

*Procedural*

**FILED**  
NOV 28 2006  
DEPARTMENT OF REAL ESTATE  
By *[Signature]*

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) NO. H-29091 LA  
MARKAR KHOSROV MARKARIAN, )  
Respondent. )

ORDER DENYING REINSTATEMENT OF LICENSE

On August 24, 2001, an Order Accepting Voluntary Surrender of Real Estate License was rendered herein accepting Respondent's petition for voluntary surrender of his real estate broker license. Said petition was accepted based upon the understanding and agreement expressed in Respondent's Declaration dated August 8, 2001. Respondent's Declaration stated he agreed that all allegations contained in the Accusation H-29091 LA, may be considered by the Department of Real Estate ("Department") to be true and correct for the purpose of deciding whether or not to grant reinstatement of Respondent's license.

On August 16, 2002, Respondent petitioned for reinstatement of said license. An Order Denying Reinstatement of License was rendered on January 29, 2004. It had been determined that Respondent has not met the Commissioner's Criteria of Rehabilitation set forth in Sections 2911(i), 2911(k) and 2911(n)(1), Title 10, Chapter 6, California Code of Regulations ("Regulation").

On July 21, 2005, Respondent petitioned for reinstatement of said license and the Attorney General of the State of California has been given notice of the filing of the petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has failed to demonstrate to my satisfaction that Respondent has undergone sufficient rehabilitation to warrant the issuance to Respondent of an unrestricted real estate broker license, in that:

I

In 2000 and 2001, Respondent was the designated officer of The Maine Corporation, a licensed real estate corporation. As the designated officer, Respondent was responsible for the supervision of the corporation to ensure compliance with the Real Estate Law pursuant to Business and Professions Code ("Code") Section 10159.2.

1 On April 11, 2001, the Department completed an audit  
2 of the corporation's books and records. The audit covered a  
3 period of time from January 1, 2000 through January 31, 2001  
4 and found numerous violations of the Real Estate Law including  
5 trust fund deficits in the amount of \$572,664 and \$230,066 and  
6 commingling and conversion of trust funds.  
7

8 II

9 The burden of proving rehabilitation rests with the  
10 petitioner (Feinstein v. State Bar (1952) 39 Cal. 2d 541).  
11 A petitioner is required to show greater proof of honesty and  
12 integrity than an applicant for first time licensure. The  
13 proof must be sufficient to overcome the prior adverse judgment  
14 on the applicant's character (Tardiff v. State Bar (1980) 27  
15 Cal. 3d 395).  
16

17 The Department has developed criteria in Regulation  
18 2911, to assist in evaluating the rehabilitation of an  
19 applicant for reinstatement of a license. Among the criteria  
20 relevant in this proceeding are:  
21

22 2911 (n)(1) - Change in attitude from that which  
23 existed at the time of the conduct in question as evidenced  
24 by the testimony of Respondent. Respondent has not evidenced  
25 such change by the following:

26 ///

27 ///

1 As part of the petition application process  
2 Respondent had an interview with a Deputy Real Estate  
3 Commissioner. Respondent failed to accept responsibility  
4 for his actions which led to the discipline of his real  
5 estate license.  
6

7 Given the fact that Respondent has not established  
8 that Respondent has complied with Regulation 2911(n)(1), I am  
9 not satisfied that Respondent is sufficiently rehabilitated to  
10 receive a real estate broker license.

11 NOW, THEREFORE, IT IS ORDERED that Respondent's  
12 petition for reinstatement of Respondent's real estate broker  
13 license is denied.

14 This Order shall become effective at 12 o'clock noon  
15 on DEC 18 2008

16  
17 DATED: 11-20-08

18 JEFF DAVI  
19 Real Estate Commissioner  
20  
21  
22  
23  
24

25 cc: Markar Markarian  
26 1336 Thompson Avenue  
27 Glendale, CA 91201

5/10/04  
Hoy

FILED  
MAR 24 2004

DEPARTMENT OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) NO. H-29091 LA  
MARKAR KHOSROV MARKARIAN, )  
Respondent.. )

ORDER DENYING RECONSIDERATION

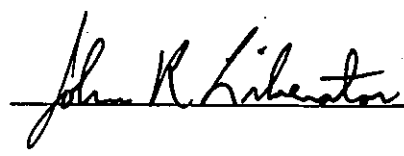
On January 29, 2004, an Order Denying Reinstatement of License was signed in the above-entitled matter. Said Order was to become effective on February 24, 2004 and was stayed by separate Order to March 25, 2004.

On February 20, 2004 Respondent made a request to file a petition for reconsideration of the Order of January 29, 2004.

I have given due consideration to the petition of Respondent. I find no good cause to reconsider the Order of January 29, 2004, and reconsideration is hereby denied.

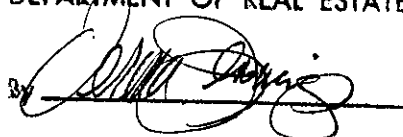
IT IS SO ORDERED March 23, 2004.

JOHN R. LIBERATOR  
Acting Real Estate Commissioner



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FILED  
FEB 25 2004  
DEPARTMENT OF REAL ESTATE

By: 

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA  
\* \* \* \*

In the Matter of the Accusation of ) No. H-29091 LA  
MARKAR KHOSROV MARKARIAN, )  
Respondent. )

ORDER STAYING EFFECTIVE DATE

On January 29, 2004, an Order Denying Reinstatement of License was rendered in the above-entitled matter to become effective February 24, 2004.

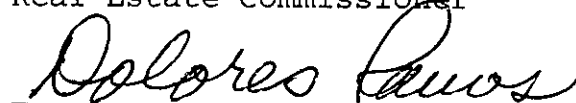
IT IS HEREBY ORDERED that the effective date of the Order Denying Reinstatement of License of January 29, 2004, is stayed for a period of 30 days.

