided, however, that said suspension
19 (or a portion thereof) shall be stayed upon condition that:

20 1. Respondents HEMET MORTGAGE, INC. and BRENDA LEE
21 KRASOVEC each pay a monetary penalty pursuant to Section 10175.2
22 of the Business and Professions Code at the rate of fifty dollars
23 (\$50) for each day of the suspension for a total monetary penalty
24 of Four Thousand Five Hundred Dollars (\$4,500).

25 ///

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27



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

6 3. No further cause for disciplinary action
7 against the real estate licenses of Respondents occurs within one
8 (1) year from the effective date of the Decision in this matter.

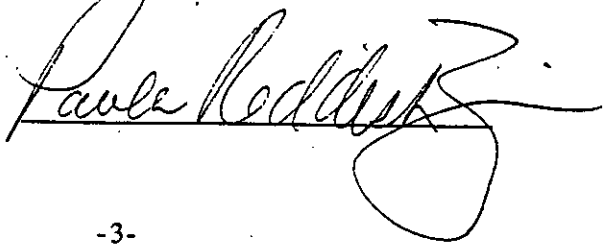
9 4. If Respondents fail to pay the monetary penalty
10 in accordance with the terms and conditions of the Decision, the
11 Commissioner may, without a hearing, order the immediate
12 execution of all or any part of the ninety (90) day stayed
13 suspension in which event Respondents shall not be entitled to
14 any repayment nor credit, prorated or otherwise, for money paid
15 to the Department under the terms of this Decision.

16 5. If Respondents pay the monetary penalty and if
17 no further cause for disciplinary action against the real estate
18 licenses of Respondents occurs within one (1) year from the
19 effective date of the Decision, the stay hereby granted shall be
20 permanent.

21 As hereby modified and amended, the Decision of
22 April 6, 2000, shall become effective at 12 o'clock noon
23 on July 5, 2000

24 IT IS SO ORDERED June 9, 2000.

25 PAULA REDDISH ZINNEMANN
26 Real Estate Commissioner

27 

FILED
JUN - 7 2000
DEPARTMENT OF REAL ESTATE

By CS

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-28343 LA
) L-1999120459
HEMET MORTGAGE, INC. and)
BRENDA LEE KRASOVEC, individually)
and doing business as Cal-West)
Properties, and as designated)
officer of Hemet Mortgage, Inc.,)
)
Respondents.)
_____)

ORDER STAYING EFFECTIVE DATE

On April 6, 2000, a Decision was rendered in the above-entitled matter to become effective May 10, 2000.

On April 28, 2000, the effective date of said Order was stayed until June 9, 2000, as to BRENDA LEE KRASOVEC. On May 5, 2000, the effective date of said Order was stayed until June 9, 2000, as to HEMET MORTGAGE, INC.

IT IS HEREBY ORDERED that the effective date of the Decision of April 6, 2000, is stayed for an additional period of ten (10) days.

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The Decision of April 6, 2000, shall become effective
at 12 o'clock noon on June 19, 2000.

DATED: June 7, 2000.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

By: *Randolph Brendia*

RANDOLPH BRENDIA
Regional Manager

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FILED
MAY - 5 2000
DEPARTMENT OF REAL ESTATE

By CS

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	NO. H-28343 LA
)	L-1999120459
<u>HEMET MORTGAGE, INC.</u> , and)	
BRENDA LEE KRASOVEC, individually)	
and doing business as Cal-West)	
Properties, and as designated)	
officer of Hemet Mortgage, Inc.,)	
)	
Respondents.)	

ORDER STAYING EFFECTIVE DATE

On April 6, 2000, a Decision was rendered in the above-entitled matter to become effective May 10, 2000.

IT IS HEREBY ORDERED that the effective date of the Decision of April 6, 2000, as to HEMET MORTGAGE, INC. only, is stayed for a period of thirty (30) days.

The Decision of April 6, 2000, shall become effective at 12 o'clock noon on June 9, 2000.

DATED: May 5, 2000.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

By: Randolph Brenda G. McHenry
RANDOLPH BRENDIA
Regional Manager

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
APR 20 2000
DEPARTMENT OF REAL ESTATE

* * * * *

By *[Signature]*

In the Matter of the Accusation of)
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)
HEMET MORTGAGE, INC., and)
BRENDA LEE KRASOVEC,)
individually and doing)
business as Cal-West Properties,)
and designated officer of)
Hemet Mortgage, Inc.,)
)
)
Respondent(s).)

No. H-28343 LA
L-1999120459

DECISION

The Proposed Decision dated March 7, 2000,
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.

