

FILED
JUL 20 2007

DEPARTMENT OF REAL ESTATE

[Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-32204 LA
GRANT WALKER KING,)
Respondent.)

ORDER SUSPENDING REAL ESTATE LICENSE

TO: GRANT WALKER KING

On October 23, 2006, your real estate broker license was suspended on the terms, conditions, and restrictions set forth in the Real Estate Commissioner's Decision of September 18, 2006, in Case No. H-32204 LA. Among those terms, conditions and restrictions, you were required to take and pass the Professional Responsibility Examination within six months from the effective date of the Decision. The Commissioner has determined that as of February 26, 2007, you have failed to satisfy this condition.

///

///

1 NOW, THEREFORE, IT IS ORDERED under authority of the
2 Order issued in this matter that the real estate broker license
3 heretofore issued to Respondent and the exercise of any
4 privileges thereunder is hereby suspended until such time as you
5 provide proof satisfactory to the Department of compliance with
6 the "condition" referred to above, or pending final determination
7 made after hearing (see "Hearing Rights" set forth below).

8 IT IS FURTHER ORDERED that all license certificates and
9 identification cards issued by Department which are in the
10 possession of Respondent be immediately surrendered by personal
11 delivery or by mailing in the enclosed, self-addressed envelope
12 to:

13 DEPARTMENT OF REAL ESTATE
14 ATTN: FLAG SECTION
15 P. O. Box 187000
 Sacramento, CA 95818-7000

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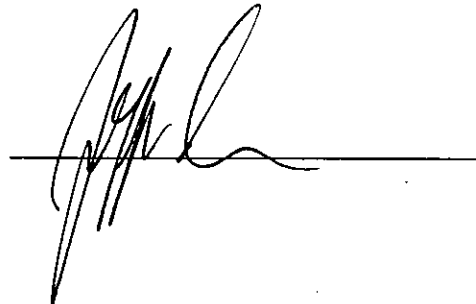
1 HEARING RIGHTS: You have the right to a hearing to
2 contest the Commissioner's determination that you are in
3 violation of the Order issued in this matter. If you desire a
4 hearing, you must submit a written request. The request may be
5 in any form, as long as it is in writing and indicates that you
6 want a hearing. Unless a written request for a hearing, signed
7 by or on behalf of you, is delivered or mailed to the Department
8 at 320 West 4th Street, Suite 350, Los Angeles, California
9 90013-1105, within 20 days after the date that this Order was
10 mailed to or served on you, the Department will not be obligated
11 or required to provide you with a hearing.

12 This Order shall be effective immediately.

13 DATED: _____ 7/9, 2007.

14 JEFF DAVI
15 Real Estate Commissioner

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A handwritten signature in dark ink, appearing to read 'Jeff Davi', is written over a horizontal line. The signature is stylized with a large loop and a long horizontal stroke extending to the right.

FILED
SEP 21 2006
DEPARTMENT OF REAL ESTATE

By K. Mederholt

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-32204 LA
)	L-2005110817
NEW AMERICAN REAL ESTATE)	
MANAGEMENT GROUP INC. doing)	STIPULATION
business as First Newport Real)	AND
Estate Service, New American)	AGREEMENT
Financial and New American Real)	
Estate; and, <u>GRANT WALKER KING</u> ,)	
Individually and as designated)	
officer of New American Real)	
Estate Management Group Inc.)	
)	
Respondents.)	

It is hereby stipulated by and between Respondent
GRANT WALKER KING, individually and as designated officer of New
American Real Estate Management Group Inc. (sometimes referred to
as "Respondent"), represented by Frank M. Buda, Esq. and the
Complainant, acting by and through Elliott Mac Lennan, Counsel
for the Department of Real Estate, as follows for the purpose of
settling and disposing of the Accusation ("Accusation") filed on
September 27, 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 Respondent
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. Respondent has received, read and understands 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. Respondent 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 Respondent hereby freely and voluntarily withdraws said Notice of
16 Defense. Respondent acknowledges that he understands that by
17 withdrawing said Notice of Defense he thereby waives his right to
18 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 he will waive other rights
21 afforded to him in connection with the hearing such as the right
22 to present evidence in his 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, Respondent chooses not to contest these
2 allegations, but to remain silent and understands 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, and otherwise shall not be admissible in
15 any other criminal or civil proceeding.

