

*SAND
Key*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

FILED
OCT - 2 2007
DEPARTMENT OF REAL ESTATE
[Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-31772 LA
CHRISTOPHER A. MANGIONE,)
Respondent.)

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

To: CHRISTOPHER A. MANGIONE

On October 2, 2006, a restricted real estate broker license was issued by the Department of Real Estate to Respondent on the terms, conditions and restrictions, as set forth in the Real Estate Commissioner's Decision of August 15, 2006, in Case No. H-31772 LA, effective October 2, 2006. This Decision granted Respondent the right to the issuance of a restricted real estate broker license subject to the provisions of Section 10156.7 of the Business and Professions Code and to enumerated additional terms, conditions and restrictions imposed under authority of Section 10156.6 of said Code. Among those terms, conditions and restrictions, Respondent was required to submit, within 9 months

1 from the aforementioned effective date, evidence of having
2 completed 45 hours of approved continuing education offerings as
3 set forth in Article 2.5, Chapter 3, of the Real Estate Law for
4 renewal of a real estate license. The Commissioner has
5 determined that as of May 2, 2007, Respondent has failed to
6 satisfy this condition and, as such, is in violation of Section
7 10177(k) of the Business and Professions Code. Respondent has no
8 right to renew the restricted license if this condition is not
9 satisfied by the date of its expiration (Section 10156.7 of the
10 Business and Professions Code).

11 NOW, THEREFORE, IT IS ORDERED under authority of
12 Section 10156.7 of the Business and Professions Code of the State
13 of California that the restricted real estate broker license
14 heretofore issued to Respondent and the exercise of any
15 privileges thereunder is hereby suspended until such time as
16 Respondent provides proof satisfactory to the Department of
17 having taken the continuing education offerings referred to above
18 or pending final determination made after hearing (see "Hearing
19 Rights" set forth below).

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

1 IT IS FURTHER ORDERED that all license certificates and
2 identification cards issued by the Department of Real Estate
3 which are in the possession of Respondent be immediately
4 surrendered by personal delivery or by mailing in the enclosed
5 self-addressed envelope to:

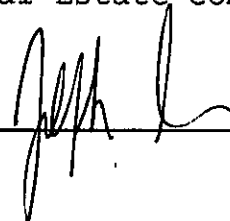
6 DEPARTMENT OF REAL ESTATE
7 Attention: Flag Section
8 Post Office Box 187000
9 Sacramento, CA 95818-7000

9 HEARING RIGHTS: Pursuant to the provisions of Section
10 10156.7 of the Business and Professions Code, you have the right
11 to a hearing to contest the Commissioner's determination that you
12 are in violation of Section 10177(k). If you desire a hearing,
13 you must submit a written request. The request may be in any
14 form as long as it is in writing and indicates that you want a
15 hearing. Unless a written request for a hearing, signed by or on
16 behalf of you, is delivered or mailed to the Department at 320
17 West Fourth Street, Suite 350, Los Angeles, California 90013,
18 within 20 days after the date that this Order was mailed to or
19 served on you, the Department will not be obligated or required
20 to provide you with a hearing.

21 This Order shall be effective immediately.

22 DATED: 9-26, 2007.

23 JEFF DAVI
24 Real Estate Commissioner

25 
26 _____
27

FILED
AUG 31 2006
DEPARTMENT OF REAL ESTATE

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)

By K. Meadley

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-31772 LA

12)
13 U S NATIONAL BANCORP;)
14 U S NATIONAL LENDING;)
15 and CHRISTOPHER A. MANGIONE,)
16 individually and as)
17 designated officer of)
18 U S National Bancorp and)
19 U S National Lending,)

STIPULATION
AND
AGREEMENT

20 Respondents.)

21 It is hereby stipulated by and between Respondents
22 U S NATIONAL BANCORP, U S NATIONAL LENDING and CHRISTOPHER A.
23 MANGIONE, individually and as designated officer of U S National
24 Bancorp and U S National Lending (sometimes collectively referred
25 to as "Respondents"), represented by Frank M. Buda, Esq., and the
26 Complainant, acting by and through Elliott Mac Lennan, Counsel
27 for the Department of Real Estate, as follows for the purpose of
settling and disposing of the Accusation filed on March 22, 2005,
in this matter:

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 filed a Notice of Defense pursuant to
13 Section 11506 of the Government Code for the purpose of
14 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.
24

25 4. This Stipulation is based on the factual
26 allegations contained in the Accusation. In the interest of
27

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 Respondent's 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 below "Order". In the event that the Commissioner in his
20 discretion does not adopt the Stipulation, the Stipulation shall
21 be void and of no effect and Respondents shall retain the right
22 to a hearing and proceeding on the Accusation under the
23 provisions of the APA and shall not be bound by any stipulation
24 or waiver made herein.

