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2 On or about June 25, 2003, Respondent petitioned  
3 for reinstatement of said real estate broker license and the  
4 Attorney General of the State of California has been given  
5 notice of the filing of said petition.

6 I have considered the petition of Respondent and the  
7 evidence and arguments in support thereof including Respondent's  
8 record as a restricted licensee. Respondent has demonstrated  
9 to my satisfaction that Respondent meets the requirements of  
10 law for the issuance to Respondent of an unrestricted real  
11 estate broker license and that it would not be against the  
12 public interest to issue said license to Respondent STEVEN  
13 MICHAEL CANTO.

14 NOW, THEREFORE, IT IS ORDERED that Respondent's  
15 petition for reinstatement is granted and that a real estate  
16 broker license be issued to Respondent if Respondent satisfies  
17 the following conditions within nine (9) months from the date  
18 of this Order:

19 1. Submittal of a completed application and payment  
20 of the fee for a real estate broker license.

21 2. Submittal of evidence of having, since the most  
22 recent issuance of an original or renewal real estate license,  
23 taken and successfully completed the continuing education  
24 requirements of Article 2.5 of Chapter 3 of the Real Estate Law  
25 for renewal of a real estate license.

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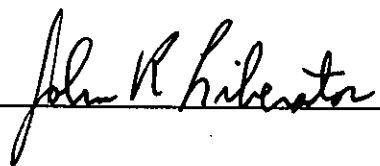
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3. Submittal of proof satisfactory to the  
Commissioner of having taken and completed the trust fund  
accounting and handling course specified in paragraph (3),  
subdivision (a) of Section 10170.5 of the Business and  
Professions Code.

This Order shall become effective immediately.

DATED: June 7, 2004

JOHN R. LIBERATOR  
Acting Real Estate Commissioner

  
\_\_\_\_\_

cc: Steven M. Canto  
158 1/2 Corona  
Long Beach, CA 90803

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FILED  
MAR 12 2001

DEPARTMENT OF REAL ESTATE  
By Juan P. ...

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Accusation of ) NO. H-28790 LA  
FINANCIAL SERVICES MORTGAGE )  
CORP. and STEVEN MICHAEL CANTO, )  
individually and as designated )  
officer of Financial Services )  
Mortgage Corp., )  
Respondents. )

DECISION AFTER RECONSIDERATION

On January 4, 2001, a Decision was rendered in the above-entitled matter. The Decision is to become effective on March 12, 2001.

On February 15, 2001, Respondent CANTO petitioned for reconsideration of the Decision of January 4, 2001.

I have given due consideration to the petition of Respondent CANTO. I find good cause to reconsider the Decision of January 4, 2001 for the limited purpose of determining whether the disciplinary action therein imposed should be reduced.

1 I have reconsidered said Decision and it is hereby  
2 ordered that the disciplinary action therein imposed against  
3 the real estate broker license of STEVEN MICHAEL CANTO be  
4 reduced by modifying the Order of said Decision to read as  
5 follows:

6 ORDER

7 All licenses and licensing rights of Respondent STEVEN  
8 MICHAEL CANTO under the Real Estate Law are revoked; provided,  
9 however, a restricted real estate salesperson license shall be  
10 issued to Respondent pursuant to Section 10156.5 of the Business  
11 and Professions Code if Respondent makes application therefor  
12 and pays to the Department of Real Estate the appropriate fee  
13 for the restricted license within 90 days from the effective  
14 date of this Decision. The restricted license issued to  
15 Respondent shall be subject to all of the provisions of Section  
16 10156.7 of the Business and Professions Code and to the  
17 following limitations, conditions and restrictions imposed under  
18 authority of Section 10156.6 of that Code:

19 1. Respondent shall, prior to the issuance of the  
20 restricted license and as a condition of the issuance of said  
21 restricted license, submit proof satisfactory to the  
22 Commissioner of payment of restitution in the amount of  
23 \$2,596.22 to Dennis L. Skinner, doing business as DLS  
24 Appraisals ("Skinner").

25 2. Respondent shall, prior to the issuance of the  
26 restricted license and as a condition of the issuance of said  
27 restricted license, submit proof satisfactory to the

1 Commissioner that the shortage, found in paragraph XI of the  
2 Decision, in the amount of \$2,650.23 has been cured.

3           3. Respondent shall, prior to the issuance of the  
4 restricted license and as a condition of the issuance of said  
5 restricted license, pay to the Department \$2,640.00 for the cost  
6 of audit L-990309.