The Order Denying Reinstatement of License of January 29, 2004 shall become effective at 12 o'clock noon on March 25, 2004.

DATED: February 24, 2004.

JOHN R. LIBERATOR, Acting  
Real Estate Commissioner

By:

  
DOLORES RAMOS  
Regional Manager

*Handwritten signature/initials*

**FILED**  
FEB - 4 2004  
DEPARTMENT OF REAL ESTATE

By *[Handwritten Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) NO. H-29091 LA  
MARKAR KHOSROV MARKARIAN, )  
Respondent. )

ORDER DENYING REINSTATEMENT OF LICENSE

On August 24, 2001, an Order Accepting Voluntary Surrender of Real Estate License was rendered herein accepting Respondent's petition for voluntary surrender of his real estate broker license. Said petition was accepted based upon the understanding and agreement expressed in Respondent's Declaration dated August 8, 2001. Respondent's Declaration stated he agreed that all allegations contained in the Accusation may be considered by the Department of Real Estate ("Department") to be true and correct for the purpose of deciding whether or not to grant reinstatement of Respondent's license.

On August 16, 2002, Respondent petitioned for reinstatement of said license and the Attorney General of the State of California has been given notice of the filing of the petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has failed to demonstrate to my satisfaction that Respondent has undergone sufficient rehabilitation to warrant the issuance to Respondent of an unrestricted real estate broker license, in that:

I

In 2000 and 2001, Respondent was the designated officer of The Maine Corporation, a licensed real estate corporation. As the designated officer, Respondent was responsible for the supervision of the corporation to ensure compliance with the Real Estate Law pursuant to Business and Professions Code ("Code") Section 10159.2.

On April 11, 2001, the Department completed an audit of the corporation's books and records. The audit covered a period of time from January 1, 2000 through January 31, 2001 and found numerous violations of the Real Estate Law including trust fund deficits in the amount of \$572,664 and \$230,066 and commingling and conversion of trust funds.

II

Respondent's petition for reinstatement of his license is governed by the Criteria of Rehabilitation set forth in the California Administrative Code, Section 2911, Title 10, Chapter 6, California Code of Regulations ("Regulations"). Section 2911 provides as follows: "The following criteria have been developed by the department pursuant to Section 482(a) of the Business and Professions Code for the purpose of evaluating the rehabilitation of an applicant for issuance or for reinstatement of a license in considering whether or not to deny the issuance or reinstatement on account of a crime or act committed by the applicant."

The Criteria of Rehabilitation as applied to Respondent is as follows: Regulation 2911 (a) it has been two (2) years since the acts; (b) it appears that the trust fund deficits were cured; (c) expungement of conviction is not applicable; (d) registration pursuant to Penal Code Section 290 is not applicable (e) discharge from probation is not applicable; (f) abstinence from use of controlled substances is not applicable; (g) payment of fine or monetary penalty is not applicable; (h) stability of family life appears to be met; (j) discharge of debts appears to have been met; (l) there is involvement in community or social programs; (m) new social and business relationships appears to have been met.

1 III

2 Respondent has not submitted proof of completion of,  
3 or enrollment in educational or vocational training courses,  
4 including adequate proof of completion of continuing education  
5 courses. This evidences a lack of rehabilitation and is cause  
6 to deny Respondent's petition application pursuant to  
7 Regulation 2911(i).

9 IV

10 Respondent has not submitted proof of correction of  
11 business practices. This evidences a lack of rehabilitation  
12 and is cause to deny Respondent's petition application pursuant  
13 to Regulation 2911(k).

15 V

16 As part of the petition application process  
17 Respondent had an interview with a Deputy Real Estate  
18 Commissioner. Respondent failed to display a change in  
19 attitude. This evidences a lack of rehabilitation and  
20 is cause to deny Respondent's petition application pursuant  
21 to Regulation 2911(n)(1).

23 VI

24 Due to the serious nature of the conduct which led  
25 to the surrender of Respondent's real estate broker license,  
26 and the facts set forth in Paragraphs III, IV and V, above,  
27 additional time is needed to assess Respondent's  
rehabilitation.

1                    NOW, THEREFORE, IT IS ORDERED that Respondent's  
2 petition for reinstatement of Respondent's real estate broker  
3 license is denied.

4                    This Order shall become effective at 12 o'clock noon  
5 on February 24, 2004.

6                    DATED: January 29, 2004

7  
8                    JOHN R. LIBERATOR  
9                    Chief Deputy Commissioner

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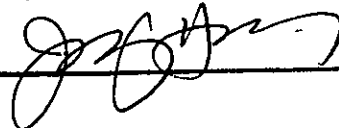
25 cc: Markar Markarian  
26        1336 Thompson Avenue  
27        Glendale, CA 91201

3040  
H. H.

FILED  
AUG 14 2003

DEPARTMENT OF REAL ESTATE

By



BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )

NO. H-29091 LA

SONA CHUKHIAN,

Respondent )

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

TO: SONA CHUKHIAN:

On or about February 6, 2002, a restricted real estate salesperson license was issued by the Department of Real Estate to Respondent on the terms, conditions and restrictions set forth in the Real Estate Commissioner's Order and Decision of January 11, 2002, in Case No. H-29091 LA. This Order, which adopted an underlying Stipulation and Agreement, and was effective February 6, 2002, granted Respondent the right to the issuance of a restricted real estate salesperson license subject to the provisions of Section 10156.7 of the Business and Professions Code and to

1 enumerated additional terms, conditions and restrictions  
2 imposed under authority of Section 10156.6 of said Code.

3         Among those terms, conditions and restrictions,  
4 Respondent was required, within six months of the effective  
5 date of said Decision, to take and pass the Professional  
6 Responsibility Examination administered by the Department.  
7 The Commissioner has determined that as of the date of this  
8 Order, Respondent has failed to satisfy this condition, and as  
9 such, is in violation of Section 10177(k) of the Business and  
10 Professions Code. Respondent has no right to renew the  
11 restricted license if this condition isn't satisfied by the  
12 date of its expiration. (Section 10156.7 of the Business and  
13 Professions Code.)