25
26 ///

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.

7 8. Respondents understand that by agreeing to this
8 Stipulation, Respondents agree to pay, pursuant to Business and
9 Professions Code Section 10148, the cost of the audit which led
10 to this disciplinary action. The amount of said cost is
11 \$7,651.75 (LA 040092/LA 040113 US National Lending - \$4,454.75
12 LA 040055 US National Bancorp - \$3,107.00).

13 9. Respondents have received, read, and understand the
14 "Notice Concerning Costs of Subsequent Audit". Respondents
15 further understand that by agreeing to this Stipulation, the
16 findings set forth below in the Determination of Issues become
17 final, and the Commissioner may charge Respondents for the cost
18 of any subsequent audit conducted pursuant to Business and
19 Professions Code Section 10148 to determine if the violations
20 have been corrected. The maximum cost of the subsequent audit
21 will not exceed \$7,651.75.

22 ///

23 ///

24 ///

25 ///

DETERMINATION OF ISSUES

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

I.

4
5 The conduct of U S NATIONAL BANCORP, as described in
6 Paragraph 4, above, is in violation of Section 10145 of the
7 Business and Professions Code ("Code") and Sections 2831, 2831.1,
8 2831.2, 2832 and 2950(d) of Title 10, Chapter 6 of the California
9 Code of Regulations ("Regulations") and is a basis for the
10 suspension or revocation of Respondent's license and license
11 rights as a violation of the Real Estate Law pursuant to Code
12 Sections 10177(d) and 10177(g).

II.

13
14 The conduct of U S NATIONAL LENDING as described in
15 Paragraph 4, above, is in violation of Code Section 10145 and
16 Regulations 2831, 2831.1, 2831.2, 2832, and is a basis for the
17 suspension or revocation of Respondent's license and license
18 rights as a violation of the Real Estate Law pursuant to Code
19 Sections 10177(d) and 10177(g).

III.

20
21 The conduct of CHRISTOPHER A. MANGIONE, as described in
22 Paragraph 4, above, constitutes a failure to keep U S NATIONAL
23 BANCORP and U S NATIONAL LENDING in compliance with the Real
24 Estate Law during the time that he was the officer designated by
25 a corporate broker licensee in violation of Section 10159.2 of
26
27

1 the Code. This conduct is a basis for the suspension or
2 revocation of Respondent's license pursuant to Code Section
3 10177(h).

4 ORDER

5 WHEREFORE, THE FOLLOWING ORDER is hereby made:

6 I.

7 All licenses and licensing rights of Respondents
8 U S NATIONAL BANCORP, U S NATIONAL LENDING and CHRISTOPHER A.
9 MANGIONE, under the Real Estate Law are revoked; provided,
10 however, restricted real estate broker licenses shall be issued
11 to said Respondents, pursuant to Section 10156.5 of the Business
12 and Professions Code if Respondents:

13 (A) Make application thereof and pays to the Department
14 of Real Estate the appropriate fee for the restricted license
15 within ninety (90) days from the effective date of this Decision.

16 (B) Respondent CHRISTOPHER A. MANGIONE shall, prior to
17 and as a condition of the issuance of the restricted license,
18 submit proof satisfactory to the Commissioner of having taken and
19 successfully completed the continuing education course on trust
20 fund accounting and handling specified in paragraph (3) of
21 subdivision (a) of Section 10170.5 of the Business and
22 Professions Code. Proof of satisfaction of this requirement
23 includes evidence that Respondent has successfully completed the
24 trust fund account and handling continuing education course
25 within 120 days prior to the effective date of the Decision in
26 this matter.

1 The restricted licenses issued to Respondents shall be
2 subject to all of the provisions of Section 10156.7 of the
3 Business and Professions Code and to the followings limitations,
4 conditions and restrictions imposed under authority of Section
5 10156.6 of that Code:

6 1. The restricted license issued to Respondents may be
7 suspended prior to hearing by Order of the Real Estate
8 Commissioner in the event of a Respondent's conviction or plea of
9 nolo contendere to a crime which is substantially related to a
10 Respondent's fitness or capacity as a real estate licensee.