This Decision shall become effective at 12 o'clock
noon on May 10, 2000

IT IS SO ORDERED *April 6, 2000*.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

[Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation)
against:) No. H - 28343 LA
)
) OAH No. L-1999120459
HEMET MORTGAGE, INC., and)
BRENDA LEE KRASOVEC, individually)
and doing business as Cal-West)
Properties, and as designated)
Officer of Hemet Mortgage, Inc.,)
)
Respondents.)
_____)

PROPOSED DECISION

This case was tried before Paul M. Hogan, Administrative Law Judge of the Office of Administrative Hearings, at Los Angeles, California, on February 29, 2000.

Complainant was represented by Darlene Avaretta, Counsel. Brenda Lee Krasovec appeared personally, and was represented by All Mohajerian, attorney at law. Hemet Mortgage, Inc., a corporation, appeared by its President, Charles Alkire, without legal counsel.

The parties presented oral and documentary evidence and submitted the matter on February 29, 2000. The Administrative Law Judge proposes:

Factual Findings

1. Complainant, Thomas McCrady, is a Deputy Real Estate Commissioner of the State of California, and filed the Accusation herein while acting solely in his official capacity as such.

2. At all times material, respondents, and each of them, held licenses issued by the Department pursuant to the Real Estate Law; such licenses are presently in full force and effect.

3. Hemet Mortgage, Inc. was and is licensed as a corporate real estate broker.
4. Brenda Krasovec is licensed as a real estate broker, and, at the time of the acts and omissions described in the accusation, was licensed as a designated officer-broker of Hemet Mortgage.
5. The parties have timely filed and served on one another all pleadings, notices and other papers as required by law.
6. Hemet Mortgage, Inc. is located in Hemet, California, and is solely owned by its President, Charles Alkire. Hemet, and its designated broker-officer, Brenda Lee Krasovec, during the relevant time period, assumed to act as real estate brokers in the operation of a mortgage loan brokerage business.
7. During the early part of 1998, Alkire determined to use certain associations he had with law enforcement and particularly, prison guards, to market mail order real estate loans. He obtained an "800" number, and proceeded to advertise that availability of such loans.
8. One of his close associates, Jennifer Roberts, lived in Paso Robles, California; Ms. Roberts' family all worked in the prison system, and it was this situation that prompted Mr. Alkire's marketing plan. This led to Mr. Alkire's decision to open an office in Paso Robles.
9. He did this, but never filed an application with the Department for licensure of the Paso Robles office as a branch office. Alkire maintains this was not necessary because he did not intend to use it for the solicitation and origination of loan applications, but only for the routine, administrative and clerical processing such loan applications as would come through the mail.
10. At the beginning of this venture, Alkire worked primarily with another real estate salesperson, Tim Ellis, who was his man on the ground in Paso Robles. Ellis, in turn, contracted with other salespersons, namely, Robert McDonald, Wendy Hoffman, Bret Finley, and Jennifer Roberts.
11. In the late fall of 1998, Alkire learned that Ellis was soliciting and originating loans through another entity known as Goodrich and Pennington Mortgage Funding, Inc., doing business under the fictitious name of "AAAA Home Loans." Alkire and Ellis had separately recorded, in Riverside and San Luis Obispo Counties respectively, their fictitious business name of "Peacekeepers Home Loans."

Loans were made in the Paso Robles area by Ellis and his associates under one or the other fictitious names.

12. In June, 1998, respondent Brenda Lee Krasovec, was employed by Alikre to serve as designated broker-office for Hemet. She remained as such until late in December of that year, when she terminated the relationship.

13. When Alkire learned of Ellis's activities in connection with AAAA Home Loans, and, moreover, of his use of the "Peacekeepers" name in that business, he decided he had to close down this marketing plan, and dissociate from Ellis and the Paso Robles operation. He terminated the Peacekeeper name in both counties in January 1999 (Riverside) and February 1999 (San Luis Obispo).

14. Respondents claim to have no relationship with Ellis's loan solicitations and originations in Paso Robles. One fact is abundantly clear. Neither the Hemet corporation, nor Alkire, nor Krasovec did anything to supervise the activities of Ellis and his agents in Paso Robles.

15. Upon a consideration of the whole record and all reasonable inferences to be drawn therefrom, it is concluded that respondents established an active mortgage loan business in the Paso Robles area. This conclusion is drawn from the following:

a. Records of three commission checks payable to Hemet arising from the Paso Robles operation were found at the Hemet office;

b. Of twenty loan contracts reviewed attributable to the period June 1998 through January 1999, eight were concerning transaction handled in Paso Robles.

c. Two of the agents employed by Ellis, in legal proceedings, sought repayment of commissions owing them, not only from Ellis, but also from Hemet Mortgage, Inc.

d. Mr. Alkire, in describing his efforts to wind up affairs in Paso Robles, stated he was obliged to see to certain transactions initiated by the staff in Paso Robles, and attributed by that staff to him, were properly consummated.

