

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

4 (213) 597-6982

FILED
JUN 19 2000
DEPARTMENT OF REAL ESTATE

By 

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 TO:)	No. H-28615 LA
)	
12 NATIONAL MORTGAGE CENTER, INC.,)	<u>ORDER TO DESIST</u>
13 a California corporate broker;)	
14 and GERARDO HERNANDEZ,)	<u>AND REFRAIN</u>
15 individually, dba Universal)	
14 Alliance Funding Group and as)	
15 designated officer of National)	
16 Mortgage Center, Inc.;)	
MARK VAN ALLEN; TIMOTHY P.)	
16 QUILL; and JAMES FRENCH.)	

17
18 The Real Estate Commissioner of the State of California
19 (Commissioner) has caused an investigation to be conducted and is
20 of the opinion that you and each of you have violated Sections
21 10130, 10137, 10177(d), 10177(g) and 10240 of the Business and
22 Professions Code of the State of California (hereafter the Code)
23 and Regulations of the Real Estate Commissioner (Title 10,
24 Chapter 6 of the California Code of Regulations) Sections 2834
25 and 2840.

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I

You, NATIONAL MORTGAGE CENTER, INC. (hereafter NMCI), 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, NMCI was and is licensed by the Department of Real Estate of the State of California (hereafter the Department) as a corporate real estate broker.

(b) At all times herein mentioned, NMCI 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, GERARDO HERNANDEZ (hereafter HERNANDEZ), were licensed by the Department as a real estate broker, individually, doing business as Universal Alliance Funding Group and as designated officer of NMCI from August 13, 1998, to August 5, 1999. Pursuant to Code Section 10159.2, you, HERNANDEZ, were, from August 13, 1998, to August 5, 1999, responsible for the supervision and control of the activities conducted on behalf of NMCI 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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2 Unlicensed Loan Agents

3 III

4 (a) At no time herein mentioned were you, MARK VAN
5 ALLEN (VAN ALLEN), TIMOTHY P. QUILL (QUILL), or JAMES FRENCH
6 (FRENCH), licensed by the Department as real estate brokers or
7 salespersons.

8 (b) James Douglas Boomhower (Boomhower) was not
9 licensed by the Department as a real estate broker or salesperson
10 until he was issued a conditional salesperson license on and
11 after January 7, 1999.

12 IV

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

<u>Borrower</u>	<u>Date</u>	<u>Loan Officer</u>
17 Mark and Angela Wanshon	12-8-98	French
18 Frank and Paula Anderson	12-14-98	Van Allen
19 Brian and Tracy Jacques	11-25-98	Van Allen
20 Thomas and Lisa Phillips	11-19-98	Van Allen
21 Robert and Colleen Trumbell	12-8-98	Quill
22 Beverly Stager	12-14-98	Quill
23 Terry J and Jane Lynch	10-16-98	Boomhower
24 Wilfred M and Mozella Tarver	12-18-98	Boomhower
25 Jeffrey and Ada Nixon	1-11-99	Boomhower

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V

You, NMCI and HERNANDEZ, knew, or should have known, that the loan officers identified in paragraphs III and 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, MARK VAN ALLEN, TIMOTHY P. QUILL and JAMES FRENCH, 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 paragraphs III and IV, above, you, NATIONAL MORTGAGE CENTER, INC., and you, GERARDO HERNANDEZ, violated Code Section 10137.

Audit

IX

On or about May 26, 1999, an auditor from the Department examined the books and records of NMCI covering a period of time from September 1, 1998, through March 31, 1999 (hereafter the "audit period"). The examination revealed that

1 NMCI and HERNANDEZ, during the audit period, violated the
2 following Code Sections and Regulations from Title 10, Chapter 6,
3 California Code of Regulations (hereafter Regulations):

4 (a) In connection with the solicitation of lenders for
5 loans secured by real property, NMCI received funds in trust from
6 or on behalf of borrowers and deposited them in a trust account
7 at Wells Fargo Bank, Tustin branch, account number 0425660420.

8 (b) You, HERNANDEZ, were not a signatory on the trust
9 account. You, MARK VAN ALLEN, were a signatory on the trust
10 account and were neither licensed by the Department nor bonded in
11 violation of Regulation 2834.

