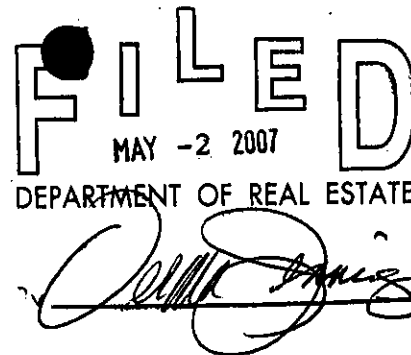


4400
May



1 Department of Real Estate
2 320 W. 4th St., Room 350
3 Los Angeles, California 90013
4
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-33033 LA
)	L-2006 100 110
CLARION MORTGAGE CAPITAL, INC.,)	
LAWRENCE OTIS MARR,)	STIPULATION AND
individually and as)	AGREEMENT
designated officer of)	
Clarion Mortgage Capital, Inc.,)	
)	
Respondents,)	

It is hereby stipulated by and between CLARION
MORTGAGE CAPITAL, INC. (sometimes referred to as Respondent),
and its attorney, Frank M. Buda, and the Complainant, acting by
and through James R. Peel, Counsel for the Department of Real
Estate, as follows for the purpose of settling and disposing of
the Accusation filed on July 3, 2006, 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
4 was to be held in accordance with the provisions of the
5 Administrative Procedure Act ("APA"), shall instead and in place
6 thereof be submitted solely on the basis of the provisions of
7 this Stipulation and Agreement ("Stipulation").

8 2. Respondent has received, read and understands the
9 Statement to Respondent, the Discovery Provisions of the
10 Administrative Procedure Act ("APA") and the Accusation filed by
11 the Department of Real Estate in this proceeding.

12 3. On July 14, 2006, Respondent filed a Notice of
13 Defense pursuant to Section 11506 of the Government Code for the
14 purpose of requesting a hearing on the allegations in the
15 Accusation. Respondent hereby freely and voluntarily withdraws
16 said Notice of Defense. Respondent acknowledges that it
17 understands that by withdrawing said Notice of Defense it will
18 thereby waive its right to require the Commissioner to prove the
19 allegations in the Accusation at a contested hearing held in
20 accordance with the provisions of the APA and that it will waive
21 other rights afforded to it in connection with the hearing, such
22 as the right to present evidence in defense of the allegations
23 in the Accusation and the right to cross-examine witnesses.

24 ///

25 ///

1 4. This Stipulation is based on the factual
2 allegations contained in the Accusation filed in this
3 proceeding. In the interest of expedience and economy,
4 Respondent chooses not to contest these factual allegations, but
5 to remain silent and understands that, as a result thereof,
6 these factual statements, will serve as a prima facie basis for
7 the disciplinary action stipulated to herein. The Real Estate
8 Commissioner shall not be required to provide further evidence
9 to prove such allegations.

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

17 6. It is understood by the parties that the Real
18 Estate Commissioner may adopt the Stipulation as his decision
19 in this matter thereby imposing the penalty and sanctions on
20 Respondent's real estate licenses and license rights as set
21 forth in the below "Order". In the event that the Commissioner
22 in his discretion does not adopt the Stipulation, the
23 Stipulation shall be void and of no effect, and Respondent shall
24 retain the right to a hearing on the Accusation under all the
25 provisions of the APA and shall not be bound by any stipulation
26 or waiver made herein.
27

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 conduct which was not specifically
6 alleged to be causes for accusation in this proceeding.

7
8 DETERMINATION OF ISSUES

9 By reason of the foregoing stipulations and waivers
10 and solely for the purpose of settlement of the pending
11 Accusation without a hearing, it is stipulated and agreed that
12 the following determination of issues shall be made:

13 The conduct, acts and/or omissions of Respondent
14 CLARION MORTGAGE CAPITAL, INC., as set forth in the Accusation,
15 constitute cause for the suspension or revocation of all of the
16 real estate licenses and license rights of Respondent under the
17 provisions of Section 10177(d) of the Business and Professions
18 Code ("Code") for violation of Code Sections 10137 and 10240.

19
20 ORDER

21 All licenses and licensing rights of Respondent
22 CLARION MORTGAGE CAPITAL, INC. under the Real Estate Law are
23 suspended for a period of thirty (30) days from the effective
24 date of this Decision; provided, however, that thirty (30) days
25 of said suspension shall be stayed for two (2) years upon the
26 following terms and conditions:
27

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

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

12
13 DATED:

Feb. 21, 2007

James R. Peel
JAMES R. PEEL, Counsel for the
Department of Real Estate

* * *

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

Respondent can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of the signature page, as actually signed by Respondent, to the Department at the following telephone/fax number: (213) 576-6917. Respondent agrees, acknowledges and understands that by electronically sending to the Department a fax copy of his or her actual signature as it appears on the Stipulation and Agreement, 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 and Agreement.