14  
15         NOW, THEREFORE, IT IS ORDERED under authority of  
16 Section 10156.7 of the Business and Professions Code of the  
17 State of California that the restricted real estate  
18 salesperson license heretofore issued to Respondent and the  
19 exercise of any privileges thereunder is hereby suspended  
20 until such time as you provide proof satisfactory to the  
21 Department of compliance with the "condition" referred to  
22 above, or pending final determination made after hearing (see  
23 "Hearing Rights" set forth below)."

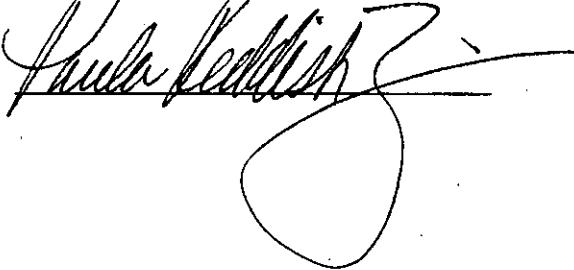
24         IT IS FURTHER ORDERED that all license certificates  
25 and identification cards issued by Department which are in the  
26 possession of Respondent be immediately surrendered by  
27 personal delivery or by mailing in the enclosed, self-  
addressed envelope to:

1  
2 Department of Real Estate  
3 Attn: Flag Section  
4 P. O. Box 187000  
5 Sacramento, CA 95818-7000

6 HEARING RIGHTS: Pursuant to the provisions of  
7 Section 10156.7 of the Business and Professions Code, you have  
8 the right to a hearing to contest the Commissioner's  
9 determination that you are in violation of Section 10177(k).  
10 If you desire a hearing, you must submit a written request.  
11 The request may be in any form, as long as it is in writing  
12 and indicates that you want a hearing. Unless a written  
13 request for a hearing, signed by or on behalf of you, is  
14 delivered or mailed to the Department at 320 W. 4<sup>th</sup> Street,  
15 Suite 350, Los Angeles, California, within 20 days after the  
16 date that this Order was mailed to or served on you, the  
17 Department will not be obligated or required to provide you  
18 with a hearing.

19 This Order shall be effective immediately.

20 DATED: August 8, 2003

21 PAULA REDDISH ZINNEMANN  
22 Real Estate Commissioner  
23   
24  
25  
26  
27

1 ELLIOTT MAC LENNAN, SBN 66674  
2 Department of Real Estate  
3 320 West 4th Street, Ste. 350  
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6911 (direct)  
6 -or- (213) 576-6982 (office)

FILED  
JAN 17 2002  
DEPARTMENT OF REAL ESTATE

By K. Niederholt

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

DRE No. H-29091 LA

12 THE MAINE CORPORATION doing )  
13 business as First Sterling )  
14 Mortgage, Old Century Escrow )  
15 Division, Old Century Realty )  
16 and MARKAR KHOSROV MARKARIAN, )  
17 individually and as designated )  
18 officer of The Maine Corporation; )  
19 EDWART DERROSTAMIAN, and )  
20 SONA CHUKHIAN, )

OAH No. L-2001090222

STIPULATION

AND

AGREEMENT

21 Respondents. )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )

28 It is hereby stipulated by and between Respondents  
29 THE MAINE CORPORATION dba First Sterling Mortgage, Old Century  
30 Escrow Division, and Old Century Realty, EDWART DERROSTAMIAN and  
31 SONA CHUKHIAN (sometimes collectively referred to as  
32 Respondents), represented by Frank J. Lizarraga, Jr. and the  
33 Complainant, acting by and through Elliott Mac Lennan, Counsel  
34 for the Department of Real Estate, as follows for the purpose of  
35 settling and disposing of the Accusation filed on June 12, 2001,

1 in this matter. MARKAR KHOSROV MARKARIAN, individually and as  
2 designated officer of The Maine Corporation, surrendered his real  
3 estate broker license on August 8, 2001. An Order Accepting  
4 Voluntary Surrender of [his] Real Estate License was effective  
5 September 24, 2001.

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

13 2. Respondents have received, read and understand the  
14 Statement to Respondent, the Discovery Provisions of the APA and  
15 the Accusation filed by the Department of Real Estate in this  
16 proceeding.

17 3. Respondents filed a Notice of Defense pursuant to  
18 Section 11506 of the Government Code for the purpose of  
19 requesting a hearing on the allegations in the Accusation.  
20 Respondents hereby freely and voluntarily withdraw said Notice of  
21 Defense. Respondents acknowledge that they understand that by  
22 withdrawing said Notice of Defense they thereby waive their right  
23 to require the Commissioner to prove the allegations in the  
24 Accusation at a contested hearing held in accordance with the  
25 provisions of the APA and that they will waive other rights  
26 afforded to them in connection with the hearing such as the right  
27

1 to present evidence in their defense the right to cross-examine  
2 witnesses.

3 4. This Stipulation is based on the allegations  
4 contained in the Accusation. In the interest of expedience and  
5 economy, Respondents choose not to contest these allegations, but  
6 to remain silent and understand that, as a result thereof, these  
7 factual allegations, without being admitted or denied, will serve  
8 as a prima facie basis for the disciplinary action stipulated to  
9 herein. The Real Estate Commissioner shall not be required to  
10 provide further evidence to prove said factual allegations.

11 5. This Stipulation is based on Respondents' decision  
12 not to contest the allegations set forth in the Accusation as a  
13 result of the agreement negotiated between the parties. This  
14 Stipulation is expressly limited to this proceeding and any  
15 further proceeding initiated by or brought before the Department  
16 of Real Estate based upon the facts and circumstances alleged in  
17 the Accusation and is made for the sole purpose of reaching an  
18 agreed disposition of this proceeding without a hearing. The  
19 decision of Respondents not to contest the allegations is made  
20 solely for the purpose of effectuating this Stipulation. It is  
21 the intent and understanding of the parties that this Stipulation  
22 shall not be binding or admissible against Respondents in any  
23 actions against Respondents by third parties.