16
17 6. It is understood by the parties that the Real
18 Estate Commissioner may adopt this Stipulation as his Decision in
19 this matter thereby imposing the penalty and sanctions on
20 Respondent's real estate licenses and license rights as set forth
21 in the "Order" herein below. In the event that the Commissioner
22 in his discretion does not adopt the Stipulation, it shall be
23 void and of no effect and Respondent shall retain the right to a
24 hearing and proceeding on the Accusation under the provisions of
25 the APA and shall not be bound by any stipulation or waiver made
26 herein.

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 which led to
12 this disciplinary action. The amount of said cost for the audit
13 is \$8,082.59 (Audit Reports 030009 and 030220).

14 9. Respondents have received, read, and understand the
15 "Notice Concerning Costs of Subsequent Audit". Respondents
16 further understand that by agreeing to this Stipulation, the
17 findings set forth below in the Determination of Issues become
18 final, and the Commissioner may charge Respondents for the cost
19 of any subsequent audit conducted pursuant to Business and
20 Professions Code Section 10148 to determine if the violations
21 have been corrected. The maximum cost of the subsequent audit
22 will not exceed \$8,082.59.

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2 DETERMINATION OF ISSUES

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

5 I.

6 The conduct, acts or omissions of GRANT WALKER KING, as
7 described in Paragraph 4, constitutes a failure to keep New
8 American Real Estate Management Group Inc. in compliance with the
9 Real Estate Law during the time that he was the officer
10 designated by a corporate broker licensee in violation of Section
11 10159.2 of the Code. This conduct is a basis for the suspension
12 or revocation of Respondent's license pursuant to Code Section
13 10177(h).
14

15 ORDER

16 WHEREFORE, THE FOLLOWING ORDER is hereby made:

17 I.

18 All licenses and licensing rights of Respondent GRANT
19 WALKER KING under the Real Estate Law are suspended for a period
20 of ninety (90) days from the effective date of this Decision;
21 provided, however, that if Respondent requests, the initial
22 thirty (30) days of said suspension (or a portion thereof) shall
23 be stayed upon condition that:

24 A. 1. Respondent pays a monetary penalty pursuant to
25 Section 10175.2 of the Business and Professions Code of \$1,500
26 (at the rate of \$50 per day for each day of the suspension) for a
27

1 total monetary penalty of \$1,500.

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

7 3. No further cause for disciplinary action against
8 the real estate licenses of Respondent occurs within two (2)
9 years from the effective date of the Decision in this matter.

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

17 5. If Respondent pays the monetary penalty and if no
18 further cause for disciplinary action against the real estate
19 license of Respondent occurs within two (2) years from the
20 effective date of the Decision, the stay hereby granted shall
21 become permanent

22 B. The remaining sixty (60) days of the ninety (90)
23 day suspension shall be stayed for two (2) years upon the
24 following terms and conditions:
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(a) Respondent shall obey all laws, rules and
regulations governing the rights, duties and responsibilities of
a real estate licensee in the State of California; and

(b) That no final subsequent determination be made
after hearing or upon stipulation, that cause for disciplinary
action occurred within two (2) years from the effective date of
this Decision. Should such a 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.

II.

Pursuant to Section 10148 of the Business and Professions Code, Respondent GRANT WALKER KING shall pay the Commissioner's reasonable cost for (a) the audit which led to this disciplinary action (b) a subsequent audit to determine if Respondent is now in compliance with the Real Estate Law. The cost of the audit which led to this disciplinary action is \$8,082.59. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Said amount for the prior and subsequent audits shall not exceed \$16,165.18.

1 Respondent 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 Respondent
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 Respondent
11 enters 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

15 III.

16 Respondent shall within six (6) months from the
17 effective date of the Decision herein, take and pass the
18 Professional Responsibility Examination administered by the
19 Department including the payment of the appropriate examination
20 fee. If Respondent fails to satisfy this condition, the
21 Commissioner may order suspension of Respondent's license until
22 Respondent passes the examination.

23 IV.

24 All licenses and licensing rights of Respondent are
25 indefinitely suspended unless or until Respondent provides proof
26 satisfactory to the Commissioner, of having taken and
27

1 successfully completed the continuing education course on trust
2 fund accounting and handling specified in paragraph (3) of
3 subdivision (a) of Section 10170.5 of the Business and
4 Professions Code. Proof of satisfaction of this requirement
5 includes evidence that respondent has successfully completed the
6 trust fund account and handling continuing education course
7 within 120 days prior to the effective date of the Decision in
8 this matter.