7           4. The restricted license issued to Respondent may be  
8 suspended prior to hearing by Order of the Real Estate  
9 Commissioner in the event of Respondent's conviction or plea of  
10 nolo contendere to a crime which is substantially related to  
11 Respondent's fitness or capacity as a real estate licensee.

12           5. The restricted license issued to Respondent may be  
13 suspended prior to hearing by Order of the Real Estate  
14 Commissioner on evidence satisfactory to the Commissioner that  
15 Respondent has violated provisions of the California Real Estate  
16 Law, the Subdivided Lands Law, Regulations of the Real Estate  
17 Commissioner or conditions attaching to the restricted license.

18           6. Respondent shall not be eligible to apply for the  
19 issuance of an unrestricted real estate license nor for the  
20 removal of any of the conditions, limitations or restrictions of  
21 a restricted license until two (2) years have elapsed from the  
22 effective date of this Decision.

23           7. Respondent shall submit with any application for  
24 license under an employing broker, or any application for  
25 transfer to a new employing broker, a statement signed by the  
26 prospective employing real estate broker on a form approved by  
27 the Department of Real Estate which shall certify:

1 (a) That the employing broker has read the  
2 Decision of the Commissioner which granted the right to a  
3 restricted license; and

4 (b) That the employing broker will exercise close  
5 supervision over the performance by the restricted licensee  
6 relating to activities for which a real estate license is  
7 required.

8 8. Respondent shall, within six months from the  
9 effective date of this Decision, take and pass the Professional  
10 Responsibility Examination administered by the Department  
11 including the payment of the appropriate examination fee. If  
12 Respondent fails to satisfy this condition, the Commissioner may  
13 order suspension of Respondent's license until Respondent passes  
14 the examination.

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1 9. Respondent shall, within nine months from the  
2 effective date of this Decision, present evidence satisfactory  
3 to the Real Estate Commissioner that Respondent has, since the  
4 most recent issuance of an original or renewal real estate  
5 license, taken and successfully completed the continuing  
6 education requirements of Article 2.5 of Chapter 3 of the Real  
7 Estate Law for renewal of a real estate license. If Respondent  
8 fails to satisfy this condition, the Commissioner may order the  
9 suspension of the restricted license until the Respondent  
10 presents such evidence. The Commissioner shall afford  
11 Respondent the opportunity for a hearing pursuant to the  
12 Administrative Procedure Act to present such evidence.

13 As hereby modified and amended, the Decision of  
14 January 4, 2001, shall become effective at 12 o'clock noon  
15 on April 5, 2001

16 IT IS SO ORDERED March 12, 2001

17  
18 PAULA REDDISH ZINNEMANN  
19 Real Estate Commissioner

20 *John R. Liberator*

21  
22 BY: John R. Liberator  
23 Chief Deputy Commissioner



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**FILED**  
MAR - 1 2001  
DEPARTMENT OF REAL ESTATE

By CB

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )	
FINANCIAL SERVICES MORTGAGE CORP. )	NO. H-28790 LA
and <u>STEVEN MICHAEL CANTO</u> , )	
individually and as designated )	
officer of Financial Services )	
Mortgage Corp., )	
Respondent. )	

ORDER STAYING EFFECTIVE DATE

On January 4, 2001, a Decision was rendered in the above-entitled matter to become effective at 12 o'clock noon on January 30, 2001.

On January 25, 2001, an Order Staying Effective Date was entered ordering that the effective date of the Decision of January 4, 2001, be stayed for a period of thirty (30) days, and further ordering that the Decision of January 4, 2001, become effective at 12 o'clock noon on March 1, 2001.

Additional time is needed to evaluate the petition for reconsideration.

1  
2 NOW, THEREFORE, GOOD CAUSE APPEARING, it is hereby  
3 ordered pursuant to the provisions of Section 11521(a) of the  
4 Government Code that the expiration of the time to grant or  
5 deny the petition for reconsideration be, and hereby is,  
6 stayed for a period of ten (10) days. The time to grant or  
7 deny the petition for reconsideration shall expire at  
8 12 o'clock noon on March 12, 2001.