24 6. It is understood by the parties that the Real  
25 Estate Commissioner may adopt this Stipulation as her Decision in  
26  
27

1 this matter thereby imposing the penalty and sanctions on  
2 Respondents' real estate licenses and license rights as set forth  
3 in the "Order" herein below. In the event that the Commissioner  
4 in her discretion does not adopt the Stipulation, it shall be  
5 void and of no effect and Respondents shall retain the right to a  
6 hearing and proceeding on the Accusation under the provisions of  
7 the APA and shall not be bound by any stipulation or waiver made  
8 herein.

9           7. The Order or any subsequent Order of the Real  
10 Estate Commissioner made pursuant to this Stipulation shall not  
11 constitute an estoppel, merger or bar to any further  
12 administrative or civil proceedings by the Department of Real  
13 Estate with respect to any matters which were not specifically  
14 alleged to be causes for accusation in this proceeding.

15           8. This stipulation and the order made pursuant to  
16 this stipulation shall have no collateral estoppel or res  
17 judicata effect in any proceeding(s) in which THE MAINE  
18 CORPORATION, EDWART DERROSTAMIAN and SONA CHUKHIAN, and the  
19 Department are not parties. This stipulation is made and  
20 accepted with the express understanding and agreement that it is  
21 for the purpose of settling these proceedings only, and is not  
22 intended as, nor shall be it be deemed, used, argued, or accepted  
23 as an acknowledgement or admission of fact in any other judicial,  
24 administrative, or other proceeding in which the Department is  
25 not a party.  
26  
27

1  
2 DETERMINATION OF ISSUES

3 By reason of the foregoing, it is stipulated and agreed  
4 that the following determination of issues shall be made:

5 I

6 The conduct of THE MAINE CORPORATION, as described in  
7 Paragraph 4, is in violation of Sections 10145, 10148 and 10163  
8 of the Business and Professions Code (Code) and Sections 2731,  
9 2831, 2831.1, 2831.2, 2832.1, 2834 and 2950(h) of Title 10,  
10 Chapter 6 of the California Code of Regulations and is a basis  
11 for the suspension or revocation of the license and license  
12 rights of THE MAINE CORPORATION pursuant to Business and  
13 Professions Sections 10177(d) and 10177(g).  
14

15 II

16 The conduct of EDWART DERROSTAMIAN, as described in  
17 Paragraph 4, constitutes negligence or incompetence and is a  
18 basis for the suspension or revocation of the license and license  
19 rights of EDWART DERROSTAMIAN pursuant to Business and  
20 Professions Section 10177(g).  
21

22 III

23 The conduct of SONA CHUKHIAN, as described in Paragraph  
24 4, constitutes negligence or incompetence and is a basis for the  
25 suspension or revocation of the license and license rights of  
26 SONA CHUKHIAN pursuant to Business and Professions Section  
27 10177(g).

1  
2 ORDER

3 WHEREFORE, THE FOLLOWING ORDER is hereby made:

4 I

5 The real estate broker license and licensing rights of  
6 Respondent THE MAINE CORPORATION under the Real Estate Law are  
7 revoked.

8 II

9 The real estate salesperson license and licensing  
10 rights of Respondent EDWART DERROSTAMIAN are revoked.

11 III

12 The real estate license and/or licensing rights of  
13 Respondent SONA CHUKHIAN (who's real estate salesperson license  
14 expired on July 17, 2000, and of this date has not been renewed)  
15 under the Real Estate Law are revoked; provided, however, a  
16 restricted real estate salesperson license shall be issued to  
17 Respondent SONA CHUKHIAN upon her renewal of said license,  
18 pursuant to Section 10156.5 of the Business and Professions Code,  
19 if Respondent makes application therefor and pays to the  
20 Department of Real Estate the appropriate fee for the restricted  
21 license within ninety (90) days from the effective date of this  
22 Decision, and in no event later than July 16, 2002. The  
23 restricted license issued to Respondent shall be subject to all  
24 of the provisions of Section 10156.7 of the Code and the  
25 following limitations, conditions and restrictions imposed under  
26 authority of Section 10156.6 of that Code:  
27

1           1.   The restricted license issued to Respondent SONA  
2   CHUKHIAN may be suspended prior to hearing by Order of the Real  
3   Estate Commissioner in the event of Respondent's conviction or  
4   plea of nolo contendere to a crime which is substantially related  
5   to Respondent's fitness or capacity as a real estate licensee.

6           2.   The restricted license issued to Respondent SONA  
7   CHUKHIAN may be suspended prior to hearing by Order of the Real  
8   Estate Commissioner on evidence satisfactory to the Commissioner  
9   that Respondent has violated provisions of the California Real  
10   Estate Law, the Subdivided Lands Law, Regulations of the Real  
11   Estate Commissioner or conditions attaching to the restricted  
12   license.

13           3.   Respondent SONA CHUKHIAN shall not be eligible to  
14   apply for the issuance of an unrestricted real estate license nor  
15   for the removal of any of the conditions, limitations or  
16   restrictions of a restricted license until four (4) years has  
17   elapsed from the effective date of this Decision.

18           4.   Respondent SONA CHUKHIAN shall, within nine (9)  
19   months from the effective date of this Decision, present evidence  
20   satisfactory to the Real Estate Commissioner that Respondent has,  
21   since the most recent issuance of an original or renewal real  
22   estate license, taken and successfully completed the continuing  
23   education requirements of Article 2.5 of Chapter 3 of the Real  
24   Estate Law for renewal of a real estate license. If Respondent  
25   fails to satisfy this condition, the Commissioner may order the  
26     
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1 suspension of the restricted license until the Respondent  
2 presents such evidence. The Commissioner shall afford Respondent  
3 the opportunity for a hearing pursuant to the Administrative  
4 Procedure Act to present such evidence.