12 (c) Code Section 10240 requires a mortgage loan broker
13 to provide a Mortgage Loan Disclosure Statement to borrowers on
14 loans secured by real property, as prescribed by Regulation 2840.
15 You, NMCI, failed to provide Mortgage Loan Disclosure Statements
16 to borrowers in the following loan transactions:

17	Frank and Paula Anderson	12-14-98
18	Thomas and Lisa Phillips	11-19-98
19	Beverly Stager	12-14-98
20	Jeffrey and Ada Nixon	1-11-99

21 Failure to Supervise

22 X

23 You, HERNANDEZ, failed to exercise reasonable
24 supervision over NMCI so as to ensure that the loan officers
25 identified in paragraph V above were licensed during the times
26 they performed those acts set forth in paragraphs III, IV, V and
27 VI above and/or to ensure there were proper signatories on the

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trust account and that borrowers were given the required disclosure statements in compliance with Code Section 10240 and Regulation 2834, as set forth in paragraph IX above.

XI

You, NMCI, 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, IV, V and VI, above.

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

(i) Regulation 2834 for a signatory on the trust account not in compliance with Regulation 2834, as set forth in paragraph IX(b) above.

(ii) Section 10240 and Regulation 2840 for failure to provide required Mortgage Loan Disclosure Statements, as set forth in paragraph IX(c) 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, V and VI, above.

XII

You, HERNANDEZ, 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, IV, V and VI, above.

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

1 (i) Regulation 2834 for allowing a signatory on
2 the trust account not in compliance with Regulation 2834, as set
3 forth in paragraph IX(b) above.

4 (ii) Section 10240 and Regulation 2840 for
5 failing to provide required Mortgage Loan Disclosure Statements,
6 as set forth in paragraph IX(c) above.

7 (iii) Section 10159.2 for failing to supervise
8 the activities of officers, employees and licensees associated
9 with NMCI, as set forth in paragraphs III through X above.

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

13 NOW, THEREFORE, YOU, NATIONAL MORTGAGE CENTER, INC., A
14 CALIFORNIA CORPORATE REAL ESTATE BROKER, YOUR OFFICERS,
15 EMPLOYEES, AGENTS, ASSIGNS AND SUCCESSORS IN INTEREST, AND YOU,
16 GERARDO HERNANDEZ, ARE HEREBY ORDERED TO DESIST AND REFRAIN from
17 employing or compensating unlicensed persons for performing acts
18 for which a real estate license is required until such time as
19 such persons obtain the required licenses from the Department.

20 NOW, THEREFORE, YOU, NATIONAL MORTGAGE CENTER, INC., A
21 CALIFORNIA CORPORATE REAL ESTATE BROKER, YOUR OFFICERS,
22 EMPLOYEES, AGENTS, ASSIGNS AND SUCCESSORS IN INTEREST, AND YOU,
23 GERARDO HERNANDEZ, ARE HEREBY ORDERED TO DESIST AND REFRAIN from
24 violating Sections 10130, 10137, 10145, 10177(d), 10177(g) and
25 10240 of the Business and Professions Code of the State of
26 California and Regulations 2834 and 2840.

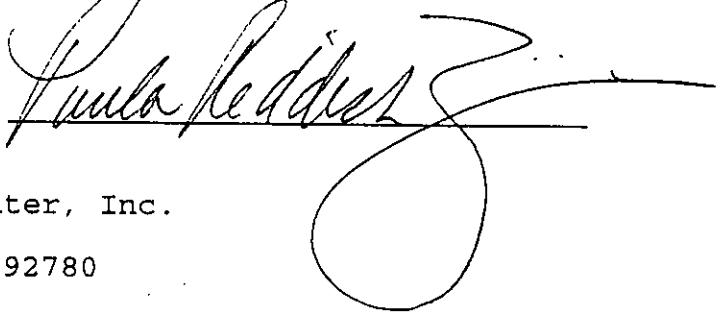
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1 NOW, THEREFORE, YOU, MARK VAN ALLEN, TIMOTHY P. QUILL,
2 JAMES FRENCH, AND EACH OF YOU, ARE HEREBY ORDERED TO DESIST AND
3 REFRAIN from performing acts for which a real estate license is
4 required until such time as you obtain the required license from
5 the Department.

6 DATED: June 8, 2000.
7

8 PAULA REDDISH ZINNEMANN
9 Real Estate Commissioner

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13 cc: National Mortgage Center, Inc.
14 632-C El Camino Real
15 Tustin, California 92780

16 Gerardo Hernandez
17 5761 East La Palma Ave., #300
18 Anaheim, California 92807

19 Mark Van Allen
20 5692 Trail View Place
21 Yorba Linda, California 92886

22 Timothy P. Quill
23 1200 Pacific Coast Hwy, #413
24 Huntington Beach, CA 92648

25 James French
26 1714 Victoria Drive
27 Fullerton, California 92831

SC:MLB