9 DATED: March 1, 2001.

10 PAULA REDDISH ZINNEMANN  
11 Real Estate Commissioner

12 By: *Randolph Brendia*

13 RANDOLPH BRENDIA  
14 Regional Manager  
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FILED  
JAN 10 2001  
DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \* \*

By CS

In the Matter of the Accusation of ) NO. H-28790 LA  
FINANCIAL SERVICES MORTGAGE )  
CORP. and STEVEN MICHAEL CANTO, )  
individually and as designated )  
officer of Financial Services )  
Mortgage Corp., )  
Respondents. )

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on December 11, 2000, and the findings of fact set forth herein are based on one or more of the following: (1) respondent's express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

I

(a) On September 27, 2000, Thomas Mc Crady made the Accusation in his official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Notice of Defense, Discovery Provisions, Statement to Respondent and Notice Concerning Costs of Audits with a copy of Business and Professions Code Section 10148 were mailed, by certified mail, to both respondents' last known mailing addresses on file with the Department on September 27, 2000. Receipts were returned by the post office.

(b) On October 26, 2000, the Accusation, Notice of Defense, Discovery Provisions, Statement to Respondent and Notice Concerning Costs of Audits with a copy of Business and Professions Code Section 10148 were mailed, by regular mail, to both respondents' last known mailing addresses on

file with the Department. The correspondence was not returned by the post office.

(c) On December 11, 2000, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, both respondents' defaults were entered herein.

## II

FINANCIAL SERVICES MORTGAGE ("FINANCIAL SERVICES") and STEVEN MICHAEL CANTO ("CANTO"), individually and as designated officer of Financial Services Mortgage Corp. (sometimes collectively referred to herein as "Respondents"), are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code").

## III

At all times material herein, FINANCIAL SERVICES was and currently is licensed by the Department of Real Estate of the State of California ("Department") as a corporate real estate broker by and through CANTO as the responsible designated officer and broker.

## IV

At all times material herein, CANTO was licensed by the Department, individually as a real estate broker and as the designated broker-officer of FINANCIAL SERVICES. As the designated broker-officer, CANTO is and was responsible pursuant to the provisions of Code Section 10159.2, for the supervision and control of the activities requiring a real estate license conducted on behalf of FINANCIAL SERVICES by its officers and employees as necessary to secure full compliance with the provisions of the Real Estate Law.

## V

At all times material herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California, for another or others, and for or in expectation of compensation within the meaning of Code Section 10131(d). Said activities included the operation and conduct of a mortgage loan brokerage business with the public wherein Respondents solicited borrowers or lenders for, or negotiated loans, or collected payments or performed services, for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

VI

In or about the last quarter of 1998, Respondent CANTO, individually and on behalf of Respondent FINANCIAL SERVICES, negotiated real property loans with parties including, but not necessarily limited to, Ralph E. Van DeMoere, Steven and Elize Zamara, James and Laine Alves, and Nicholas and Patricia Aguilar (hereinafter collectively referred to as the "Borrowers"). Respondent CANTO promised the Borrowers "zero-point/zero-fee" loans.

VII

Thereafter, Respondents failed to pay for appraisals done on the Borrowers' properties by one, Dennis L. Skinner, doing business as DLS Appraisals ("Skinner"). In addition, Respondents charged Borrowers including, but not limited to, Van De Moere, Zamara and Aguilar, escrow fees, or took monies from the Borrowers' escrows.

VIII

Skinner sued the Borrowers and Respondent CANTO in Small Claims Court. Skinner won judgments against Respondent CANTO and Borrowers including, but not limited to, Van De Moere, Aguilar and Alves.

IX

On or about April 28, 2000, the Department completed an examination of Respondents' books and records pertaining to Respondents real estate and trust fund handling activities. Said examination covered a period from approximately September 1, 1998 through January 31, 2000, and revealed violations of Title 10, Chapter 6, California Code of Regulations ("Regulations"), as set forth below.

X

At all times material herein, in connection with the activities described in Paragraph V, above, Respondents accepted or received funds, including funds in trust ("trust funds"), from or on behalf of parties to transactions handled by Respondents. Thereafter, Respondents made deposits and/or disbursements of such funds. From time to time herein mentioned, said trust funds were deposited and/or maintained by Respondents in bank accounts including, but not necessarily limited to, the following: Account No. 06300-62349, "Financial Services Mortgage Corp. Trust Account" ("Trust Account 1"), Union Bank of California, P.O. Box 85413, San Diego, California 92186; and Account No. 11018-7180, "Financial Services Mortgage Corp. ("Trust Account 2"), Bank of America, Irvine Industrial Branch, P.O.

