

*Anchor
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FILED
OCT - 1 2003

1 Department of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
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DEPARTMENT OF REAL ESTATE
By *K. Medeiros*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

To:)
)
12 ANCHOR MORTGAGE;)
13 and DANIEL J. HARRINGTON,)
14 individually and as)
15 designated officer of)
16 Anchor Mortgage Company)
17)

No. H-29979 LA
ORDER VACATING
DESIST AND REFRAIN
ORDER

18 The Order to Desist and Refrain issued on March 4,
19 2003, is vacated.

20 IT IS SO ORDERED this 24th day of September, 2003.

22 PAULA REDDISH ZINNEMANN
23 Real Estate Commissioner

24 *Paula Reddish Zinnemann*
25
26
27

Jacob [Signature]

1 ELLIOTT MAC LENNAN, Counsel
2 Department of Real Estate
3 320 West Fourth Street, Ste. 350
4 Los Angeles, California 90013

5 Telephone (213) 576-6911 (direct)
6 (213) 576-6982

FILED
JUL 9 2003
DEPARTMENT OF REAL ESTATE

By: *[Signature]*

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8
9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * *

12 To:)	No. H-29979 LA
)	L-2003060341
13 ANCHOR MORTGAGE, ET AL.,)	
)	<u>NOTICE OF HEARING</u>
)	<u>ON ORDER TO</u>
15)	<u>DESIST AND REFRAIN</u>

16
17 On March 4, 2003, the Real Estate Commissioner of the
18 State of California issued her Order directing the above-named
19 party to desist and refrain from certain alleged activities.

20 Frank M. Buda, Esq., for and on behalf of ANCHOR
21 MORTGAGE, et al., made a request on April 8, 2003, for hearing
22 pursuant to Sections (10086 or 11019) of the Business and
23 Professions Code of the State of California.

24 YOU ARE HEREBY NOTIFIED that a hearing on the Order to
25 Desist and Refrain will be held before the Department of Real
26 Estate at the Office of Administrative Hearings, 320 West Fourth
27 Street, Ste. 630, Los Angeles, California, on November 13 and
14, 2003, commencing at 9:00 a.m., upon the matters contained in

1 the ORDER TO DESIST AND REFRAIN filed on March 4, 2003,

2 You may be present at the hearing and may be
3 represented by counsel, but you are neither required to be
4 present at the hearing, nor are you required to be represented
5 by counsel.

6 You may present any relevant evidence and will be
7 given full opportunity to cross-examine all witnesses testifying
8 again you.

9 DATED: JUL 9 2003

11 PAULA REDDISH ZINNEMANN
12 Real Estate Commissioner

13 By: *E. J. Lennan*
14 ELLIOTT MAC LENNAN
15 Counsel

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22
23 cc: Anchor Mtg./Daniel J. Harrington
24 1299 Ocean Ave., Ste. 323
25 Santa Monica, CA 90401

26 Frank M. Buda, Esq.
27 16255 Ventura Blvd., Ste. 704
Encino, CA 91436

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cc: Anchor Mortgage
1299 Ocean Ave., Ste. 323
Santa Monica, CA 90401

Daniel J. Harrington
1299 Ocean Ave., Ste. 323
Santa Monica, CA 90401

Frank M. Buda, Esq.
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4 Telephone: (213) 576-6982

FILED
MAR - 4 2003
DEPARTMENT OF REAL ESTATE

By K. Mederholt

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 To:)
12 ANCHOR MORTGAGE;) No. H-29979 LA
13 and DANIEL J. HARRINGTON,) ORDER TO DESIST
14 individually and as) AND REFRAIN
15 designated officer of)
16 Anchor Mortgage Company)
17))

18 The Real Estate Commissioner of the State of California
19 (hereinafter "Commissioner") has caused an investigation to be
20 made of your activities as real estate brokers and based upon the
21 findings of that investigation, as set forth below, is of the
22 opinion that you, ANCHOR MORTGAGE, and you, DANIEL J. HARRINGTON,
23 have violated Sections 10229(e) and 10234 of the California
24 Business and Professions Code (hereinafter "Code"). In addition,
25 you, DANIEL J. HARRINGTON (hereinafter "HARRINGTON"), have
26 violated Code Section 10159.2.
27

1. 1

2 At all times material herein, you, ANCHOR MORTGAGE
3 COMPANY (hereinafter "ANCHOR"), were and now are licensed by the
4 Department of Real Estate of the State of California (hereinafter
5 "Department") as a corporate real estate broker through
6 HARRINGTON as the designated officer and broker responsible,
7 pursuant to the provisions of Code Section 10159.2; for
8 supervising the activities requiring a real estate license
9 conducted on behalf of ANCHOR by ANCHOR's officers, agents and
10 employees.

2. 11

12 At all times material herein, you, HARRINGTON, were and
13 now are licensed by the Department as a real estate broker,
14 individually and as the designated officer of ANCHOR. As the
15 designated broker-officer, you, HARRINGTON, are and at all times
16 material herein were responsible for the supervision of the
17 activities of the officers, agents and employees of ANCHOR for
18 which a license is required pursuant to Code Section 10159.2.