9
10
11 DATED: _____

8-14-86

ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

12
13 * * *

14 EXECUTION OF THE STIPULATION

15 I have read the Stipulation and discussed it with my
16 counsel. Its terms are understood by me and are agreeable and
17 acceptable to me. I understand that I am waiving rights given to
18 me by the California Administrative Procedure Act (including but
19 not limited to Sections 11506, 11508, 11509 and 11513 of the
20 Government Code), and I willingly, intelligently and voluntarily
21 waive those rights, including the right of requiring the
22 Commissioner to prove the allegations in the Accusation at a
23 hearing at which I would have the right to cross-examine
24 witnesses against me and to present evidence in defense and
25 mitigation of the charges.

26 ///

Respondent can signify acceptance and approval of the terms and conditions of this Stipulation by faxing a copy of its signature page, as actually signed by Respondent, to the Department at the following telephone/fax number: Elliott Mac Lennan at (213) 576-6917. Respondent agrees, acknowledges and understands that by electronically sending to the Department a fax copy of Respondent's actual signature as it appears on the Stipulation, that receipt of the faxed copy by the Department shall be as binding on Respondent as if the Department had received the original signed Stipulation.

DATED: _____

GRANT WALKER KING individually and
as designated officer of New
American Real Estate Management
Group Inc., Respondent

DATED: _____

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

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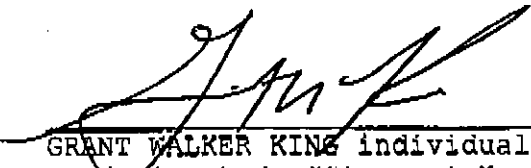
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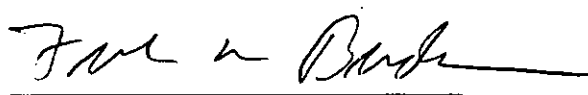
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Respondent can signify acceptance and approval of the terms and conditions of this Stipulation by faxing a copy of its signature page, as actually signed by Respondent, to the Department at the following telephone/fax number: Elliott Mac Lennan at (213) 576-6917. Respondent agrees, acknowledges and understands that by electronically sending to the Department a fax copy of Respondent's actual signature as it appears on the Stipulation, that receipt of the faxed copy by the Department shall be as binding on Respondent as if the Department had received the original signed Stipulation.

DATED: 4/11/06


GRANT WALKER KING individually and
as designated officer of New
American Real Estate Management
Group Inc., Respondent

DATED: 4-12-06


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

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FILED
SEP 21 2006
DEPARTMENT OF REAL ESTATE

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

By *K. H. [Signature]*

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-32204 LA
)	L-2005110817
NEW AMERICAN REAL ESTATE)	
MANAGEMENT GROUP INC. doing)	
business as First Newport Real)	
Estate Service, New American)	
Financial and New American Real)	
Estate,)	
)	
Respondent.)	
)	
)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On September 27, 2005, an Accusation was filed in
this matter against Respondent NEW AMERICAN REAL ESTATE
MANAGEMENT GROUP INC.

On April 5, 2006, Respondent petitioned the
Commissioner to voluntarily surrender its real estate broker
license pursuant to Section 10100.2 of the Business and
Professions Code.

IT IS HEREBY ORDERED that Respondent NEW AMERICAN
REAL ESTATE MANAGEMENT GROUP INC.'s petition for voluntary
surrender of its real estate broker license is accepted as of
the effective date of this Order as set forth below, based upon
the understanding and agreement expressed in Respondent's
Declaration dated April 5, 2006 (attached as Exhibit "A"
hereto). Respondent's license certificate and pocket card
shall be sent to the below listed address so that they reach
the Department on or before the effective date of this Order:

Department of Real Estate
Atten: Licensing Flag Section
P.O. BOX 18700
Sacramento, CA 95818-7000


This Order shall become effective at 12 o'clock noon
on OCT 11 2006.

DATED:

Q-18.

JEFF DAVI
Real Estate Commissioner

Real Estate Commissioner



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)
7

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-32204 LA
12) L-2005110817
13 NEW AMERICAN REAL ESTATE)
14 MANAGEMENT GROUP INC. doing)
15 business as First Newport Real)
16 Estate Service, New American)
17 Financial and New American Real)
18 Estate,)
19 Respondent.)