11 2. The restricted licenses issued to Respondents may
12 be suspended prior to hearing by Order of the Real Estate
13 Commissioner on evidence satisfactory to the Commissioner that a
14 Respondent has violated provisions of the California Real Estate
15 Law, the Subdivided Lands Law, Regulations of the Real Estate
16 Commissioner or conditions attaching to the restricted license.

17 3. Respondents shall not be eligible to apply for the
18 issuance of an unrestricted real estate license nor for the
19 removal of any of the conditions, limitations or restrictions of
20 a restricted license until two (2) years have elapsed from the
21 effective date of this Decision.

22 4. Respondent CHRISTOPHER A. MANGIONE shall, within
23 nine (9) months from the effective date of this Decision, present
24 evidence satisfactory to the Real Estate Commissioner that
25 Respondent has, since the most recent issuance of an original or
26
27

1 renewal real estate license, taken and successfully completed the
2 continuing education requirements of Article 2.5 of Chapter 3 of
3 the Real Estate Law for renewal of a real estate license. If
4 Respondent fails to satisfy this condition, the Commissioner may
5 order the suspension of his license until the Respondent presents
6 such evidence. The Commissioner shall afford Respondent the
7 opportunity for a hearing pursuant to the Administrative
8 Procedure Act to present such evidence.

9 5. Respondent CHRISTOPHER A. MANGIONE shall within six
10 (6) months from the effective date of the restricted license,
11 take and pass the Professional Responsibility Examination
12 administered by the Department including the payment of the
13 appropriate examination fee. If Respondent fails to satisfy this
14 condition, the Commissioner may order suspension of the
15 restricted license until respondent passes the examination.
16

17 6. During the restricted period, Respondent
18 CHRISTOPHER A. MANGIONE shall not serve as the designated broker
19 at any corporate real estate broker unless and until Respondent
20 is the owner of record of the controlling shares of the
21 corporation.

22 7. Pursuant to Section 10148 of the Business and
23 Professions Code, Respondents shall pay the Commissioner's
24 reasonable cost for (a) the audits which led to this disciplinary
25 action and (b) a subsequent audits to determine if Respondents
26 U S National Bancorp and U S National Lending are now in
27

1 compliance with the Real Estate Law. The cost of the audit which
2 led to this disciplinary action is \$7,651.75. In calculating the
3 amount of the Commissioner's reasonable cost, the Commissioner
4 may use the estimated average hourly salary for all persons
5 performing audits of real estate brokers, and shall include an
6 allocation for travel time to and from the auditor's place of
7 work. Said amount for the prior and subsequent audits shall not
8 exceed \$15,303.50. Respondents are jointly and severally liable
9 for the cost of the audits.

10 Respondents shall pay such cost within 60 days of
11 receiving an invoice from the Commissioner detailing the
12 activities performed during the audit and the amount of time
13 spent performing those activities.

14 The Commissioner may suspend the license of Respondents
15 pending a hearing held in accordance with Section 11500, et seq.,
16 of the Government Code, if payment is not timely made as provided
17 for herein, or as provided for in a subsequent agreement between
18 the Respondents and the Commissioner. The suspension shall
19 remain in effect until payment is made in full or until a
20 Respondent enters into an agreement satisfactory to the
21 Commissioner to provide for payment, or until a decision
22 providing otherwise is adopted following a hearing held pursuant
23 to this condition.
24
25
26
27

1 DATED: 2-15-04

ETL
ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

2
3 * * *

4 EXECUTION OF THE STIPULATION

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

16 FACSIMILE


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

original signed Stipulation.

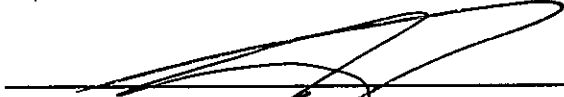
US NATIONAL BANCORP
US NATIONAL LENDING

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27


DATED: 3-2-06


U S NATIONAL BANCORP and
U S NATIONAL LENDING,
BY: CHRISTOPHER A. MANGIONE, D.O.
Respondents

DATED: 3-2-06


CHRISTOPHER A. MANGIONE,
individually and as designated
officer of U S National Bancorp; U
S National Lending, Respondent

