

FILED
AUG 25 2005
DEPARTMENT OF REAL ESTATE

1 ELLIOTT MAC LENNAN, Counsel (SBN 66674)
Department of Real Estate
2 320 W. 4TH Street, Suite 350
Los Angeles, CA 90013-1105

By K. Friedrich

3 Telephone: (213) 576-6982 (Office)
4 -or- (213) 576-6911 (Direct)
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7

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 HOMELOAN ADVISORS.COM INC.;)
13 and, JEFFREY ALLEN PITTMAN,)
14 individually and as designated)
officer of HomeLoan Advisors.com)
15 Inc.)
16 Respondents.)
17)

No. H-31669 LA

STIPULATION
AND
AGREEMENT

18 It is hereby stipulated by and between Respondents
19 HOMELOAN ADVISORS.COM INC., a corporate real estate broker, and
20 JEFFREY ALLEN PITTMAN, individually and as designated officer of
21 HomeLoan Advisors.com (sometimes collectively referred to as
22 "Respondents"), represented by Frank M. Buda, Esq. and the
23 Complainant, acting by and through Elliott Mac Lennan, Counsel
24 for the Department of Real Estate, as follows for the purpose of
25 settling and disposing of the Accusation ("Accusation") filed on
26 February 11, 2005, in this matter:
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1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondents
3 at a formal hearing on the Accusation, which hearing was to be
4 held in accordance with the provisions of the Administrative
5 Procedure Act ("APA"), shall instead and in place thereof be
6 submitted solely on the basis of the provisions of this
7 Stipulation and Agreement ("Stipulation").

8 2. Respondents have received, read and understand the
9 Statement to Respondent, the Discovery Provisions of the APA and
10 the Accusation filed by the Department of Real Estate in this
11 proceeding.

12 3. Respondents timely filed a Notice of Defense
13 pursuant to Section 11506 of the Government Code for the purpose
14 of requesting a hearing on the allegations in the Accusation.
15 Respondents hereby freely and voluntarily withdraw said Notice of
16 Defense. Respondents acknowledge that they understand that by
17 withdrawing said Notice of Defense they thereby waive their right
18 to require the Commissioner to prove the allegations in the
19 Accusation at a contested hearing held in accordance with the
20 provisions of the APA and that they will waive other rights
21 afforded to them in connection with the hearing such as the right
22 to present evidence in their defense the right to cross-examine
23 witnesses.
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25 4. This Stipulation is based on the factual
26 allegations contained in the Accusation. In the interest of
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1 expedience and economy, Respondents choose not to contest these
2 allegations, but to remain silent and understand that, as a
3 result thereof, these factual allegations, without being admitted
4 or denied, will serve as a prima facie basis for the disciplinary
5 action stipulated to herein. The Real Estate Commissioner shall
6 not be required to provide further evidence to prove said factual
7 allegations.

8 5. This Stipulation and Respondents decision not to
9 contest the Accusation is made for the purpose of reaching an
10 agreed disposition of this proceeding and is expressly limited to
11 this proceeding and any other proceeding or case in which the
12 Department of Real Estate ("Department"), the state or federal
13 government, or any agency of this state, another state or federal
14 government is involved.

15 6. It is understood by the parties that the Real
16 Estate Commissioner may adopt this Stipulation as his Decision in
17 this matter thereby imposing the penalty and sanctions on
18 Respondents' real estate licenses and license rights as set forth
19 in the "Order" herein below. In the event that the Commissioner
20 in his discretion does not adopt the Stipulation, it shall be
21 void and of no effect and Respondents shall retain the right to a
22 hearing and proceeding on the Accusation under the provisions of
23 the APA and shall not be bound by any stipulation or waiver made
24 herein.
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1 7. The Order or any subsequent Order of the Real
2 Estate Commissioner made pursuant to this Stipulation shall not
3 constitute an estoppel, merger or bar to any further
4 administrative or civil proceedings by the Department of Real
5 Estate with respect to any matters which were not specifically
6 alleged to be causes for Accusation in this proceeding but do
7 constitute a bar, estoppel and merger as to any allegations
8 actually contained in the Accusations against Respondent herein.

9 8. Respondents understand that by agreeing to this
10 Stipulation, Respondents agree to pay, pursuant to Business and
11 Professions Code Section 10148, the cost of audit (LA 020312 & LA
12 020468 - Homeloan Advisors.Com Inc.). which led to this
13 disciplinary action. The amount of said cost for the audit is
14 \$5,616.00.