5 5. Respondent SONA CHUKHIAN shall within six (6)  
6 months from the effective date of the restricted license, take  
7 and pass the Professional Responsibility Examination  
8 administered by the Department including the payment of the  
9 appropriate examination fee. If respondent fails to satisfy  
10 this condition, the Commissioner may order suspension of the  
11 restricted license until respondent passes the examination.

12 6. Respondent SONA CHUKHIAN shall submit with any  
13 application for license under an employing broker, or any  
14 application for transfer to a new employing broker, a statement  
15 signed by the prospective employing real estate broker on a form  
16 approved by the Department of Real Estate which shall certify:

17 (a) That the employing broker has read the  
18 Decision of the Commissioner which granted  
19 the right to a restricted license; and

20 (b) That the employing broker will exercise  
21 close supervision over the performance by  
22 the restricted licensee relating to activities  
23 for which a real estate license is required.  
24  
25  
26

27 DATED: 1-12-02 W. J. W.

ELLIOTT MAC LENNAN, Counsel for  
the Department of Real Estate

\* \* \*

#### EXECUTION OF THE STIPULATION

We have read the Stipulation and Agreement, and have discussed it with our counsel. Its terms are understood by us and are agreeable and acceptable to us. We understand that we are waiving rights given to us by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and we 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 we would have the right to cross-examine witnesses against us and to present evidence in defense and mitigation of the charges.

#### FACSIMILE TRANSMITTAL

Respondents can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of its signature page, as actually signed by Respondents, to the Department at the following telephone/fax number: Elliott Mac Lennan at (213) 576-6917. Respondents agree, acknowledge and understand that by electronically sending to the Department a fax copy of Respondents' actual signature as they appear on the Stipulation and Agreement, that receipt of the faxed copy by the Department shall be as binding on Respondents as if the

12-13-2001 11:52AM

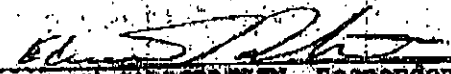
FRANK J. LIZARRAGA, JR.

IV

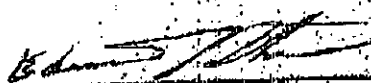
DEC 13 2001 11:52AM

Department shall be as binding on Respondents as if the  
Department had received the original signed stipulation and  
agreement.

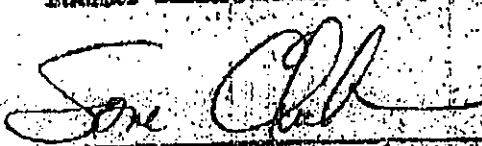
DATED: 12-13-2001

  
THE MAINS CORPORATION, Respondent  
BY: EDWARD DEROBOSTANIAN, President

DATED: 12-13-2001

  
EDWARD DEROBOSTANIAN, Respondent

DATED: 12/13/2001

  
NORA CHUGHLAN, Respondent

DATED: 12/13/01

  
[illegible], Respondent

1 Department shall be as binding on Respondents as if the  
2 Department had received the original signed Stipulation and  
3 Agreement.

4 DATED: \_\_\_\_\_

5 THE MAINE CORPORATION, Respondent  
6 BY: EDWART DERROSTAMIAN, President

7 DATED: \_\_\_\_\_

8 EDWART DERROSTAMIAN, Respondent

9 DATED: \_\_\_\_\_

10 SONA CHUKHIAN, Respondent

11 DATED: \_\_\_\_\_

12 FRANK J. LIZARRAGA, JR., Attorney  
13 for Respondents

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\* \* \*

1  
2           The foregoing Stipulation and Agreement is hereby  
3 adopted as my Decision as to Respondents THE MAINE CORPORATION,  
4 EDWART DERROSTAMIAN and SONA CHUKHIAN, and shall become effective  
5 at 12 o'clock noon  
6 on February 6, 2002

7           IT IS SO ORDERED

8                                 *January 11, 2002*  
9                                 PAULA REDDISH ZINNEMANN  
10                                Real Estate Commissioner  
11                                 *Paula Reddish Zinnemann*  
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*Page 2/2*

**FILED**  
SEP - 4 2001  
DEPARTMENT OF REAL ESTATE

By K. Frederholt

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

|                                    |   |                |
|------------------------------------|---|----------------|
| In the Matter of the Accusation of | ) | No. H-29091 LA |
|                                    | ) |                |
| THE MAINE CORPORATION doing        | ) |                |
| business as First Sterling         | ) |                |
| Mortgage, Old Century Escrow       | ) |                |
| Division, Old Century Realty       | ) |                |
| and MARKAR KHOSROV MARKARIAN,      | ) |                |
| individually and as designated     | ) |                |
| officer of The Maine Corporation;  | ) |                |
| EDWART DERROSTAMIAN, and           | ) |                |
| SONA CHUKHIAN,                     | ) |                |
|                                    | ) |                |
| Respondents.                       | ) |                |

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On June 12, 2001, an Accusation was filed in this matter against Respondent MARKAR KHOSROV MARKARIAN.

On August 8, 2001, Respondent petitioned the Commissioner to voluntarily surrender his real estate broker license pursuant to Section 10100.2 of the Business and Professions Code.

1                    IT IS HEREBY ORDERED that Respondent MARKAR KHOSROV  
2 MARKARIAN's petition for voluntary surrender of his real estate  
3 broker license is accepted as of the effective date of this Order  
4 as set forth below, based upon the understanding and agreement  
5 expressed in Respondent's Declaration dated August 8, 2001,  
6 (attached as Exhibit "A" hereto). Respondent's license  
7 certificate and pocket card shall be sent to the below listed  
8 address so that they reach the Department on or before the  
9 effective date of this Order:

10                    Department of Real Estate  
11                    Atten: Licensing Flag Section  
12                    P.O. BOX 18700  
13                    Sacramento, CA 95818-7000

13                    This Order shall become effective at 12 o'clock noon  
14 on                    SEP 24                    2001.