Having thus concluded the Hemet company's, and Krasovec's involvement in an active Paso Robles mortgage loan operation, the next group of findings logically follow.

15. Respondents operated an unlicensed branch office in Paso Robles.
16. Respondents failed to notify the Real Estate Commissioner of the employment of salespersons.
17. Respondents failed to maintain a signed broker-salesperson relationship agreement with licensed real estate salespersons in their employ.
18. Respondent Krasovec failed to exercise reasonable supervision and control over the operations of Hemet Mortgage, Inc. at its main office in Hemet.
19. Respondent Krasovec did not adequately supervise the licensed real estate activities of Hemet Mortgage, Inc. at the unlicensed branch office in Paso Robles.

Legal Conclusions

Respondents Hemet and Krasovec, jointly and several, have jeopardized their licenses by reason of having violated Section 10163 of the Business and Professions Code ("the Code") as to Finding 15, and Section 10161.8(a) of the Code as to Finding 16, and Section 2726, of the Real Estate Commissioner's Regulations. Their licenses are thus subject to discipline pursuant to Sections 10165 and 10177(d) of the Code.

Respondent Krasovec has further subjected her license to discipline by reason of Findings 18 and 19 pursuant to Sections 10177(d), 10177(g) and/or 10177(h) of the Code.

Order

The broker licenses of respondents Hemet Mortgage, Inc., and Brenda Lee Krasovec, and each of them, are/is suspended for ninety days commencing upon the sixtieth (60th) day following the effective date of this decision.

March 7, 2000



Paul M. Hogan
Administrative Law Judge
Office of Administrative Hearings

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of)
HEMET MORTGAGE, INC. and)
BRENDA LEE KRASOVEC, individually)
and doing business as Cal-West)
Properties, and as designated)
officer of Hemet Mortgage, Inc.,)

Case No. H-28343 LA

OAH No. L-1999120459

Respondent (s)

FILED
JAN - 6 2000
DEPARTMENT OF REAL ESTATE

NOTICE OF HEARING ON ACCUSATION

By C. B. [Signature]

To the above-named Respondent (s):

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, CA 90013-1105 on TUESDAY, FEBRUARY 29, 2000 and WEDNESDAY, MARCH 1, 2000, 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: January 6, 2000

By [Signature]
DARLENE AVERETTA, Counsel

cc: Hemet Mortgage, Inc.
Brenda Lee Krasovec
Law Offices of Al Mohajerian
Sacto.
OAH

SAC

FILED
DEC - 9 1999
DEPARTMENT OF REAL ESTATE

1 DARLENE AVERETTA, Counsel
(SBN 159969)
2 Department of Real Estate
320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982
(Direct) (213) 576-6904

By C. B.

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

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In the Matter of the Accusation of)	NO. H-28343 LA
HEMET MORTGAGE, INC. and)	
BRENDA LEE KRASOVEC, individually)	<u>A C C U S A T I O N</u>
and doing business as Cal-West)	
Properties, and as designated)	
officer of Hemet Mortgage, Inc.,)	
Respondents.)	

17 The Complainant, Thomas McCrady, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against HEMET MORTGAGE, INC. and BRENDA LEE KRASOVEC,
20 individually and doing business as Cal-West Properties, and as,
21 designated officer of Hemet Mortgage Inc., is informed and
22 alleges as follows:

23 1.

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

27

1
2 HEMET MORTGAGE, INC. ("HEMET MORTGAGE") and BRENDA LEE
3 KRASOVEC ("KRASOVEC"), individually and doing business as Cal-
4 West Properties, and as designated officer of Hemet Mortgage,
5 Inc., sometimes collectively referred to herein as "Respondents",
6 are presently licensed and/or have license rights under the Real
7 Estate Law, Part 1 of Division 4 of the California Business and
8 Professions Code ("Code").

3.

9
10 At all times material herein, HEMET MORTGAGE was and
11 currently is licensed by the Department of Real Estate of the
12 State of California ("Department") as a corporate real estate
13 broker by and through KRASOVEC as the designated officer and
14 broker responsible pursuant to the provisions of Code Section
15 10159.2 for the supervision and control of the activities
16 requiring a real estate license conducted for and on behalf
17 HEMET MORTGAGE by its officers, agents and employees.

4.