20 DECLARATION

21 My name is GRANT WALKER KING and I am the designated
22 officer of NEW AMERICAN REAL ESTATE MANAGEMENT GROUP INC., a
23 corporate real estate broker. I am authorized and empowered to
24 sign this declaration on behalf of NEW AMERICAN REAL ESTATE
25 MANAGEMENT GROUP INC., I am acting on behalf of NEW AMERICAN REAL
26 ESTATE MANAGEMENT GROUP INC., in this matter.
27

1 In lieu of proceeding in this matter in accordance
2 with the provisions of the Administrative Procedure Act
3 (Sections 11400 et seq., of the Government Code) NEW AMERICAN
4 REAL ESTATE MANAGEMENT GROUP INC., wishes to voluntarily
5 surrender its real estate license issued by the Department of
6 Real Estate ("Department"), pursuant to Business and Professions
7 Code Section 10100.2.

8 I understand that NEW AMERICAN REAL ESTATE MANAGEMENT
9 GROUP INC., by so voluntarily surrendering its license, can only
10 have it reinstated in accordance with the provisions of Section
11 11522 of the Government Code. I also understand that by so
12 voluntarily surrendering its license, NEW AMERICAN REAL ESTATE
13 MANAGEMENT GROUP INC., agrees to the following:

14 The filing of this Declaration shall be deemed as its
15 petition for voluntary surrender. It shall also be deemed to be
16 an understanding and agreement by NEW AMERICAN REAL ESTATE
17 MANAGEMENT GROUP INC., that, it waives all rights it has to
18 require the Commissioner to prove the allegations contained in
19 the Accusation filed in this matter at a hearing held in
20 accordance with the provisions of the Administrative Procedure
21 Act (Government Code Sections 11400 et seq.), and that it also
22 waives other rights afforded to it in connection with the
23 hearing such as the right to discovery, the right to present
24 evidence in defense of the allegations in the Accusation and the
25 right to cross-examine witnesses. I further agree on behalf of
26
27

1 NEW AMERICAN REAL ESTATE MANAGEMENT GROUP INC., that upon
2 acceptance by the Commissioner, as evidenced by an appropriate
3 order, all affidavits and all relevant evidence obtained by the
4 Department in this matter prior to the Commissioner's
5 acceptance, and all allegations contained in the Accusation
6 filed in the Department Case No. H-32204 LA, may be considered
7 by the Department to be true and correct for the purpose of
8 deciding whether or not to grant reinstatement of NEW AMERICAN
9 REAL ESTATE MANAGEMENT GROUP INC., license pursuant to
10 Government Code Section 11522.

11 I declare under penalty of perjury under the laws of
12 the State of California that the above is true and correct and
13 that I am acting freely and voluntarily on behalf of NEW AMERICAN
14 REAL ESTATE MANAGEMENT GROUP INC., to surrender its license and
15 all license rights attached thereto.
16

17
18 April 5, 2006
Date

NEW AMERICAN REAL ESTATE
MANAGEMENT GROUP INC.,
By: GRANT WALKER KING, D.O.

04/11/2006 17:34

818-9 8869

FRANK BUDA ESQ

PAGE 04/15

1 NEW AMERICAN REAL ESTATE MANAGEMENT GROUP INC., that upon
2 acceptance by the Commissioner, as evidenced by an appropriate
3 order, all affidavits and all relevant evidence obtained by the
4 Department in this matter prior to the Commissioner's
5 acceptance, and all allegations contained in the Accusation
6 filed in the Department Case No. H-32204 LA, may be considered
7 by the Department to be true and correct for the purpose of
8 deciding whether or not to grant reinstatement of NEW AMERICAN
9 REAL ESTATE MANAGEMENT GROUP INC., license pursuant to
10 Government Code Section 11522.

11 I declare under penalty of perjury under the laws of
12 the State of California that the above is true and correct and
13 that I am acting freely and voluntarily on behalf of NEW AMERICAN
14 REAL ESTATE MANAGEMENT GROUP INC., to surrender its license and
15 all license rights attached thereto.
16

17 April 5, 2006

18 Date

19 
20 NEW AMERICAN REAL ESTATE
21 MANAGEMENT GROUP INC.,
22 By: GRANT WALKER KING, D.O.
23
24
25
26
27

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

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-or- (213) 576-6982 (office)

FILED
SEP 27 2005
DEPARTMENT OF REAL ESTATE

By K. M. Desha

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

No. H-32204 LA

NEW AMERICAN REAL ESTATE MANAGEMENT)
GROUP INC. doing business as First)
Newport Real Estate Service,)
New American Financial and)
New American Real Estate; and,)
GRANT WALKER KING, individually)
and as designated officer of)
New American Real Estate)
Management Group Inc.)

A C C U S A T I O N

Respondents.

