

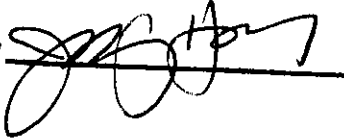
SAC 75

1 Department of Real Estate  
2 320 W. 4<sup>th</sup> St. # 350  
3 Los Angeles, California 90013

4 (213) 576-6982

**FILED**  
AUG 22 2002

DEPARTMENT OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 TO:	)	No. H-29653 LA
	)	
12 DAVID EDMUND CALHOUN, doing	)	<u>ORDER TO DESIST</u>
13 business as California Academy	)	<u>AND REFRAIN</u>
14 and DOLPHIN FINANCIAL doing	)	
15 business as California Academy.)	)	

16 The Real Estate Commissioner ("Commissioner") of the  
 17 State of California Department of Real Estate ("Department")  
 18 has caused an investigation to be made of your activities  
 19 administering real estate continuing education course offerings  
 20 subject to the provisions of Section 10170, et seq. of the  
 21 Business and Professions Code ("Code") and Section 3005, et  
 22 seq. of Title 10, Chapter 6, California Code of Regulations  
 23 ("Regulations").  
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III

In the 1990's, you, CALHOUN, submitted applications on behalf of CARE, to offer the continuing education courses described in Paragraph V, below.

Your applications stated that the courses were to be taught as correspondence courses for credit and that the examination would be sent to and returned by a test administrator.

Said applications have been periodically renewed since that date. You currently have a Department Continuing Education Offering Approval to conduct all of the described courses.

The Department's approval was based on the representations in your applications.

IV

The Department, pursuant to Code Section 10170.4(b) and Regulations 3006 and 3007 issued to the California Academy of Real Estate (hereafter "CARE"), pursuant to its applications, approvals to offer the continuing education courses identified in Paragraph V, herein below.

V

CARE was at all times material herein authorized to offer continuing education courses required to be taken and

1 passed, including a final examination. Said courses included  
2 the following correspondence courses:

3	<u>Course Title</u>	<u>Department Approval Number</u>
4	Real Estate Agency	2613-1030
5	Ethics	2613-1031
6	Fair Housing	2613-1032
7	Trust Funds	2613-1033
8	Listing Dynamics	2613-1034
9	Mortgage Lending	2613-1035
10	Professional Practice	2613-1036
11	Real Estate Investments	2613-1037
12	Survey	2613-1038

13 The final examinations for said courses consisted of  
14 examination sheets and answer sheets which were to be given  
15 to a test administrator.  
16

17 VI

18 Approval of said continuing education courses was  
19 predicated upon CARE's compliance with Code Sections 10170  
20 through 10171.6 and Regulations 3005 through 3012.2, including  
21 the following:  
22

23 "Material Change" means a significant deviation, in  
24 one or more aspects, from the offering as approved by the  
25 Department including a change in curriculum, course length,  
26 workbooks, texts, or syllabi, but not including changes  
27

1 designed exclusively to reflect recent changes in statutes,  
2 regulations or decisional law. Regulation 3005(d).

3  
4 VII

5 Real estate licensees, who successfully complete the  
6 courses noted in Paragraph V, above, may use credits from such  
7 courses toward the licensees' continuing education requirements  
8 as set forth in Code Section 10170.5.

9 VIII

10 CALHOUN represented that on or about September 14,  
11 1999, he sent a letter to the Department's Education Section  
12 requesting approval to provide final examination testing on the  
13 Internet.  
14

15 There is no such letter requesting approval in CARE's  
16 files maintained by the Department.

17 IX

18 On or about September 14, 2001, Deputy Real Estate  
19 Commissioners Kathleen Macmac ("Macmac"), Amanda Wilcox  
20 ("Wilcox") and Managing Deputy Commissioner Phillip Ihde  
21 ("Ihde"), went to CALHOUN's CARE office located at 18817 Napa  
22 Street, Northridge, California and met with CALHOUN.  
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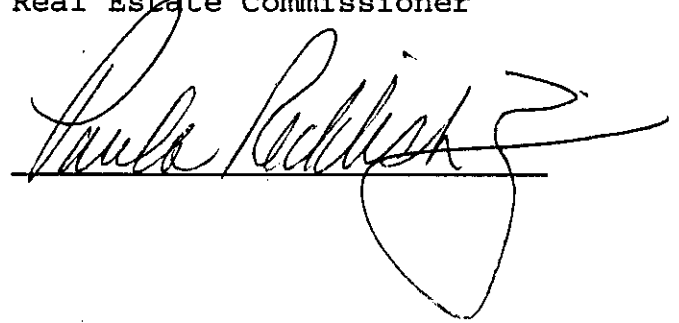
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1                   NOW, THEREFORE YOU DAVID EDMUND CALHOUN, DOING  
2 BUSINESS AS CALIFORNIA ACADEMY OF REAL ESTATE, AND YOU, DOLPHIN  
3 FINANCIAL, DOING BUSINESS AS CALIFORNIA ACADEMY OF REAL ESTATE,  
4 ARE ORDERED TO DESIST AND REFRAIN from on-line testing  
5 procedures for the real estate continuing education course  
6 offerings approved by the Department, unless and until you  
7 comply with the provisions of Regulation 3005, et seq. and  
8 submit to the Department a request, for and receive from the  
9 Department approval for an on-line examination.

10                   DATED: August 21, 2002.

11                   PAULA REDDISH ZINNEMANN  
12                   Real Estate Commissioner

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23 cc: David E. Calhoun  
24       Dolphin Financial  
25       California Academy of Real Estate  
26       18871 Napa Street  
27       Northridge, CA 91324