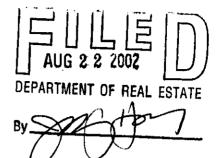
Department of Real Estate 320 W. 4th St. # 350 Los Angeles, California 90013 (213) 576-6982

DAVID EDMUND CALHOUN, doing

and DOLPHIN FINANCIAL doing

business as California Academy

business as California Academy.



BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

TO:

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No. H-29653 LA

ORDER TO DESIST AND REFRAIN

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

Based upon the findings of that investigation, as set forth below, the Commissioner has determined, and is of the opinion that, in the course of presenting continuing education courses approved by the Department, as described in Paragraph V, below, you have created a material change in the offering approved by the Department [Regulation 3005(d)] and are in violation of Regulation 3010.

I

Prior Department Action

On October 18, 1996, the Department issued an Order to Desist and Refrain No. H-26826 LA to DAVID EDMUND CALHOUN, doing business as California Academy of Real Estate ("CALHOUN") and Ava June Milbourne. Said parties were found to have violated Regulations 3007.3(a)(7) and 3007.3(a)(13) (both are former Regulations).

II

California Academy of Real Estate ("CARE") is currently a fictitious business name of CALHOUN and/or DOLPHIN FINANCIAL.

DOLPHIN FINANCIAL is a California Corporation owned and controlled by CALHOUN.

You, CALHOUN, are the authorized administrator of CARE.

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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.

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

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

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Course Title	Department Approval Number
Real Estate Agency	2613-1030
Ethics	2613-1031
Fair Housing	2613-1032
Trust Funds	2613-1033
Listing Dynamics	2613-1034
Mortgage Lending	2613-1035
Professional Practice	2613-1036
Real Estate Investments	2613-1037
Survey	2613-1038

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

VI

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

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

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

VII

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

VIII

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

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

IX

On or about September 14, 2001, Deputy Real Estate
Commissioners Kathleen Macmac ("Macmac"), Amanda Wilcox
("Wilcox") and Managing Deputy Commissioner Phillip Ihde
("Ihde"), went to CALHOUN's CARE office located at 18817 Napa
Street, Northridge, California and met with CALHOUN.

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CALHOUN advised Macmac, Wilcox and Inde that his courses are offered in three different ways. Students could take the final exam at his Northridge administrative office, in the presence of a protor at a location of their choosing, or on-line via a computer (at www.realestateexams.com) and students would receive their results via e-mail.

X

Subsequently, CALHOUN provided additional information and documentation to the Department regarding CARE's on-line examination procedure.

XI

CARE's on-line examination procedure is a material change from the course offerings and constitutes failure to comply with conditions of approval set forth herein, above.

At no time prior to making the material change did you notify the Department of the material change, in violation of Regulations 3007.3(a)(1) and 3010.

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NOW, THEREFORE YOU DAVID EDMUND CALHOUN, DOING
BUSINESS AS CALIFORNIA ACADEMY OF REAL ESTATE, AND YOU, DOLPHIN
FINANCIAL, DOING BUSINESS AS CALIFORNIA ACADEMY OF REAL ESTATE,
ARE ORDERED TO DESIST AND REFRAIN from on-line testing
procedures for the real estate continuing education course
offerings approved by the Department, unless and until you
comply with the provisions of Regulation 3005, et seq. and
submit to the Department a request, for and receive from the
Department approval for an on-line examination.

DATED: MICHAEL , 2002.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

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