DATED: 2-16-06

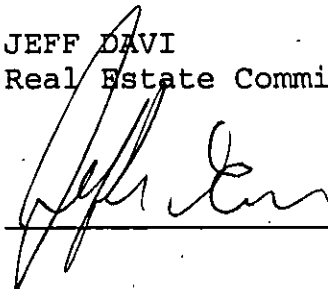

FRANK M. BUDA, Attorney for
Respondents
Approved as to form

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondents U S NATIONAL BANCORP,
U S NATIONAL LENDING and CHRISTOPHER A. MANGIONE, individually
and as designated officer of U S National Bancorp and
U S National Lending And shall become effective at 12 o'clock
noon on OCT - 2, 2006

IT IS SO ORDERED 8-15, 2006

JEFF DAVI
Real Estate Commissioner



*Auto
File*

1 ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
2 320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105
3
4 Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

FILED
MAR 22 2005
DEPARTMENT OF REAL ESTATE

By *R. M. Scherhold*

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-31772 LA
U S NATIONAL BANCORP,)	<u>A C C U S A T I O N</u>
U S NATIONAL LENDING)	
and CHRISTOPHER A. MANGIONE,)	
individually and as)	
designated officer of)	
U S National Bancorp and)	
U S National Lending,)	
)	
Respondents.)	

The Complainant, Maria Suarez, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against U S NATIONAL BANCORP, U S NATIONAL LENDING and
CHRISTOPHER A. MANGIONE individually and as designated officer of
U S National Bancorp and U S National Lending, alleges as
follows: alleges as follows:

///
///
///

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 U S NATIONAL BANCORP
4 ("USNB"), U S NATIONAL LENDING ("USNL") and CHRISTOPHER A.
5 MANGIONE ("MANGIONE").
6

7 2.

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.
11

12 LICENSE HISTORY

13 3.

14 A. At all times mentioned, USNB was licensed or had
15 license rights issued by the Department of Real Estate
16 ("Department") as a real estate broker. On November 16, 1999,
17 USNB was originally licensed as a real estate broker. On
18 November 15, 2003, USNB's license expired.

19 B. At all times mentioned, USNL was licensed or had
20 license rights issued by the Department of Real Estate
21 ("Department") as a real estate broker. On December 29, 2003,
22 USNL was originally licensed as a real estate broker.

23 C. At all times mentioned, CHRISTOPHER A. MANGIONE was
24 licensed or had license rights issued by the Department of Real
25 Estate (Department) as a real estate broker. On April 3, 2003,
26 MANGIONE was originally licensed as a real estate broker. On
27

1 April 3, 2003, MANGIONE became the designated officer of USNB
2 until the expiration of its broker license on November 15, 2003.

3 D. At all time herein mentioned, MANGIONE was
4 licensed by the Department as the designated officer of USNB and
5 USNL to qualify USNB and USNL and to act for USNB and USNL as a
6 real estate broker and, as provided by Code Section 10159.2, was
7 responsible for the supervision and control of the activities
8 conducted on behalf of USNB and USNL by its officers, managers
9 and employees as necessary to secure full compliance with the
10 provisions of the Real Estate Law including the supervision of
11 the salespersons licensed to the corporations in the performance
12 of acts for which a real estate license is required.
13

14 4.

15 At all times mentioned, in the City of Sherman Oaks,
16 County of Los Angeles, USNB and USNL acted as real estate brokers
17 and conducted licensed activities within the meaning of:

18 A. Section 10131(d) of the Code. USNB and USNL
19 operated a mortgage and loan brokerage; and

20 B. In addition, USNB and USNL conducted broker-
21 controlled escrows through their escrow divisions, under the
22 exemption set forth in Section 17006(a)(4) of the California
23 Financial Code for real estate brokers performing escrows
24 incidental to a real estate transaction where the broker is a
25 party and where the broker is performing acts for which a real
26 estate license is required.
27

FIRST CAUSE OF ACCUSATION

U S NATIONAL BANCORP

5.

On November 16, 2004, the Department completed an audit examination of the books and records of USNB pertaining to the broker escrow described in Paragraph 4, that require a real estate license. The audit examination covered a period of time beginning on May 1, 2003 to November 15, 2003. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 040055 and the exhibits and workpapers attached to said audit report.

6.

At all times mentioned, in connection with the activities described in Paragraphs 4 and 5, above, USNB accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions handled by USNB and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by USNB in the bank accounts as follows:

"Smart Escrow Trust Account. ("escrow trust account")
1-534-9102-4979
U S Bank
Encino, CA 91436

1
2 In the course of activities described in Paragraphs 4
3 and 6, above, and during the examination period described in
4 Paragraph 5, Respondent the USNB, acted in violation of the Code
5 and the Regulations in that:

6 (a) Permitted, allowed or caused the disbursement of
7 trust funds from the escrow trust account, to an amount which, on
8 October 31, 2003, was \$71,451.99, less than the existing
9 aggregate trust fund liability of USNB to every principal who was
10 an owner of said funds, without first obtaining the prior written
11 consent of the owners of said funds, as required by Code Section
12 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951.