18
19 At all times material herein, KRASOVEC was and
20 currently is licensed by the Department individually as a real
21 estate broker and as a designated broker-officer of HEMET
22 MORTGAGE. As the designated officer-broker, KRASOVEC was and is
23 responsible, pursuant to the provisions of Code Section 10159.2,
24 for the supervision and control of the activities requiring a
25 real estate license conducted for and on behalf of HEMET MORTGAGE
26 by its officers, agents and employees, as necessary to secure
27 full compliance with the provisions of the Real Estate Law.



1 All further references to "Respondents", unless
2 otherwise specified, include the parties identified in
3 Paragraphs 2 through 4, above, and also include the officers,
4 directors, managers, employees, agents and real estate licensees
5 employed by or associated with said parties, who at all times
6 herein mentioned were engaged in the furtherance of the business
7 or operations of said parties and who were acting within the
8 course and scope of their authority, agency or employment.
9

10 FIRST CAUSE OF ACCUSATION

6.

11 On or about July 29, 1999, the Department completed
12 an examination of Respondents' books and records pertaining to
13 the real estate activities described in Paragraph 7, below.
14 Said examination covered a period from approximately June 1, 1998
15 through May 31, 1999. Said examination revealed violations of
16 the Code and the Regulations as set forth below.
17

7.

18 At all times material herein, Respondents engaged in
19 the business of, acted in the capacity of, advertised or assumed
20 to act as real estate brokers in the State of California within
21 the meaning of Code Section 10131(d). Said activity included the
22 operation and conduct of a mortgage loan brokerage business with
23 the public wherein Respondents for another or others, and for or
24 in expectation of compensation, solicited borrowers or lenders
25 for, or negotiated loans, or collected payments, or performed
26 services for borrowers or lenders or note owners, in connection
27



1 with loans secured directly or collaterally by liens on real
2 property or on a business opportunity.

3 8.

4 In the course of activities described in
5 Paragraph 7, above, and during the examination period described
6 in Paragraph 6, Respondents HEMET MORTGAGE and KRASOVEC acted
7 in violation of the Code and the Regulations in that:

8 (a) Respondents operated an unlicensed branch office
9 at 849 13th Street, Paso Robles, California ("Paso Robles
10 office"), in violation of Code Section 10163.

11 (b) Respondents failed to notify the Real Estate
12 Commissioner, within five (5) days, of the employment of
13 salespersons, including but not necessarily limited to, Robert
14 McDonnell, Timothy Ellis, Wendy Huffman and Bret Finley, in
15 violation of Code Section 10161.8(a) and Regulation 2752.

16 (c) Respondents failed to maintain a signed Broker-
17 Salesperson Relationship Agreement with licensed real estate
18 salespersons in their employ, including but not necessarily
19 limited to, Charles Alkire, Robert McDonnell, Timothy Ellis,
20 Wendy Huffman and Bret Finley, in violation Regulation 2726.

21 Each of the foregoing violations constitute cause for
22 the suspension or revocation of all real estate licenses and
23 license rights of Respondents HEMET MORTGAGE and KRASOVEC under
24 the provisions of Code Sections 10165 and 10177(d).

25 ///

26 ///

27 ///



SECOND CAUSE OF ACCUSATION

(Violation of Code Section 10159.2)

9.

Complainant incorporates herein by reference the Preamble and the allegations of Paragraphs 1 through 8, inclusive, herein above.

10.

The conduct, acts and/or omissions of KRASOVEC, in causing, allowing, or permitting HEMET MORTGAGE to violate the Real Estate Law, as described herein above, constitutes failure on the part of Respondent KRASOVEC, as the officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of HEMET MORTGAGE, as required by Code Section 10159.2. Said conduct acts and/or omissions constitutes cause to suspend or revoke the real estate licenses and license rights of KRASOVEC pursuant to the provisions of Code Sections 10177(d), 10177(g) and/or 10177(h).

11.

KRASOVEC did not adequately supervise the licensed real estate activities of Respondent HEMET MORTGAGE at the unlicensed branch office in Paso Robles. KRASOVEC did not visit the Paso Robles office, and she did not establish any policies, rules, procedures or systems to review, oversee, inspect and manage the real estate activity of the Paso Robles office. Said conduct acts and/or omissions constitutes cause to suspend or revoke the real estate licenses and license rights of KRASOVEC pursuant to the provisions of Code Sections 10177(d), 10177(g) and/or



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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 HEMET MORTGAGE, INC. and BRENDA LEE KRASOVEC, individually and doing business as Cal-West Properties, and as designated officer of Hemet Mortgage, Inc., 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 9th day of December, 1999.

THOMAS McCRADY

Deputy Real Estate Commissioner

cc: Hemet Mortgage, Inc.
Brenda Lee Krasovec
Kwong/LA Audits
Thomas McCrady
SACTO
MA