15 9. Respondents have received, read, and understand the
16 "Notice Concerning Costs of Subsequent Audit". Respondents
17 further understand that by agreeing to this Stipulation, the
18 findings set forth below in the Determination of Issues become
19 final, and the Commissioner may charge Respondents for the cost
20 of any subsequent audit conducted pursuant to Business and
21 Professions Code Section 10148 to determine if the violations
22 have been corrected. The maximum cost of the subsequent audit
23 will not exceed \$5,616.00.

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DETERMINATION OF ISSUES

1 By reason of the foregoing, it is stipulated and agreed
2 that the following determination of issues shall be made:
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I.

4 The conduct, acts or omissions of HOMELoAN ADVISORS.COM
5 INC., as described in Paragraph 4, above, is in violation of
6 Sections 10145 and 10240 of the Business and Professions Code
7 ("Code") and Sections 2831 and 2831.2 of Title 10, Chapter 6 of
8 the California Code of Regulations ("Regulations") and is a basis
9 for the suspension or revocation of Respondent's license and
10 license rights as a violation of the Real Estate Law pursuant to
11 Code Section 10177(d).
12

II.

13 The conduct, acts or omissions of JEFFREY ALLEN
14 PITTMAN, as described in Paragraph 4, constitutes a failure to
15 keep Homeloan Advisors.Com Inc. in compliance with the Real
16 Estate Law during the time that he was the officer designated by
17 a corporate broker licensee in violation of Section 10159.2 of
18 the Code. This conduct is a basis for the suspension or
19 revocation of Respondent's license pursuant to Code Section
20 10177(d).
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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents
HOMELoAN ADVISORS.COM INC. and JEFFREY ALLEN PITTMAN under the
Real Estate Law are suspended for a period of ninety (90) days
from the effective date of this Decision; provided, however, that
sixty (60) days of said suspension shall be stayed for two (2)
years upon the following terms and conditions:

1. Respondents shall obey all laws, rules and
regulations governing the rights, duties and responsibilities of
a real estate licensee in the State of California.

2. That no final subsequent determination be made,
after hearing or upon stipulation, that cause for disciplinary
action occurred within two (2) years of the effective date of
this Decision. Should such determination be made, the
Commissioner may, in his discretion, vacate and set aside the
stay order and reimpose all or a portion of the stayed
suspension. Should no such determination be made, the stay
imposed herein shall become permanent.

B. The initial thirty (30) day portion of said ninety
(90) day suspension shall commence on the effective date of this
Decision; provided, however, that if Respondents petition, said
suspension shall be stayed upon condition that:

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1 1. Pursuant to Section 10175.2 of the Business and
2 Professions Code, Respondents pay a monetary penalty of fifty
3 dollars (\$50.00) per day each or One Thousand Dollars (\$1,500),
4 totaling three thousand dollars (\$3,000) for both Respondents.

5 2. Said payment shall be in the form of a cashier's
6 check or certified check made payable to the Recovery
7 Account of the Real Estate Fund. Said check must be received
8 by the Department prior to the effective date of the Decision
9 in this matter.

10 3. No further cause for disciplinary action against
11 the real estate license of Respondents occur within two (2) years
12 from the effective date of the Decision in this matter.

13 4. If Respondents fail to pay the monetary penalty in
14 accordance with the terms and conditions of the Decision, the
15 Commissioner may, without a hearing, order the immediate
16 execution of all or any part of the stayed suspension in which
17 event Respondents shall not be entitled to any repayment nor
18 credit, prorated or otherwise, for money paid to the Department
19 under the terms of this Decision.

20 5. As a further condition for the Commissioner to
21 enter into this Stipulation, Respondents shall provide evidence
22 satisfactory to the Real Estate Commissioner that Respondents
23 have disclosed the additional compensation to the borrowers set
24 forth in Paragraph 9(d) of the Accusation and Issue 6 of the
25 Audit Report. If Respondents fail to provide such evidence, the
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1 Commissioner may, without a hearing, order the immediate
2 execution of all or any part of the stayed suspension in which
3 event Respondents shall not be entitled to any repayment nor
4 credit, prorated or otherwise, for money paid to the Department
5 under the terms of this Decision.

6 6. If Respondents pay the monetary penalty and
7 provides evidence as required by Paragraph 5, above, and if no
8 further cause for disciplinary action against the real estate
9 licenses of Respondents occurs within two (2) years from the
10 effective date of the Decision, the stay hereby granted shall
11 become permanent.