13 (b) Failed to maintain an accurate and complete control
14 record in the form of a columnar record in chronological order of
15 all trust funds received, deposited and disbursed by the escrow
16 trust account, in violation of Code Section 10145 and Regulations
17 2831, and 2950(d) and 2951.

18 (c) Failed to maintain an accurate and complete
19 separate record for each beneficiary or transaction, thereby
20 failing to account for the escrow trust account. No separate
21 record was maintained for the escrow trust account, as required
22 by Code Section 10145 and Regulation 2831.1, 2950(d) and 2951

23 (d) Failed to perform a monthly reconciliation of the
24 balance of all separate beneficiary or transaction records
25 maintained pursuant to Regulation 2831.1 with the record of all
26
27

1 trust funds received and disbursed by for the escrow trust
2 account, as required by Code Section 10145 and Regulations
3 2831.2, 2950(d) and 2951

4 (e) Failed to place trust funds, accepted on behalf of
5 another into the hands of the owner of the funds, a neutral
6 escrow depository or into a trust fund account in the name of the
7 trustee at a bank or other financial institution not later than
8 three business days following receipt of the funds by the broker
9 or by the broker's salesperson, as required by Code Section 10145
10 and Regulations 2832, 2950(d) and 2951.

11 (f) Permitted Jason Stucky, an unlicensed person who
12 was not bonded, to be authorized signatories on the trust account
13 in violation of Code Section 10145 and Regulation 2834.

14 (g) Used the fictitious names of "Smart Escrow" to
15 conduct licensed activities on behalf of USNB without holding a
16 license bearing this fictitious business name, in violation of
17 Code Section 10159.5 and Regulation 2731.

18 (h) Failed to notify the Department of the termination
19 of one salesperson, Raul Lopez, as required by Code Section
20 10161.8 and Regulation 2752.

21 (i) failed to advise all parties to its escrow
22 operation of its ownership of said escrow company, as required by
23 Code Section 10145 and Regulation 2950(h).

24 ///

25 ///

26

8.

The conduct of Respondent USNB, described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7(a)	Code Section 10145 and Regulation 2832.1, 2950(d), 2950(g), and 2951
7(b)	Code Section 10145 and Regulation 2831, 2950(d) and 2951
7(c)	Code Section 10145 and Regulation 2831.1, 2950(d) and 2951
7(d)	Code Section 10145 and Regulation 2831.2, 2950(d) and 2951
7(e)	Code Section 10145 and Regulation 2832, 2950(d) and 2951
7(f)	Code Section 10145 and Regulation 2834
7(g)	Code Section 10145 and Regulation 2731

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

7(h) Code Section 10161.8 and
Regulation 2752

7(i) Code Section 10145 and Regulation
2950(h)

The foregoing violations constitutes cause for the suspension or
revocation of the real estate license and license rights of USNB
under the provisions of Code Sections 10165, 10177(d) and/or
10177(g).

FIRST CAUSE OF ACCUSATION

U S NATIONAL LENDING

9.

On November 16, 2004, the Department completed an audit
examination of the books and records of USNL pertaining to the
broker escrow described in Paragraph 4, that require a real
estate license. The audit examination covered a period of time
beginning on December 29, 2003 to September 30, 2004. The audit
examination revealed violations of the Code and the Regulations
as set forth in the following paragraphs, and more fully
discussed in Audit Reports LA 040092/040113 and the exhibits and
workpapers attached to said audit reports.

///
///

10.

1
2 At all times mentioned, in connection with the activities
3 described in Paragraphs 4 and 9, above, USNL accepted or received
4 funds including funds in trust (hereinafter "trust funds") from
5 or on behalf of actual or prospective parties to transactions
6 handled by USNL and thereafter made deposits and or disbursements
7 of such funds. The same bank account was used for USNL and for
8 USNB, as set forth in Paragraph 6.

9
10 11.