XI

In the course of activities described in Paragraphs V and X, above, and during the examination period described in Paragraph IX, Respondents FINANCIAL SERVICES and CANTO acted in violation of the Code and the Regulations as follows:

(a) As of July 30, 1999, there was a shortage in Trust Account 2 in the amount of approximately Two Thousand Five Hundred and Fifty Dollars and Twenty-Three Cents (\$2,650.23). Respondents caused, permitted and/or allowed the withdrawal or disbursement of trust funds from the Trust Account, which reduced the balance of funds in said account to an amount less than the existing aggregate trust fund liability of the broker to all owners of the trust funds, without the prior written consent of every principal who then was an owner of funds in the account, in violation of Code Section 10145 and Regulation 2832.1.

(b) Respondents failed to designate Trust Account 2 as a trust account, and credit report and appraisal fees were not deposited into the broker's trust account within three (3) business days, in violation of Code Section 10145 and Regulation 2832.

(c) Credit report and appraisal fees were deposited into Respondents' payroll account and mixed with their funds. Two Thousand Dollars (\$2,000) in trust funds were transferred from Trust Account 2 to the Respondents' general account on or about January 5, 1999, in violation of Code Section 10145.

(d) Respondents failed to notify the Department within one (1) business day, of the change in address of their main office location, in violation of Regulation 2715.

(e) Respondents failed to maintain on file a copy of the Mortgage Loan Disclosure Statement provided to some borrowers, and failed to ensure that all Mortgage Loan Disclosure Statements were signed by the borrower and the broker or agent, in violation of Code Section 10240 and Regulations 2840 and 2840.1.

XII

Respondent CANTO in causing, allowing, or permitting Respondent FINANCIAL SERVICES to violate the Real Estate Law, as described above, constitutes failure by Respondent CANTO, as the officer designated by a corporate broker licensee, to exercise the reasonable supervision and

control over the licensed activities of Respondent FINANCIAL SERVICES, as required by Code Section 10159.2.

DETERMINATION OF ISSUES

I

The conduct, acts and/or omissions of Respondents, as described in paragraphs VI, VII, VIII above, constitutes cause for suspension or revocation of all real estate licenses and license rights of Respondents FINANCIAL SERVICES and CANTO, pursuant to the provisions of Code Sections 10176(a), 10176(b) and/or 10176(i).

II

The conduct, acts and/or omissions of Respondents FINANCIAL SERVICES and CANTO, as described in Paragraph XI, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
XI(a)	Code Section <u>10145</u> and Regulation <u>2832.1</u>
XI(b)	Code Section 10145 and Regulation <u>2832</u>
XI(c)	Code Section 10145
XI(d)	Regulation <u>2715</u>
XI(e)	Code Section <u>10240</u> and Regulations <u>2840/2840.1</u>

Each of the foregoing violations constitutes cause for the suspension or revocation of all real estate licenses and license rights of Respondents FINANCIAL SERVICES and CANTO, under the provisions of Code Sections 10176(e), 10177(d) and 10177(g).

III

The conduct of Respondent CANTO, as set forth in paragraph XII, above, is cause to suspend or revoke his real estate licenses and license rights pursuant to Code Sections 10177(d), 10177(g) and 10177(h).



IV

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

I

All real estate licenses and license rights of FINANCIAL SERVICES MORTGAGE CORP. are hereby revoked.

II

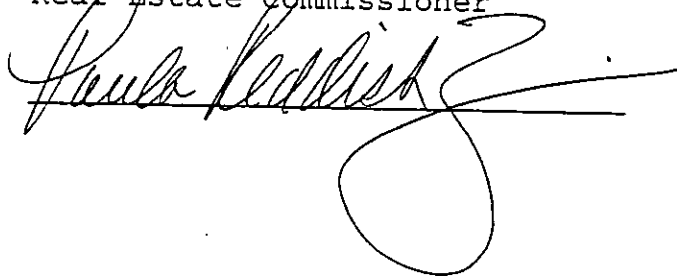
All real estate licenses and license rights of STEVEN MICHAEL CANTO are hereby revoked.