15  
16 DATED: August 24, 2001.

17  
18 PAULA REDDISH ZINNEBANN.  
19 Real Estate Commissioner  
20  
21  
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DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )

No. H-29091 LA

THE MAINE CORPORATION doing )  
business as First Sterling )  
Mortgage, Old Century Escrow )  
Division, Old Century Realty )  
and MARKAR KHOSROV MARKARIAN, )  
individually and as designated )  
officer of The Maine Corporation; )  
EDWART DERROSTAMIAN, and )  
SONA CHUKHIAN, )

Respondents. )

DECLARATION

My name is MARKAR KHOSROV MARKARIAN and I am currently  
licensed as a real estate broker and/or have license rights with  
respect to said license. I am representing myself in this  
matter.

In lieu of proceeding in this matter in accordance with  
the provisions of the Administrative Procedures Act (Sections

11400 et seq., of the Government Code) I wish to voluntarily  
surrender my real estate license issued by the Department of Real  
Estate ("Department"), pursuant to Business and Professions Code  
Section 10100.2.

I understand that by so voluntarily surrendering my  
license, that it can only be reinstated in accordance with the  
provisions of Section 11522 of the Government Code. I also  
understand that by so voluntarily surrendering my license, I  
agree to the following:

The filing of this Declaration shall be deemed as my  
petition for voluntary surrender. It shall also be deemed to be  
an understanding and agreement by me that, I waive all rights I  
have to require the Commissioner to prove the allegations  
contained in the Accusation filed in this matter at a hearing  
held in accordance with the provisions of the Administrative  
Procedures Act (Government Code Sections 11400 et seq.), and that  
I also waive other rights afforded to me in connection with the  
hearing such as the right to discovery, the right to present  
evidence in defense of the allegations in the Accusation and the  
right to cross examine witnesses. I further agree that upon  
acceptance by the Commissioner, as evidenced by an appropriate  
order, all affidavits and all relevant evidence obtained by the  
Department in this matter prior to the Commissioner's acceptance,  
and all allegations contained in the Accusation filed in the  
Department Case No. H-29091, may be considered by the Department

1 to be true and correct for the purpose of deciding whether or not  
2 to grant reinstatement of my license pursuant to Government Code  
3 Section 11522.

4 I declare under penalty of perjury under the laws of  
5 the State of California that the above is true and correct and  
6 that I freely and voluntarily surrender my license and all  
7 license rights attached thereto.

8  
9 DATED: 8/8/01 at Glendale

10  
11   
12 MARKAR KHOSROV MARKARIAN  
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*Handwritten signature*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

**FILED**  
OCT 22 2001  
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

By *K. K. K. K. K.*

THE MAINE CORPORATION, ET AL.,

Case No. H-29091 LA

OA# No. L-2001090223

Respondent

**NOTICE OF HEARING ON ACCUSATION**

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 W. Fourth St., Ste. 630, Los Angeles, CA

on December 12, 13, & 14, 2001 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: October 22, 2001

By *E. L. L.*  
ELLIOTT MAC LENNAN Counsel

cc: The Maine Corporation  
Edward Derrostanian  
Sona Chukhian  
Frank J. Lizarraga, Jr., Esq.  
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*See  
File*

FILED  
JUN 12 2001  
DEPARTMENT OF REAL ESTATE

ELLIOTT MAC LENNAN, SBN 66674  
Department of Real Estate  
320 West 4th Street, Ste. 350  
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)  
-or- (213) 576-6982 (office)

By K. Kiedrich

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of

No. H-29091 LA

THE MAINE CORPORATION doing  
business as First Sterling  
Mortgage, Old Century Escrow  
Division, Old Century Realty  
and MARKAR KHOSROV MARKARIAN,  
individually and as designated  
officer of The Maine Corporation;  
EDWART DERROSTAMIAN, and  
SONA CHUKHIAN,

ACCUSATION

Respondents.

The Complainant, Maria Suarez, a Deputy Real Estate  
Commissioner of the State of California, for cause of Accusation  
against THE MAINE CORPORATION dba First Sterling Mortgage, Old  
Century Escrow Division, Old Century Realty, and MARKAR KHOSROV  
MARKARIAN, individually and as designated officer of The Maine  
Corporation; EDWART DERROSTAMIAN, and SONA CHUKHIAN, alleges as  
follows:

1. 1

2 The Complainant, Thomas McCrady, acting in his official  
3 capacity as a Deputy Real Estate Commissioner of the State of  
4 California makes this Accusation against THE MAINE CORPORATION  
5 (MCT) and MARKAR KHOSROV MARKARIAN (MARKARIAN), EDWART  
6 DERROSTAMIAN (DERROSTAMIAN), and SONA CHUKHIAN (CHUKHIAN).

2. 7

8 All references to the "Code" are to the California  
9 Business and Professions Code and all references to "Regulations"  
10 are to Title 10, Chapter 6, California Code of Regulations.

3. 11

12 MCT and MARKARIAN, (hereinafter referred to as  
13 Respondents) are presently licensed and/or have license rights  
14 under the Real Estate Law (Part 1 of Division 4 of the Business  
15 and Professions Code).

4. 16

17 At all mentioned times, MARKARIAN was licensed by the  
18 Department as designated officer of MCT to qualify it and to act  
19 for it as a real estate broker and, as provided by Section  
20 10159.2 of the Code, was responsible for the supervision and  
21 control of the activities conducted on it's behalf by its  
22 officers, managers and employees as necessary to secure full  
23 compliance with the provisions of the Real Estate Law including  
24 the supervision of the salespersons licensed to the corporation  
25 in the performance of acts for which a real estate license is  
26 required. MARKARIAN was originally licensed as a real estate  
27

1 broker on April 24, 1991. MCT was originally licensed as a  
2 corporate real estate broker on September 8, 1993.