12 III.

13 Pursuant to Section 10148 of the Business and
14 Professions Code, Respondents HOMELOAN ADVISORS.COM INC. and
15 JEFFREY ALLEN PITTMAN shall pay the Commissioner's reasonable
16 cost for (a) the audit which led to this disciplinary action (b)
17 a subsequent audit to determine if Respondents are now in
18 compliance with the Real Estate Law. The cost of the audit which
19 led to this disciplinary action is \$5,616.00 (LA 020312/LA 020468
20 - Homeloan Advisors.Com Inc.). In calculating the amount of the
21 Commissioner's reasonable cost, the Commissioner may use the
22 estimated average hourly salary for all persons performing audits
23 of real estate brokers, and shall include an allocation for
24 travel time to and from the auditor's place of work. Said amount
25 for the prior and subsequent audits shall not exceed \$11,232.00
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1 Respondents shall pay such cost within 60 days of
2 receiving an invoice from the Commissioner detailing the
3 activities performed during the audit and the amount of time
4 spent performing those activities.

5 The Commissioner may suspend the license of Respondents
6 pending a hearing held in accordance with Section 11500, et seq.,
7 of the Government Code, if payment is not timely made as provided
8 for herein, or as provided for in a subsequent agreement between
9 the Respondent and the Commissioner. The suspension shall remain
10 in effect until payment is made in full or until Respondents
11 enter into an agreement satisfactory to the Commissioner to
12 provide for payment, or until a decision providing otherwise is
13 adopted following a hearing held pursuant to this condition.

14 IV.

15 All licenses and licensing rights of Respondent JEFFREY
16 ALLEN PITTMAN are indefinitely suspended unless or until
17 Respondent provides proof satisfactory to the Commissioner, of
18 having taken and successfully completed the continuing education
19 course on trust fund accounting and handling specified in
20 paragraph (3) of subdivision (a) of Section 10170.5 of the
21 Business and Professions Code. Proof of satisfaction of this
22 requirement includes evidence that respondent has successfully
23 completed the trust fund account and handling continuing
24 education course within 120 days prior to the effective date of
25 the Decision in this matter.
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1 DATED: 7-25-05

ELN
2 ELLIOTT MAC LENNAN, Counsel for
3 the Department of Real Estate

4 * * *


5 EXECUTION OF THE STIPULATION

6 We have read the Stipulation and discussed it with our
7 counsel. Its terms are understood by us and are agreeable and
8 acceptable to us. We understand that we are waiving rights given
9 to us by the California Administrative Procedure Act (including
10 but not limited to Sections 11506, 11508, 11509 and 11513 of the
11 Government Code), and we willingly, intelligently and voluntarily
12 waive those rights, including the right of requiring the
13 Commissioner to prove the allegations in the Accusation at a
14 hearing at which we would have the right to cross-examine
15 witnesses against us and to present evidence in defense and
16 mitigation of the charges.

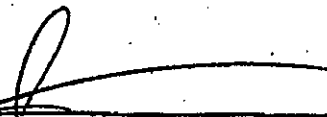
17 Respondents can signify acceptance and approval of the
18 terms and conditions of this Stipulation by faxing a copy of its
19 signature page, as actually signed by Respondents, to the
20 Department at the following telephone/fax number: Elliott Mac
21 Lennan at (213) 576-6917. Respondents agree, acknowledge and
22 understand that by electronically sending to the Department a fax
23 copy of Respondents' actual signature as they appear on the
24 Stipulation, that receipt of the faxed copy by the Department
25 shall be as binding on Respondents as if the Department had
26 received the original signed Stipulation.
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DATED: 7/27/05


HOMELoAN ADVISORS.COM INC., a
corporate real estate broker,
BY: JEFFREY ALLEN PITTMAN, D.O.,
Respondent

DATED: 7/27/05


JEFFREY ALLEN PITTMAN individually
and as designated officer of
Homeloan Advisors.Com Inc.,
Respondent

DATED: 7-27-05


FRANK M. BUDA, ESQ.
Attorney for Respondents
Approved as to form

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondents HOMELoAN ADVISORS.COM
INC. and JEFFREY ALLEN PITTMAN, individually and as designated
officer of HOMELoAN ADVISORS.COM INC., and shall become effective
at 12 o'clock noon on _____, 2005.

IT IS SO ORDERED _____, 2005.

JEFF DAVI
Real Estate Commissioner

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DATED: _____

HOMELOAN ADVISORS.COM INC., a
corporate real estate broker,
BY: JEFFREY ALLEN PITTMAN, D.O.,
Respondent

DATED: _____

JEFFREY ALLEN PITTMAN individually
and as designated officer of
Homeloan Advisors.Com Inc.,
Respondent

DATED: _____

FRANK M. BUDA, ESQ.
Attorney for Respondents
Approved as to form

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondents HOMELOAN ADVISORS.COM
INC. and JEFFREY ALLEN PITTMAN, individually and as designated
officer of HOMELOAN ADVISORS.COM INC., and shall become effective
at 12 o'clock noon on SEP 26, 2005.