This Decision shall become effective at 12 o'clock noon on January 30, 2001

DATED:

January 4, 2001

PAULA REDDISH ZINNEMANN  
Real Estate Commissioner



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Department of Real Estate  
320 West Fourth Street, Suite 350  
Los Angeles, California 90013-1105  
(213) 576-6982

**FILED**  
DEC 11 2000  
DEPARTMENT OF REAL ESTATE

By CS

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of )  
FINANCIAL SERVICES MORTGAGE CORP. )  
and STEVEN MICHAEL CANTO, )  
individually and as designated )  
officer of Financial Services )  
Mortgage Corp., )  
Respondent(s). )

NO. H-28790 LA  
DEFAULT ORDER

Respondents, FINANCIAL SERVICES MORTGAGE CORP. and STEVEN MICHAEL CANTO, individually and as designated officer of Financial Services Mortgage Corp., having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, are now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED December 11, 2000

PAULA REDDISH ZINNEMANN  
Real Estate Commissioner

Randolph Bréndia  
By: RANDOLPH BRÉNDIA  
Regional Manager

SAC

1 DARLENE AVERETT, 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  
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FILED  
SEP 27 2000  
DEPARTMENT OF REAL ESTATE

By CS

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of ) NO. H-28790 LA  
13 FINANCIAL SERVICES MORTGAGE )  
CORP. and STEVEN MICHAEL CANTO, ) A C C U S A T I O N  
14 individually and as designated )  
officer of Financial Services )  
15 Mortgage Corp., )  
16 Respondents. )

17 The Complainant, Thomas McCrady, a Deputy Real Estate  
18 Commissioner of the State of California, for cause of Accusation  
19 against FINANCIAL SERVICES MORTGAGE and STEVEN MICHAEL CANTO,  
20 individually and as designated officer of Financial Services  
21 Mortgage Corp., is informed and alleges as follows:

22 1.

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

26 ///  
27 ///

FINANCIAL SERVICES MORTGAGE ("FINANCIAL SERVICES") and STEVEN MICHAEL CANTO ("CANTO"), individually and as designated officer of Financial Services Mortgage Corp. (sometimes collectively referred to herein as "Respondents"), are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code").

At all times material herein, FINANCIAL SERVICES was and currently is licensed by the Department of Real Estate of the State of California ("Department") as a corporate real estate broker by and through CANTO as the responsible designated officer and broker.

At all times material herein, CANTO was licensed by the Department, individually as a real estate broker and as the designated broker-officer of FINANCIAL SERVICES. As the designated broker-officer, CANTO is and was responsible pursuant to the provisions of Code Section 10159.2, for the supervision and control of the activities requiring a real estate license conducted on behalf of FINANCIAL SERVICES by its officers and employees as necessary to secure full compliance with the provisions of the Real Estate Law.

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[Code Sections 10176(a),  
10176(b) and 10176(i)]

7.

In or about the last quarter of 1998, Respondent CANTO, individually and on behalf of Respondent FINANCIAL SERVICES, negotiated real property loans with parties including, but not necessarily limited to, Ralph E. Van DeMoere, Steven and Elize Zamiara, James and Laine Alves, and Nicholas and Patricia Aguilar (hereinafter collectively referred to as the "Borrowers"). Respondent CANTO promised the Borrowers "zero-point/zero-fee" loans.

8.

Thereafter, Respondents failed to pay for an appraisal done on the Borrowers' property by one, Dennis L. Skinner, doing business as DLS Appraisals ("Skinner"). In addition, Respondents charged Borrowers including, but not limited to, Van De Moere, Zamiara and Aguilar, escrow fees, or took monies from the Borrowers' escrows.

9.

Skinner sued the Borrowers and Respondent CANTO in Small Claims Court. Skinner won judgments against Respondent CANTO and Borrowers including, but not limited to, Van De Moere, Aguilar and Alves.

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The conduct, acts and/or omissions of Respondents, as described herein above, constitutes cause for suspension or revocation of all real estate licenses and license rights of Respondents FINANCIAL SERVICES and CANTO, pursuant to the provisions of Code Sections 10176(a), 10176(b) and/or 10176(i).