The Complainant, Janice Wadell, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against NEW AMERICAN REAL ESTATE MANAGEMENT GROUP INC., doing
business as First Newport Real Estate Service, New American
Financial and New American Real Estate; and, GRANT WALKER KING,
individually and as designated officer of New American Real
Estate Management Group Inc. as follows:

1.

The Complainant, Janice Wadell, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California makes this Accusation against NEW AMERICAN REAL ESTATE MANAGEMENT GROUP INC., ("NEW AMERICAN") and GRANT WALKER KING ("KING").

2.

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

3.

NEW AMERICAN and KING (hereinafter referred to as Respondents) are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code).

4.

At all mentioned times, KING was licensed by the Department as designated officer of NEW AMERICAN to qualify NEW AMERICAN and to act for NEW AMERICAN as a real estate broker and, as provided by Section 10159.2 of the Code, was responsible for the supervision and control of the activities conducted on NEW AMERICAN's behalf by NEW AMERICAN's officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law including the supervision of the salespersons licensed to the corporation in the performance

1 of acts for which a real estate license is required. KING was
2 originally licensed as a real estate salesperson on January 30,
3 1995, and subsequently licensed as a real estate broker on April
4 8, 2002. NEW AMERICAN was originally licensed as a corporate
5 real estate broker on May 18, 1989.

6 5.

7 Whenever reference is made in an allegation in the
8 Accusation to an act or omission of NEW AMERICAN such allegation
9 shall be deemed to mean that the officers, directors, managers,
10 employees, agents and real estate licensees employed by or
11 associated with NEW AMERICAN including KING committed such act or
12 omission while engaged in the furtherance of NEW AMERICAN's
13 business or operation and while acting within the course and
14 scope of NEW AMERICAN's corporate authority, agency and
15 employment.
16

17 6.

18 At all times mentioned, in the City of Newport Beach,
19 Orange County, NEW AMERICAN acted as a real estate broker as
20 follows:

21 A. Code Section 10131(d) of the Code. NEW AMERICAN
22 operated a mortgage and loan brokerage using the fictitious
23 business names of First Newport Real Estate Service, New American
24 Financial and New American Real Estate; and,

25 B. Conducted broker-controlled escrows through its
26 escrow operation, First Newport Real Estate Escrow, under the
27

1 exemption set forth in California Financial Code Section.

2 17006(a)(4) for real estate brokers performing escrows incidental
3 to a real estate transaction where the broker is a party and
4 where the broker is performing acts for which a real estate
5 license is required.

6 FIRST CAUSE OF ACTION

7 (Audit violations)

8 7.

9 On February 27, 2004, the Department completed an audit
10 examination of the books and records of NEW AMERICAN pertaining
11 to the mortgage loan and broker-escrow activities described in
12 Paragraph 6 that require a real estate license. The audit
13 examination covered a period of time beginning on January 1, 2001
14 to September 30, 2003. The audit examination revealed violations
15 of the Code and the Regulations as set forth in the following
16 paragraphs, and more fully discussed in Audit Report LA
17 0300009/030020 and the exhibits and workpapers attached to said
18 audit report.
19

20 8.

21 At all times mentioned, in connection with the
22 activities described in Paragraph 6, above, NEW AMERICAN accepted
23 or received funds in trust (trust funds) from or on behalf of
24 various borrowers, lenders and escrow-holders and thereafter made
25 disposition of such funds. NEW AMERICAN maintained three (3)
26 trust accounts during the audit period and into which were
27

1 deposited certain of these funds from the three (3) trust
2 accounts scheduled for audit at the First Bank, Newport Beach,
3 California:

4 "New American Real Estate Management Group Inc. Real Estate
5 Trustee (T/A #1)
6 Account No. 9406916676"

7 "New American Real Estate Management Group Inc. Real Estate
8 Trustee (T/A #2)
9 Account No. 9406916689"

10 "New American Real Estate Management Group Inc. Real Estate
11 Trustee (T/A #3)
12 Account No. 9406915994"

13 9.