Further, if the Respondent is represented, the Respondent's counsel can signify his or her agreement to the terms and conditions of the Stipulation and Agreement by submitting that signature via fax.

DATED: _____

CLARION MORTGAGE CAPITAL, INC.
Respondent

DATED: _____

FRANK M. BUDA
Counsel for Respondent

///

///

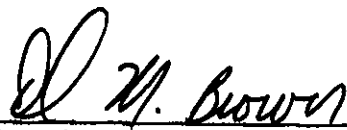
///

///

1 Respondent can signify acceptance and approval of the
2 terms and conditions of this Stipulation and Agreement by faxing
3 a copy of the signature page, as actually signed by Respondent,
4 to the Department at the following telephone/fax number:
5 (213) 576-6917. Respondent agrees, acknowledges and understands
6 that by electronically sending to the Department a fax copy of
7 his or her actual signature as it appears on the Stipulation and
8 Agreement, that receipt of the faxed copy by the Department
9 shall be as binding on Respondent as if the Department had
10 received the original signed Stipulation and Agreement.

11 Further, if the Respondent is represented, the
12 Respondent's counsel can signify his or her agreement to the
13 terms and conditions of the Stipulation and Agreement by
14 submitting that signature via fax.

15
16 DATED: 2.13.07


CLARION MORTGAGE CAPITAL, INC.
Respondent

17
18
19 DATED: 2-13-07


FRANK M. BUDA
Counsel for Respondent

20
21
22 ///

23 ///

24 ///

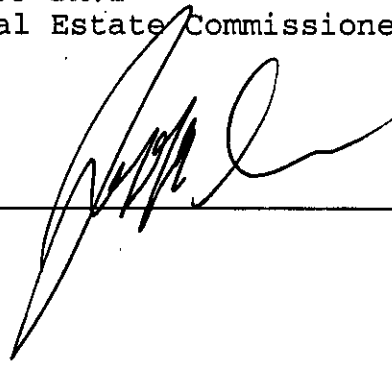
25 ///

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision and Order in this matter, and shall
become effective at 12 o'clock noon on May 22, 2007.

IT IS SO ORDERED

JEFF DAVI
Real Estate Commissioner



A handwritten signature in black ink, appearing to read 'Jeff Davi', is written over a horizontal line.

SAVO
May

FILED
MAY -2 2007

DEPARTMENT OF REAL ESTATE



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

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-33033 LA
)	
CLARION MORTGAGE CAPITAL, INC.,)	L-2006 100 110
and LAWRENCE OTIS MARR,)	
)	
Respondents.)	

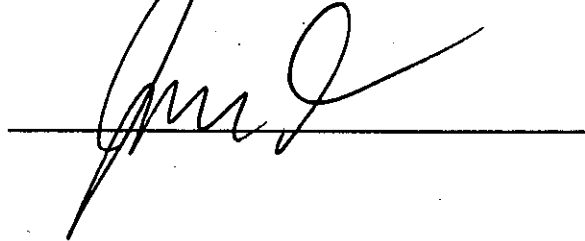
DISMISSAL

The Accusation filed July 3, 2006, against Respondent
LAWRENCE OTIS MARR is hereby dismissed.

This Order is effective immediately.

DATED: 3-8-07


JEFF DAVI
Real Estate Commissioner



Handwritten:
SACD
Klan

FILED
JUL - 3 2006
DEPARTMENT OF REAL ESTATE

1 JAMES R. PEEL, Counsel (SBN 47055)
2 Department of Real Estate
3 320 West Fourth Street, Suite 350
4 Los Angeles, CA 90013-1105
5
6
7
8 Telephone: (213) 576-6982
9 -or- (213) 576-6913 (Direct)

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

11 In the Matter of the Accusation of)	No. H-33033 LA
12 CLARION MORTGAGE CAPITAL, INC.,)	<u>A C C U S A T I O N</u>
13 LAWRENCE OTIS MARR,)	
14 individually and as)	
15 designated officer of)	
16 Clarion Mortgage Capital, Inc.,)	
17 Respondents.)	

