

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105

4 (213) 597-6982

FILED
JUN 13 2000
DEPARTMENT OF REAL ESTATE

By 

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 TO:)	No. H-28610 LA
12)	
13 LEDOUX INVESTMENTS, INC., dba)	<u>ORDER TO DESIST</u>
14 City Coast Financial,)	
15 a California corporate broker;)	<u>AND REFRAIN</u>
16 MIGUEL ACEVEDO, individually,)	
17 dba Imperial Real Estate and as)	
18 designated officer of Ledoux)	
Investments, Inc.;)	
16 JOAB JEROME; JEAN C. LEDOUX;)	
17 FERNANDO VALENCIA; LUPE LUEVANOS,)	
18 aka Maria G. Luevanos; RUDY)	
LAURENT; MARCEL LAURENT; ALIX)	
JOURDAIN; and LADRADO GUILFORD.)	

19
20 The Real Estate Commissioner of the State of California
21 (Commissioner) has caused an investigation to be conducted and is
22 of the opinion that you and each of you have violated Sections
23 10130, 10137, 10145, 10177(d) and 10177(g) of the Business and
24 Professions Code of the State of California (hereafter the Code)
25 and Regulations of the Real Estate Commissioner (Title 10, Chapter
26 6 of the California Code of Regulations) Sections 2831.1, 2831.2
27 and 2832.1.

I

You, LEDOUX INVESTMENTS, INC. (hereafter LII), a California corporation, are presently licensed under the Real Estate Law, Part 1 of Division 4 of the Code.

(a) At all times herein mentioned, LII was and is licensed by the Department of Real Estate of the State of California (hereafter the Department) as a corporate real estate broker doing business as City Coast Financial.

(b) At all times herein mentioned, LII engaged in California in the business of soliciting and negotiating, for or in expectation of compensation, with borrowers for loans secured by real property by third party lenders.

II

You, MIGUEL ACEVEDO (hereafter ACEVEDO), are presently licensed and/or have license rights under the Real Estate Law. At all times herein mentioned, ACEVEDO was licensed by the Department as a real estate broker, individually, doing business as Imperial Real Estate and as designated officer of LII. Pursuant to Code Section 10159.2, ACEVEDO was, at all times herein mentioned, responsible for the supervision and control of the activities conducted on behalf of LII by its officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law in the performance of acts for which a real estate license is required.

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Unlicensed Loan Agents

III

At no time herein mentioned were you, JOAB JEROME; JEAN C. LEDOUX; FERNANDO VALENCIA; LUPE LUEVANOS, aka Maria G. Luevanos; RUDY LAURENT; MARCEL LAURENT; ALIX JOURDAIN; OR LADRADO GUILFORD licensed by the Department as real estate brokers or salespersons.

IV

At all times herein mentioned, LII employed and/or compensated those persons identified in paragraph III above to solicit and negotiate, for or in expectation of compensation, with the following borrowers for loans secured by real property:

<u>Borrower</u>	<u>Date</u>	<u>Loan Officer</u>
Annette Lozolla	9-3-99	Joab Jerome
Jose Guadalupe Hernandez	8-25-99	Joab Jerome
Eric Heini Haflinger	9-2-99	Joab Jerome
Anthony Ortiz	9-21-99	Joab Jerome
Juvenal Cardenas	4-8-99	Joab Jerome
Estella Berrones	8-5-99	Jean C. Ledoux
Guillermo Mondragon	8-27-99	Jean C. Ledoux
Luz Maria Palomo	8-2-99	Lupe Luevanos
Christina Aguayo	4-2-99	Lupe Luevanos
Enrique Vasquez III	9-21-99	Rudy Laurent
Juan Antonio Vasquez	5-5-99	Rudy Laurent
Antonio Green	6-2-99	Ladrado Guilford
Shirley Rogers	8-29-99	Alix Jourdain

V

LII and ACEVEDO knew or should have known that the loan officers identified in paragraph IV above were not licensed as real estate brokers or salespersons during the times set forth in paragraph IV above.

VI

The solicitation and negotiation, for or in expectation of compensation, with borrowers for loans by third party lenders secured by real property, as set forth in paragraph IV above, is conduct for which a real estate license is required under Code Section 10131(d).

VII

You, JOAB JEROME; JEAN C. LEDOUX; FERNANDO VALENCIA; LUPE LUEVANOS, aka Maria G. Luevanos; RUDY LAURENT; MARCEL LAURENT; ALIX JOURDAIN; and LADRADO GUILFORD violated Code Section 10130 by engaging in the above-described conduct without first obtaining a real estate license from the Department.

VIII

By employing or compensating unlicensed loan officers as set forth in paragraph IV above, you, LII, and you, ACEVEDO, violated Code Section 10137.

Audit

IX

Between on or about December 9, 1999, through December 21, 1999, auditors from the Department examined the books and records of LII covering a period of time from May 1, 1999, through November 12, 1999 (hereafter the "audit period"). The examination

1 revealed that LII and ACEVEDO, during this audit period, violated
2 the following Code Sections and Regulations of the Real Estate
3 Commissioner from Title 10, Chapter 6, California Code of
4 Regulations (hereafter Regulations):

5 (a) In connection with the solicitation of lenders for
6 loans secured by real property, LII received funds in trust from
7 or on behalf of borrowers and deposited them in a trust account at
8 Wells Fargo Bank, account number 0806782876.