14 In the course of activities described in Paragraphs 6
15 and 8 and above, and during the examination period described in
16 Paragraph 7, it is alleged that NEW AMERICAN:

17 (a) Permitted, allowed or caused the disbursement of
18 trust funds from trust account set forth below where the
19 disbursement of funds reduced the total of aggregate funds in the
20 trust accounts, to an amount which was less than the existing
21 aggregate trust fund liability of NEW AMERICAN to every principal
22 who was an owner of said funds, without first obtaining the prior
23 written consent of the owners of said funds, as required by Code
24 Section 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951:

25 T/A#2 - \$1,550.43 shortage (September 30, 2003)

26 T/A#3 - \$14,970.23 shortage (on July 31, 2003)

1 (b) Failed to maintain a signed broker salesperson
2 agreement with nine (9) of its forty-one (41) licensed employees,
3 in violation of Section 2726 of the Regulations. There were no
4 broker-salesperson agreements for salespersons Matthews, Meisner,
5 Apaman, Aristizabal, Berg, Fadel, Flood, Fox and Galietti.

6 (c) Failed to retain the salesperson's license
7 certificates for Elis, Kiple and Barden, in violation of Code
8 Section 10160 and Regulation 2753.

9 (d) Failed to advise all parties to the escrow
10 operation of its financial interest in and ownership of First
11 Newport Real Estate Escrow, as required by Regulation 2950(h).

12 (e) Used the fictitious names "First Newport Real
13 Estate Escrow" to conduct in-house broker-controlled escrow
14 activities without holding a license bearing this fictitious
15 business name, in violation of Code Section 10159.5 and
16 Regulation 2731.

17 (f) Failed to obtain a license for use of the branch
18 office located at 1800 E. Garry, Suite 212 Ana, CA 92705, in
19 violation of Code Section 10163 and Regulation 2715.

20 (g) Failed to maintain an adequate and complete control
21 record in the form of a columnar record in chronological order of
22 all trust funds received and disbursed from T/A #1, as required
23 by Code Section 10145 and Regulation 2831, 2950(d) and 2951.
24
25
26
27

1 (h) Permitted Enrico Hyde Arvielo, an unlicensed
2 person, who was not bonded, to be authorized signatories on T/A
3 #3, in violation of Code Section 10145 and Regulation 2834.

4 10.

5 The conduct of Respondent NEW AMERICAN, described in
6 Paragraph 9 violated the Code and the Regulations as set forth
7 below:

8 PARAGRAPH

PROVISIONS VIOLATED

9
10
11 9(a) Code Section 10145 and Regulation
12 2832.1, 2950(d), 2950(g) and 2951

13 9(b) Regulation 2726

14
15 9(c) Code Section 10160 and Regulation
16 2753

17 9(d) Regulation 2950(h)

18
19 9(e) Code Section 1059.5 and Regulation
20 2731

21 9(f) Code Section 10163 and Regulation
22 2715

23 9(g) Code Section 10145 and Regulation
24 2831, 2950(d), 2950(g) and 2951

25 9(h) Code Section 10145 and Regulation
26 2834

1 The foregoing violations constitute cause for the suspension or
2 revocation of the real estate license and license rights of NEW
3 AMERICAN under the provisions of Code Section 10177(d) and/or
4 10177(g).

5 SECOND CAUSE OF ACTION

6 (Failure to supervise)

7 11.

8
9 The overall conduct of KING constitutes a failure on
10 his part, as officer designated by a corporate broker licensee,
11 responsible for the supervision and control over the activities
12 conducted on behalf of NEW AMERICAN by its officers, managers and
13 employees as necessary to secure full compliance with the
14 provisions of the Real Estate Law including the supervision of
15 the salespersons licensed to the corporation in the performance
16 of acts for which a real estate license is required, in violation
17 of Code Section 10159.2. This conduct is cause for the
18 suspension or revocation of the real estate license and license
19 rights of KING pursuant to the provisions of Code Sections
20 10177(h), 10177(d) and/or 10177(g).

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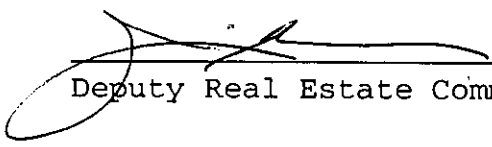
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents NEW
5 AMERICAN REAL ESTATE MANAGEMENT GROUP INC., and GRANT WALKER
6 KING, individually and as designated officer of New American Real
7 Estate Management Group Inc., under the Real Estate Law (Part 1
8 of Division 4 of the Business and Professions Code) and for such
9 other and further relief as may be proper under other applicable
10 provisions of law.

11
12 Dated at Los Angeles, California

13 this *10 August 2005*
14

15
16 
17 Deputy Real Estate Commissioner
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19
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21
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23

24 cc: New American Real Estate Management Group Inc.
25 c/o Grant Walker King
26 Sacto
27 Janice Wadell
Audits: Rolly Acuna