3 5.

4 At all mentioned times, DERROSTAMIAN was licensed by  
5 the Department as a real estate salesperson.

6 6.

7 At all mentioned times, CHUKHIAN was licensed by the  
8 Department or had license rights as a real estate salesperson.  
9 CHUKHIAN's license expired on July 17, 2000. The Department  
10 retains jurisdiction pursuant to Code Section 10103.

11 7.

12 Whenever reference is made in an allegation in the  
13 Accusation to an act or omission of MCT such allegation shall be  
14 deemed to mean that the officers, directors, managers, employees,  
15 agents and real estate licensees employed by or associated with  
16 MCT including MARKARIAN, DERROSTAMIAN and CHUKHIAN committed such  
17 act or omission while engaged in the furtherance of its business  
18 or operation and while acting within the course and scope of its  
19 corporate authority, agency and employment.

20 8.

21 At all times mentioned, in the City of Glendale, Los  
22 Angeles County, MCT acted as a corporate real estate broker,  
23 within the meaning of:

24 A. Code Section 10131(a) by operating a residential  
25 resale and commercial brokerage dba Old Century Realty;

26 B. Code Section 10131(d) by operating a mortgage and  
27

1 loan brokerage dba First Sterling Mortgage;

2 C. Code Section 10131(e) by operating a business  
3 opportunity brokerage; and by

4 D. Conducting broker-controlled escrows through its  
5 escrow division "Old Century Escrow Division" under the exemption  
6 set forth in Section 17006(a)(4) of the California Financial Code  
7 for real estate brokers performing escrows incidental to a real  
8 estate transaction where the broker is a party and where the  
9 broker is performing acts for which a real estate license is  
10 required.

11 9.

12 On April 11, 2001, the Department completed an audit  
13 examination of the books and records of MCT dba First Sterling  
14 Mortgage and Old Century Escrow Division pertaining only to its  
15 mortgage loan and escrow activities that require a real estate  
16 license. The audit examination covered a period of time  
17 beginning on January 1, 2000 and terminating on January 31, 2001.  
18 The audit examination revealed violations of the Code and the  
19 Regulations as set forth in the following paragraphs.

20 10.

21 At all times mentioned, in connection with the  
22 activities described in Paragraph 8, above, MCT accepted or  
23 received funds in trust (trust funds) from or on behalf of buyers  
24 and sellers of real estate and business opportunities using MCT's  
25 escrow services, borrowers and lenders and thereafter made  
26 disposition of such funds. MCT maintained the following escrow  
27

1 trust account during the audit period into which were deposited  
2 certain of these funds at the Foothill Independent Bank, 1801 N.  
3 Brand Blvd., Glendale, CA 91203:

4 "The Maine Corporation DBA Old Century Escrow Trust Account  
5 Account No. 0450-101084"  
(The Escrow Trust Account) (T/A #1)

6 11.

7 With respect to the trust funds referred to in  
8 Paragraph 10, it is alleged that MCT:

9 (a) Permitted, allowed or caused the disbursement of  
10 trust funds from the escrow trust account T/A #1 where the  
11 disbursement of funds reduced the total of aggregate funds in the  
12 trust account, to an amount which, on December 31, 2000, was at  
13 least \$572,664.00, and on January 31, 2001 was at least  
14 \$230,066.75, less than the existing aggregate trust fund  
15 liability of MCT to every principal who was an owner of said  
16 funds, without first obtaining the prior written consent of the  
17 owners of said funds, as required by Code Section 10145 and  
18 Regulations 2832.1, 2950(g) and 2951. The shortages have been  
19 cured;

20 (b) and DERROSTAMIAN commingled trust funds from T/A  
21 #1 in the amount of \$72,494.53, into three of DERROSTAMIAN's  
22 general accounts allegedly because these accounts contained  
23 insufficient funds to pay business expenses then due and owing,  
24 in violation of Code Section 10176(e);

25 (c) and DERROSTAMIAN converted trust funds from T/A  
26 #1, in an amount of \$69,194.53, on December 31, 2000, and in an  
27

1 amount of \$72,494.53, on January 31, 2001, in violation of Code  
2 Section 10176(i) for MCT and Code Section 10177(j) for  
3 DERROSTAMIAN;

4 (d) Failed to maintain an adequate and complete  
5 control record in the form of a columnar record in chronological  
6 order of all trust funds received in the escrow trust account T/A  
7 #1, including a failure to establish a daily balance of trust  
8 funds, as required by Code Section 10145 and Regulations 2831,  
9 2950(d) and 2951;

10 (e) Failed to maintain an adequate and correct  
11 separate record for each beneficiary or transaction, thereby  
12 failing to account for all trust funds received, deposited into,  
13 and disbursed from the escrow trust account T/A #1, as required  
14 by Regulations 2831.1, 2950(d) and 2951;

15 (f) Failed to perform a monthly reconciliation of the  
16 balance of all separate beneficiary or transaction records  
17 maintained pursuant to Regulations 2831.1 with the record of all  
18 trust funds received and disbursed by the escrow trust account  
19 T/A #1, as required by Regulation 2831.2, 2950(d) and 2951;

20 (g) Failed to maintain MARKARIAN as an authorized  
21 signatory on the escrow trust account T/A #1, in violation of  
22 Regulation 2834;

23 (h) Failed to advise all parties to the escrow  
24 operation of MCT of its ownership of said escrow company, failed  
25 to advise all parties that MCT may receive a fee for its escrow  
26  
27

1 services, and failed to accurately reflect the receipts and  
2 disbursements of the Yanz/Brito, Sarkisyan/Hung,  
3 Khersonsky/Zinberg and Tertrorian/Ajamian Escrow Closing  
4 Statements, as required by Code Section 10145 and Regulation  
5 2950(h);

6  
7 (i) Conducted licensed activities on behalf of "Old  
8 Century Escrow" without the word "Division" on the Escrow  
9 Instructions, Escrow Closing Statements, and on Escrow Officer  
10 Elaine Schwartz' business cards without holding a license bearing  
11 said fictitious business name, in violation of Regulation 2731;  
12 and

13 (j) Failed to retain and make available the records of  
14 MCT's activity requiring a real estate license during the audit  
15 period, including failing receipts for Escrow No. 00-1013,  
16 wherein this business opportunity was overdisbursed by  
17 \$188,608.87.