SECOND CAUSE OF ACCUSATION

(Audit)

11.

Complainant incorporates herein by reference the Preamble and the allegations of Paragraphs 1 through 10, inclusive, herein above.

12.

On or about April 28, 2000, the Department completed an examination of Respondents' books and records pertaining to Respondents real estate and trust fund handling activities. Said examination covered a period from approximately September 1, 1998 through January 31, 2000, and revealed violations of Title 10, Chapter 6, California Code of Regulations ("Regulations"), as set forth below.

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2 At all times material herein, in connection with the  
3 activities described in Paragraph 6, above, Respondents accepted  
4 or received funds, including funds in trust ("trust funds"),  
5 from or on behalf of parties to transactions handled  
6 by Respondents. Thereafter, Respondents made deposits and/or  
7 disbursements of such funds. From time to time herein  
8 mentioned, said trust funds were deposited and/or maintained by  
9 Respondents in bank accounts including, but not necessarily  
10 limited to, the following: Account No. 06300-62349, "Financial  
11 Services Mortgage Corp. Trust Account" ("Trust Account 1"),  
12 Union Bank of California, P.O. Box 85413, San Diego, California  
13 92186; and Account No. 11018-7180, "Financial Services Mortgage  
14 Corp. ("Trust Account 2"), Bank of America, Irvine Industrial  
15 Branch, P.O. Box 37176, San Francisco, California 94137.

14.

16  
17 In the course of activities described in Paragraphs 6  
18 and 13, above, and during the examination period described in  
19 Paragraph 12, Respondents FINANCIAL SERVICES and CANTO acted in  
20 violation of the Code and the Regulations as follows:

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1 (a) of July 30, 1999, there is a shortage in  
2 Trust Account 2 in the amount of approximately Two Thousand Five  
3 Hundred and Fifty Dollars and Twenty-Three Cents (\$2,550.23).  
4 Respondents caused, permitted and/or allowed the withdrawal or  
5 disbursement of trust funds from the Trust Account, which  
6 reduced the balance of funds in said account to an amount less  
7 than the existing aggregate trust fund liability of the broker  
8 to all owners of the trust funds, without the prior written  
9 consent of every principal who then was an owner of funds in  
10 the account, in violation of Code Section 10145 and Regulation  
11 2832.1.

12 (b) Respondents failed to designate Trust Account 2  
13 as a trust account, and credit report and appraisal fees were  
14 not deposited into the broker's trust account within three (3)  
15 business days, in violation of Code Section 10145 and Regulation  
16 2832.

17 (c) Credit report and appraisal fees were deposited  
18 into the broker's payroll account and mixed with broker funds,  
19 and Two Thousand Dollars (\$2,000) in trust funds were  
20 transferred from Trust Account 2 to the broker's general account  
21 on or about January 5, 1999, in violation of Code Section 10145.

22 (d) Respondents failed to notify the Department  
23 within one (1) business day, of the change in address of their  
24 main office location, in violation of Regulation 2715.

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1 (e) Respondents failed to maintain on file a copy  
2 of the Mortgage Loan Disclosure Statement provided to some  
3 borrowers, and failed to ensure that all Mortgage Loan  
4 Disclosure Statements were signed by the borrower and the broker  
5 or agent, in violation of Code Section 10240 and Regulation 2840  
6 and 2840.1.

7 15.

8 The conduct, acts and/or omissions of Respondents  
9 FINANCIAL SERVICES and CANTO, as described in Paragraph 14,  
10 above, violated the Code and the Regulations as set forth below:

11	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
12	14(a)	Code Section 10145 and Regulation 2832
13		
14	14(b)	Code Section 10145 and Regulation 2832
15	14(c)	Code Section 10145
16	14(d)	Regulation 2715
17	14(e)	Code Section 10240 and Regulation 2840/2840.1
18		

19 Each of the foregoing violations constitute cause for  
20 the suspension or revocation of all real estate licenses and  
21 license rights of Respondents FINANCIAL SERVICES and CANTO,  
22 under the provisions of Code Sections 10176(e), 10177(d) and/or  
23 10177(g).

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THIRD CAUSE OF ACCUSATION

(Violation of Code Section 10159.2)

16.

Complainant incorporates herein by reference the Preamble and the allegations of Paragraphs 1 through 14, inclusive, herein above.

17.

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

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