9 (b) LII and ACEVEDO failed to maintain adequate
10 separate records for each beneficiary or transaction. The
11 separate records failed to show the date of deposit, date of each
12 related disbursement, check number and amount of the related
13 disbursement and the balance after posting, in violation of
14 Regulation 2831.1.

15 (c) LII and ACEVEDO failed to reconcile, monthly, the
16 separate records with the control records in willful violation of
17 Regulation 2831.2.

18 (d) As of November 30, 1989, LII and ACEVEDO caused,
19 allowed or permitted a shortage of \$1,730.40 to exist in LII's
20 trust account. The cause of said shortage was the payment for
21 appraisals and credit reports from the trust account without the
22 prior receipt of funds from some borrowers for whom the appraisal
23 and credit reports were ordered. Said shortage was without the
24 written consent of each and every principal whose funds were in
25 the trust account and was in violation of Code Section 10145 and
26 Regulation 2832.1.
27

Failure to Supervise

X

You, ACEVEDO, failed to exercise reasonable supervision so as to ensure that the loan officers identified in paragraph IV above were licensed during the times they performed those acts set forth in paragraph IV and/or to ensure the trust account was in balance and that the trust account records were in compliance with the Code and Regulations, as set forth in paragraph IX.

XI

You, LII, violated the following Code sections:

(a) Section 10137 for employing or compensating unlicensed persons to perform acts requiring a real estate license, as set forth in paragraphs III and IV above.

(b) Section 10177(d) for violations of the following Code sections and regulations:

(i) Regulation 2831.1 for inadequate separate records, as set forth in paragraphs IX(b) above.

(ii) Regulation 2831.2 for failure to reconcile, monthly, the separate records with the control records, as set forth in paragraphs IX(c) above.

(iii) Section 10145 and Regulation 2832.1 for the shortage, as set forth in paragraphs IX(d) above.

(c) Section 10177(g) for negligence in allowing unlicensed persons to perform acts requiring a real estate license, as set forth in paragraphs II, III and IV above.

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XII

You, ACEVEDO, violated the following Code sections:

(a) Section 10137 for employing or compensating unlicensed persons to perform acts requiring a real estate license, as set forth in paragraphs III and IV above.

(b) Section 10177(d) for violations of the following Code sections and regulations:

(i) Regulation 2831.1 for inadequate separate records, as set forth in paragraphs IX(b) above.

(ii) Regulation 2831.2 for failure to reconcile, monthly, the separate records with the control records, as set forth in paragraphs IX(c) above.

(iii) Section 10145 and Regulation 2832.1 for the shortage, as set forth in paragraphs IX(d) above.

(iv) Section 10159.2 for failure to supervise the activities of officers, employees and licensees associated with LII, as set forth in paragraph X above.

(c) Section 10177(g) for negligence in allowing unlicensed persons to perform acts requiring a real estate license, as set forth in paragraphs III, IV and V above.

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1 NOW, THEREFORE, YOU, LEDOUX INVESTMENTS, INC., A
2 CALIFORNIA CORPORATE REAL ESTATE BROKER, YOUR OFFICERS, EMPLOYEES,
3 AGENTS, ASSIGNS AND SUCCESSORS IN INTEREST, AND YOU, MIGUEL
4 ACEVEDO, ARE HEREBY ORDERED TO DESIST AND REFRAIN from employing
5 or compensating unlicensed persons for performing acts for which a
6 real estate license is required until such time as such persons
7 obtain the required licenses from the Department.

8 NOW, THEREFORE, YOU, LEDOUX INVESTMENTS, INC., A
9 CALIFORNIA CORPORATE REAL ESTATE BROKER, YOUR OFFICERS, EMPLOYEES,
10 AGENTS, ASSIGNS AND SUCCESSORS IN INTEREST, AND YOU, MIGUEL
11 ACEVEDO, ARE HEREBY ORDERED TO DESIST AND REFRAIN from violating
12 Sections 10130, 10137, 10145, 10177(d) and 10177(g) of the
13 Business and Professions Code of the State of California and
14 Regulations of the Real Estate Commissioner Sections 2831.1,
15 2831.2 and 2832.1.

16 NOW, THEREFORE, YOU, JOAB JEROME; JEAN C. LEDOUX;
17 FERNANDO VALENCIA; LUPE LUEVANOS, AKA MARIA G. LUEVANOS; RUDY
18 LAURENT; MARCEL LAURENT; ALIX JOURDAIN; AND LADRADO GUILFORD, AND
19 EACH OF YOU, ARE HEREBY ORDERED TO DESIST AND REFRAIN from
20 performing acts for which a real estate license is required until
21 such time as you obtain the required license from the Department.

22 DATED: June 6 2000

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24 PAULA REDDISH ZINNEMANN
Real Estate Commissioner
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cc: Ledoux Investments, Inc.
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