3. 19

20 All further references to "you" include the parties
21 identified in Paragraphs 1 and 2 above, and also include the
22 officers, directors, employees, agents and real estate licensees
23 employed by or associated with said parties and who at all times
24 herein mentioned were engaged in the furtherance of the business
25 or operations of said parties and who were acting within the
26 course and scope of their authority and employment.
27

4.

1
2 At all times herein material, you, ANCHOR, and you,
3 HARRINGTON, engaged in the business of, acted in the capacity of,
4 advertised or assumed to act as real estate brokers in the State
5 of California, within the meaning of Code Section 10131(d),
6 including the operation and conduct of a mortgage loan brokerage
7 with the public, wherein you solicited prospective borrowers or
8 lenders for and/or negotiated or serviced loans secured by a lien
9 on real property for another or others, all for or in expectation
10 of compensation. In addition, you, ANCHOR, conducted broker
11 controlled escrows through your escrow division, under the
12 exemption set forth in Section 17006(a)(4) of the California
13 Financial Code for real estate brokers performing escrows
14 incidental to a real estate transaction where the broker is a
15 party and performing acts for which a real estate license is
16 required.
17

5.

18
19 On or about April 17, 2002, the Department completed an
20 examination of your books and records, ANCHOR, pertaining to the
21 activities described in Paragraph 4, above, covering a period
22 from January 1, 2001 through December 31, 2001. The audit
23 examination revealed violations of the Code as set forth below,
24 and more fully discussed in Audit Report LA 010321 and
25 exhibits/workpapers attached to said audit report.
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6.

The audit examination determined that, in connection with the mortgage and loan brokerage activities described in Paragraph 4, above, you, ANCHOR, accepted or received funds, including funds in trust ("trust funds") from or on behalf of actual or prospective parties to transactions handled by you and thereafter made deposit or disbursement of such funds. During the audit period you, ANCHOR maintained three (3) trust accounts at the US Bank located at Fourth Street and Arizona Avenue, Santa Monica, California

"Anchor Mortgage Escrow Trust Account
Account No. 164300861311"

"Anchor Mortgage Loan Service Trust Account
Account No. 164300861337"

"Anchor Mortgage Rehabilitation Holdback Trust Account
Account No. 164300861287"

7.

In the course of activities described in Paragraphs 4 and 6, and during the examination period described in Paragraph 5, you, ANCHOR, and you, HARRINGTON, acted in violation of the Code in that you:

(a) negotiated and sold multilender mortgage loans to more than ten persons in the Access Investment, LLC, a limited liability company with more than ten members, in violation of Code Section 10229(e)(1).

1 (b) failed to retain a statement wherein the lender
2 indicated whether the investment in the multilender loans numbers
3 40745 and 40965 through Access Investment, LLC, and 40473 through
4 Nazario, exceeded ten (10%) of the lenders net worth in violation
5 of Code Section 10229(e)(1); and

6 (c) released lender funds to the borrowers without ever
7 recording any assignment of trust deed securing multilender loan
8 40473 and without ever recording the full amount of a trust deed
9 securing such loan, for purchasers Access Investment, LLC, and
10 Golden Anchor, in violation of Code Section 10234.

11 8.

12 Your conduct, acts and/or omissions, HARRINGTON, as
13 described herein above, constitute a failure on your part, as the
14 officer designated by a corporate broker licensee, to exercise
15 the supervision and control over the licensed activities of
16 ANCHOR as required by Code Section 10159.2.

17
18 NOW, THEREFORE, YOU, ANCHOR MORTGAGE COMPANY, AND YOU,
19 DANIEL J. HARRINGTON, ARE ORDERED TO DESIST AND REFRAIN from
20 performing any activity for which a real estate license is
21 required within the meaning of Code Section 10131 unless and
22 until you are in compliance with Code Sections 10131, 10229(e)
23 and 10234 of the California Business and Professions Code.

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25 ///

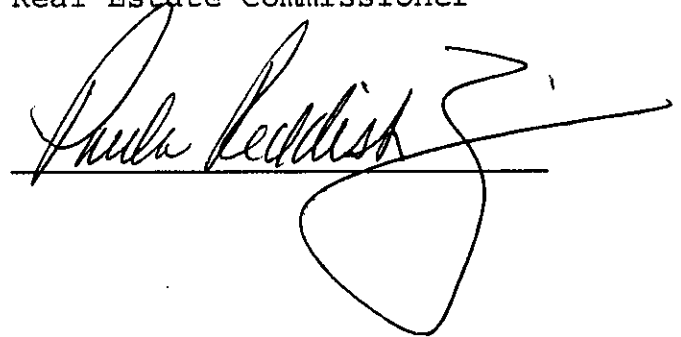
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1 AND FURTHER, YOU, DANIEL J. HARRINGTON, ARE ORDERED TO
2 DESIST AND REFRAIN from performing any of the acts for which a
3 real estate license is required as the designated officer of a
4 corporation, unless and until you are in compliance with Code
5 Section 10159.2.
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9 DATED: February 24, 2003
10

11 PAULA REDDISH ZINNEMANN
12 Real Estate Commissioner

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22

23 cc: Daniel J. Harrington
24 c/o Anchor Mortgage Company
25 1299 Ocean Avenue, Suite 323
26 Santa Monica, CA 90401
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