10 In the course of activities described in Paragraphs 4,
11 9 and 10, above, and during the examination period described in
12 Paragraph 5, Respondent the USNL, acted in violation of the Code
13 and the Regulations in that:

14 (a) Permitted, allowed or caused the disbursement of
15 trust funds from the escrow trust account, to an amount which, on
16 September 30, 2003, was \$90,432.03, less than the existing
17 aggregate trust fund liability of USNL to every principal who was
18 an owner of said funds, without first obtaining the prior written
19 consent of the owners of said funds, as required by Code Section
20 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951.

22 (b) Failed to maintain an accurate and complete control
23 record in the form of a columnar record in chronological order of
24 all trust funds received, deposited and disbursed by the escrow
25 trust account, in violation of Code Section 10145 and Regulations
26 2831, and 2950(d) and 2951.

1 (c) Failed to maintain an accurate and complete
2 separate record for each beneficiary or transaction, thereby
3 failing to account for the escrow trust account. No separate
4 record was maintained for the escrow trust account, as required
5 by Code Section 10145 and Regulation 2831.1, 2950(d) and 2951

6 (d) Failed to perform a monthly reconciliation of the
7 balance of all separate beneficiary or transaction records
8 maintained pursuant to Regulation 2831.1 with the record of all
9 trust funds received and disbursed by for the escrow trust
10 account, as required by Code Section 10145 and Regulations
11 2831.2, 2950(d) and 2951

12 (e) Failed to place trust funds, accepted on behalf of
13 another into the hands of the owner of the funds, a neutral
14 escrow depository or into a trust fund account in the name of the
15 trustee at a bank or other financial institution not later than
16 three business days following receipt of the funds by the broker
17 or by the broker's salesperson, as required by Code Section 10145
18 and Regulations 2832, 2950(d) and 2951.

19 (f) Permitted Jason Stucky, an unlicensed person who
20 was not bonded, to be authorized signatories on the trust account
21 in violation of Code Section 10145 and Regulation 2834.

22 (g) Used the fictitious names of "Smart Escrow" to
23 conduct licensed activities on behalf of USNL without holding a
24 license bearing this fictitious business name, in violation of
25 Code Section 10159.5 and Regulation 2731.
26
27

1 (h) failed to advise all parties to its escrow
2 operation of its ownership of said escrow company, as required by
3 Code Section 10145 and Regulation 2950(h).

4 (i) failed to retain a true and correct copy of a
5 Department of Real Estate approved Mortgage Loan Disclosure
6 Statement signed by the broker for borrowers Santos, Gravelis,
7 Melgar, Carino and Valenzuela, in violation of Code Section 10240

8 (j) Commingled trust funds between the escrow trust
9 account and USNL's general account totaling \$28,639.00, in
10 violation of Code Section 10176(e).

11 12.

12 The conduct of Respondent USNL, described in Paragraph
13 11, above, violated the Code and the Regulations as set forth
14 below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
16 11(a)	17 Code Section 10145 and Regulation 18 2832.1, 2950(d), 2950(g), and 2951
20 11(b)	21 Code Section 10145 and Regulation 22 2831, 2950(d) and 2951
24 11(c)	25 Code Section 10145 and Regulation 26 2831.1, 2950(d) and 2951

13.

The overall conduct of Respondents USNB, USNB and MANGIONE constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of Respondents USNB, USNB and MANGIONE pursuant to Code Section 10177(g).

14.

The conduct, acts and/or omissions of MANGIONE, in causing, allowing, or permitting USNB and USNL to violate the Real Estate Law, as described, herein above, constitutes failure on the part of Respondent MANGIONE, as the officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of USNB AND USNL, as required by Code Section 10159.2 and Regulation 2725. Said conduct is cause to suspend or revoke the real estate licenses and license rights of MANGIONE pursuant to the provisions of Code Sections 10177(d) or 10177(g) and/or 10177(h).

///

///

///

///

///

///

///

///

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondent U S
5 NATIONAL BANCORP, U S NATIONAL LENDING and CHRISTOPHER A.
6 MANGIONE individually and as designated officer of U S National
7 Bancorp and U S National Lending,, under the Real Estate Law
8 (Part 1 of Division 4 of the Business and Professions Code) and
9 for such other and further relief as may be proper under other
10 applicable provisions of law.

11
12 Dated at Los Angeles, California

13 this

18th day of March 2005


Deputy Real Estate Commissioner

14
15
16
17
18
19
20
21
22
23 cc: U S National Bancorp
24 U S National Lending
25 c/o Christopher A. Mangione D.O.
26 Maria Suarez
27 Sacto
LM
Audits - Vaughn Weaver