IT IS SO ORDERED 8/17/05, 2005.

JEFF DAVI
Real Estate Commissioner



Handwritten initials/signature

FILED
FEB 11 2005

DEPARTMENT OF REAL ESTATE

By *K. Niederhilt*

1 ELLIOTT MAC LENNAN, Counsel
2 State Bar No. 66674
3 Department of Real Estate
4 320 West Fourth Street, Suite 350
5 Los Angeles, California 90013-1105
6
7
8
9
10 (213) 576-6911

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

11 In the Matter of the Accusation of) NO. H-31669 LA
12)
13 HOMELOAN ADVISORS.COM, INC. and)
14 JEFFERY ALLEN PITTMAN, individually) ACCUSATION
15 and as designated officer of)
16 Homeloan Advisors.com,)
17)
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19 Respondents.)
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28 The Complainant, Maria Suarez, a Deputy Real Estate
29 Commissioner of the State of California, for cause of Accusation
30 against HOMELOAN ADVISORS.COM, INC. and JEFFERY ALLEN PITTMAN,
31 individually and as designated officer of HOMELOAN ADVISORS.COM,
32 alleges as follows:

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1.

1 The Complainant, Maria Suarez, acting in her official
2 capacity as a Deputy Real Estate Commissioner of the State of
3 California, makes this Accusation against HOMELOAN ADVISORS.COM
4 INC., a California corporation ("HAC") and JEFFERY ALLEN
5 PITTMAN, individually as designated officer of Homeloan
6 Advisors.com Inc. ("PITTMAN").
7

2.

8 All references to the "Code" are to the California
9 Business and Professions Code and all references to
10 "Regulations" are to Title 10, Chapter 6, California Code of
11 Regulations.
12

3.

13 HAC and PITTMAN (sometimes hereinafter referred to as
14 Respondents) are presently licensed or have license rights under
15 the Real Estate Law (Part 1 of Division 4 of the Business and
16 Professions Code, hereinafter "Code").
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4.

19 At all time herein mentioned, PITTMAN was licensed by
20 the Department as the designated officer of HAC to qualify it
21 and to act for it as a real estate broker and, as provided by
22 Code Section 10159.2, was responsible for the supervision and
23 control of the activities conducted on behalf of HAC by its
24 officers, managers and employees as necessary to secure full
25 compliance with the provisions of the Real Estate Law including
26
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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. HAC'S corporate real estate broker license was
4 originally issued on November 2, 2000. PITTMAN was originally
5 licensed as a real estate broker on December 7, 1989.

6 5.

7 Whenever reference is made in an allegation in the
8 Accusation to an act or omission of HAC, such allegation shall
9 be deemed to mean that the officers, directors, managers,
10 employees, agents and real estate licensees employed by or
11 associated with HAC, including PITTMAN, committed such act or
12 omission while engaged in the furtherance of HAC'S business or
13 operation and while acting within the course and scope of HAC'S
14 corporate authority, agency and employment.

15 6.

16 At all times herein mentioned in the City of Encino,
17 California, HAC engaged in the business as a real estate broker
18 within the meaning of:

19 A. Code Section 10131(d). HAC operated as a mortgage
20 and loan broker using the fictitious business names of Home
21 Realty Advisors, Platinum Homes, "Homeloanadviosrs.com"
22 including soliciting borrowers and lenders and negotiating and
23 servicing loans on real property; and

24 B. Conducted broker-controlled escrows through its
25 escrow operation under the exemption set forth in California
26 Financial Code Section 17006(a)(4) for real estate brokers
27 performing escrows incidental to a real estate transaction where

1 the broker is a party and where the broker is performing acts
2 for which a real estate license is required.

3 (Audit)

4 7.

5 On September 30, 2003, the Department completed an
6 audit examination of the books and records of HAC pertaining to
7 its mortgage loan brokerage and broker-escrow activities,
8 requiring a real estate license as described in Paragraph 6.
9 The audit examination covered a period of time beginning on
10 December 1, 2000 to May 31, 2001. The audit examination
11 revealed violations of the Code and the Regulations as set forth
12 below, and more fully discussed in Audit Report LA 020312/
13 020468 and the exhibits and workpapers attached to said audit
14 report.

15 8.