18 12.

19 The conduct of Respondent MCT, described in Paragraph  
20 11, above, violated the Code and the Regulations as set forth  
21 below:

22 PARAGRAPH

PROVISIONS VIOLATED

23 11(a)

Code Section 10145 and  
24 Regulations 2832.1, 2950(g) and  
25 2951

26  
27 11(b)

Code Section 10176(e)

|    |       |                                    |
|----|-------|------------------------------------|
| 1  | 11(c) | Code Section 10176(i)/10177(j)     |
| 2  |       |                                    |
| 3  | 11(d) | Code Section 10145 and             |
| 4  |       | Regulations 2831, 2950(d) and 2951 |
| 5  |       |                                    |
| 6  | 11(e) | Code Section 10145 and             |
| 7  |       | Regulations 2831.1, 2950(d) and    |
| 8  |       | 2951                               |
| 9  |       |                                    |
| 10 | 11(f) | Code Section 10145 and             |
| 11 |       | Regulations 2831.2, 2950(d) and    |
| 12 |       | 2951                               |
| 13 |       |                                    |
| 14 | 11(g) | Code Section 10145 and             |
| 15 |       | Regulation 2834                    |
| 16 |       |                                    |
| 17 | 11(h) | Code Section 10145 and             |
| 18 |       | Regulation 2950(h                  |
| 19 | 11(i) | Regulation 2731, and               |
| 20 |       |                                    |
| 21 | 11(j) | Code Section 10148                 |
| 22 |       |                                    |

23 All of the foregoing violation constitutes cause for the  
24 suspension or revocation of the real estate license and license  
25 rights of MCT under the aforesaid provisions and Code Section  
26 10177(d), as it applies.  
27

13.

1           The audit examination revealed that MCT failed to  
2 obtain a license for its unlicensed branch office located at 539  
3 W. Glenoaks Blvd., Glendale, California, used by MCT to conduct  
4 its brokerage activities requiring a real estate license. This  
5 conduct is in violation of Code Section 10163 and is cause to  
6 suspend or revoke Respondent MCT's real estate license and  
7 license rights under Code Section 10177(d).  
8

14.

9           The audit investigation revealed that real estate  
10 salesperson CHUKANIAN received either \$230,000 or \$240,000 in  
11 trust funds in the form of a wire transfer of trust funds from  
12 buyer Khersonsky. Said trust funds intended for deposit into the  
13 Khersonsky/Zinberg escrow for the purchase of a business  
14 opportunity more fully described in Escrow No. 00-1013 were  
15 converted. This conduct is cause to suspend or revoke Respondent  
16 CHUKHIAN's real estate license rights under Code Sections 10103,  
17 10176(i), 10177(d) and 10177(g).  
18

15.

19           The audit examination furthermore revealed that  
20 CHUKHIAN received trust funds in the form of checks issued from  
21 the escrow trust account T/A #1, totaling \$340,000.00, from  
22 Escrow No. 00-973. This conduct also constitutes conversion is  
23 cause to suspend or revoke Respondent CHUKHIAN's real estate  
24 license rights under Code Sections 10176(i), 10177(d) and  
25 10177(g).  
26

16.

The audit examination moreover revealed that MCT, DERROSTAMIAN and CHUKHIAN, systematically converted trust funds from MCT's escrows by disbursing or transferring escrowed trust funds to CHUKHIAN or to DERROSTAMIAN's various personal accounts or to Raymond James & Associates stock brokerage account on behalf of DERROSTAMIAN. This conduct is cause to suspend or revoke Respondent MCT's, DERROSTAMIAN real estate license and CHUKHIAN's license rights and under Code Sections 10177(d) and 10177(j).

17.

The audit investigation further revealed that MCT used the 539 W. Glenoaks Blvd, Glendale, California address as a branch office to conduct mortgage loan activities with having obtained a license for this branch office. The conduct of MCT in failing to obtain a license for use of the aforesaid branch office is in violation of Code Section 10163 and is cause to suspend or revoke MCT's real estate license and license rights under Code Section 10177(d).

18.

The overall conduct of Respondent MARKARIAN, constitutes a failure on his part, as officer designated by a corporate broker licensee, responsible for the supervision and control over the activities conducted on behalf of MCT by its officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law including

1 the supervision of the salespersons licensed to the corporation  
2 in the performance of acts for which a real estate license is  
3 required. This conduct is cause for the suspension or revocation  
4 of the real estate license and license rights of MARKARIAN  
5 pursuant to the provisions of Code Sections 10159.2, 10177(h) and  
6 10177(d).

7 19.

8 The overall conduct of Respondents MCT, DERROSTAMIAN,  
9 MARKARIAN, and CHUKHIAN, constitutes negligence or incompetence.

10 This conduct and violation are cause for the suspension or  
11 revocation of said Respondent's real estate license and license  
12 rights under Code Section 10177(g).  
13

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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 the license and license rights of Respondents THE MAINE CORPORATION, MARKAR KHOSROV MARKARIAN, EDWART DERROSTAMIAN, and SONA CHUKHIAN, 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 12th day of June, 2001

: MARIA SUAREZ

Deputy Real Estate Commissioner

cc: The Maine Corporation  
Markar Khosrov Markarian  
Edwart Derrostanian  
Sona Chukhian  
Audits  
Sacto  
AS  
MS