16 At all times mentioned, in connection with the
17 activities described in Paragraph 6, above, HAC accepted or
18 received funds in trust (trust funds) from or on behalf of
19 borrowers and lenders, and thereafter made disposition of such
20 funds. Respondent HAC maintained the following trust account
21 during the audit period into which were deposited certain of
22 these funds at:

23
24 "Homeadvisors.com Inc. dba Home Realty Advisors Escrow Division
25 Trust Account. ("escrow trust
26 account")
27 Account No. 24395-03232"
Bank of America")
San Francisco, California 94137-0001

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3 With respect to the trust funds referred to in
4 Paragraph 8, it is alleged that HAC:

5 (a) Failed to maintain an adequate control record in
6 the form of a columnar record in chronological order of all
7 trust funds received for the escrow trust account, as required
8 by Code Section 10145 and Regulations 2831, 2950(d) and 2951.

9 (b) Failed to maintain an adequate separate record for
10 each beneficiary or transaction, thereby failing to account for
11 all trust funds received, deposited into, and disbursed from the
12 escrow trust account, as required by Code Section 10145 and
13 Regulations 2831.1, 2950(d) and 2951.

14 (c) Failed to perform a monthly reconciliation of the
15 balance of all separate beneficiary or transaction records
16 maintained pursuant to Regulation 2831.1 with the control record
17 of all trust funds received and disbursed by the [escrow trust
18 fund], as required by Regulation 2831, in violation of Code
19 Section 10145 and Regulation 2831.2. A difference exists in the
20 escrow trust account in the amount of \$1,250.95, caused by in
21 part by unrecorded bank service charges of \$606.82 and other
22 unidentified items in the amount of \$644.13, caused by record-
23 keeping deficiencies.
24

25 (d) Failed to provide and/or maintain a statement in
26 writing, a Mortgage Loan Disclosure Statement ("MLDS")
27

1 containing all the information required by Code Section 10241 to
2 various borrowers including but not limited to:

3 Jesse T. Quastse

4 Luis & Maria Morales

5 John & Susan Lund

6 Randall Gills

7 William Warner

8 Thomas Hewes

9 before these borrowers became obligated to perform under the
10 terms of their respective loans, as required by Code Section
11 10240. Moreover, HAC failed to provide its corporate license
12 number on the MLDS to the aforesaid borrowers (10236.4).

13 Additionally, rebates from lenders for Yield Spread Premiums
14 were not timely disclosed in the Mortgage Loan Disclosure
15 Statements/Good Faith Estimates provided to the aforesaid
16 borrowers, in violation of Code Sections 10240, 10241 and
17 Regulation 2840; and,

18 (e) Failed to notify the Department of the employment
19 and termination of the Janet Rio and Keith S. Stricklin, in
20 violation of Code Section 10161.8 and Regulation 2752.

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10.

The conduct of Respondent HAC, described in Paragraph 9, violated the Code and the Regulations as set forth below:

PARAGRAPH

PROVISIONS VIOLATED

9(a)

Code Section 10145 and Regulations 2831, 2950(d) and 2951

9(b)

Code Section 10145 and Regulations 2831.1, 2950(d) and 2951

9(c)

Code Section 10145 and Regulations 2831.2, 2950(d) and 2951

9(d)

Code Section 10236.4, 10240, 10241 and Regulation 2840

9(e)

Code Section 10161.1 and Regulation 2752

Each of the foregoing violations separately constitutes cause for the suspension or revocation of the real estate license and license rights of HAC under the provisions of Code Sections 10176(i), 10177(d) and/or 10177(g).

11.


The overall conduct of Respondent PITTMAN constitutes a failure on his part, as officer designated by a corporate

1 broker licensee, to exercise the reasonable supervision and
2 control over the licensed activities of HAC as required by Code
3 Section 10159.2, and to keep HAC in compliance with the Real
4 Estate Law, and is cause for the suspension or revocation of the
5 real estate license and license rights of PITTMAN pursuant to
6 the provisions of Code Sections 10159.2, 10177(d) and 10177(h).

7 WHEREFORE, complainant prays that a hearing be
8 conducted on the allegations of this Accusation and, that upon
9 proof thereof, a decision be rendered imposing disciplinary
10 action against all licenses and licensing rights of Respondents
11 HOMELOAN ADVISORS.COM, A CALIFORNIA CORPORATION and JEFFERY
12 ALLEN PITTMAN, individually and as designated officer of
13 HOMELOAN ADVISORS.COM, a California Corporation under the Real
14 Estate Law (Part 1 of Division 4 of the Business and Professions
15 Code) and for such other and further relief as may be proper
16 under other applicable provisions of law.
17

18 Dated at Los Angeles, California

19 this *3rd of February 2005*

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22 Deputy Real Estate Commissioner
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25 cc: Homeloan Advisors.Com, a California Corporation
26 c/o Jeffery Allen Pittman
27 Maria Suarez
Sacto
RJ