18 The Complainant, Janice A. Waddell, a Deputy Real
19 Estate Commissioner of the State of California, for cause of
20 accusation against CLARION MORTGAGE CAPITAL, INC. and LAWRENCE
21 OTIS MARR, individually and as designated officer of Clarion
22 Mortgage Capital, Inc., alleges as follows:

23 I

24 The Complainant, Janice A. Waddell, acting in her
25 official capacity as a Deputy Real Estate Commissioner of the
26 State of California, makes this Accusation against CLARION
27

1 MORTGAGE CAPITAL, INC. and LAWRENCE OTIS MARR, individually and
2 as designated officer of Clarion Mortgage Capital, Inc.

3 II

4 CLARION MORTGAGE CAPITAL, INC. and LAWRENCE OTIS MARR,
5 individually and as designated officer of said corporation
6 (hereinafter referred to as "Respondents"), are presently
7 licensed and/or have license rights under the Real Estate Law
8 (Part 1 of Division 4 of the Business and Professions Code)
9 (hereinafter Code).

10 III

11 At all times mentioned herein, Respondent CLARION
12 MORTGAGE CAPITAL, INC. was licensed as a real estate broker
13 through Respondent LAWRENCE OTIS MARR as its designated broker-
14 officer.

15 IV

16 At all times material herein, Respondents engaged in
17 the business of, acted in the capacity of, advertised or assumed
18 to act as a real estate broker in the State of California, within
19 the meaning of Section 10131(d) of the Code, including
20 negotiating loans on real property.

21 V

22 On or about February 23, 2005, the Department completed
23 an examination of Respondent CLARION MORTGAGE CAPITAL, INC.'s
24 books and records, pertaining to the activities described in
25 Paragraph IV above, covering a period from January 1, 2003,
26 through December 31, 2004, which examination revealed violations
27

1 of the Code and of Title 10, Chapter 6, California Code of
2 Regulations (hereinafter Regulations) as set forth below.

3 VI

4 The examination described in Paragraph V, above,
5 determined that, in connection with the activities described in
6 Paragraph IV above, Respondent CLARION MORTGAGE CAPITAL, INC.
7 accepted or received funds, including funds in trust (hereinafter
8 "trust funds") from or on behalf of principals, and thereafter
9 made deposit or disbursement of such funds.

10 VII

11 In the course of activities described in Paragraphs IV
12 through VI and during the examination period described in
13 Paragraph V, Respondents CLARION MORTGAGE CAPITAL, INC. and
14 LAWRENCE OTIS MARR acted in violation of the Code and the
15 Regulations as follows, and as more specifically set forth in
16 Audit Report No. LA 040128 and related exhibits:

17 (1) Violated Section 10137 of the Code by employing
18 and compensating Dave Theobald, Julie Marquis, Shelly Watson,
19 Beth Samuelson, Myron Reinker, and Dave C. Munoz, as loan
20 originators to solicit and negotiate real estate mortgage loans
21 in California. The aforementioned individuals were working from
22 Respondents' corporate office at 9034 East Easter Place,
23 Englewood, Colorado. Said individuals did not have a California
24 real estate salesperson license or broker license.

25 (2) Violated Section 10159.5 of the Code and
26 Regulation 2731 by using the unlicensed fictitious business name
27

1 Colorado Mortgage Lending.com in Respondents' internet
2 advertising.

3 (3) Violated Section 10140.6 of the Code and
4 Regulation 2770 by not disclosing in Respondents' internet
5 advertising that they were performing activities for which a real
6 estate license is required in California.

7 (4) Violated Section 10235.5 of the Code and
8 Regulation 2847.3 by not disclosing in Respondents' internet
9 advertising the license under which the loan would be made or
10 arranged.

11 (5) Violated Section 10240 of the Code and Regulation
12 2840 by not maintaining copies of all Mortgage Loan Disclosure
13 Statements as signed by the broker and borrower.

14 (6) Violated Section 10236.4 of the Code by failing to
15 disclose Respondents' real estate broker license number in all
16 Mortgage Loan Disclosure Statements.

17 (7) Violated Section 10176(a) of the Code by failing
18 to disclose to borrowers Ritesh Agarwai and Sandi Jardon all fees
19 and compensation received by Respondents for aranging the loans
20 obtained by the borrowers.

21 VIII

22 The conduct, acts, and/or omissions of Respondents
23 CLARION MORTGAGE CAPITAL, INC. and LAWRENCE OTIS MARR, as alleged
24 above, subjects their real estate licenses and license rights to
25 suspension or revocation pursuant to Sections 10137, 10176(a),
26 10177(d), and/or 10177(g), of the Code.

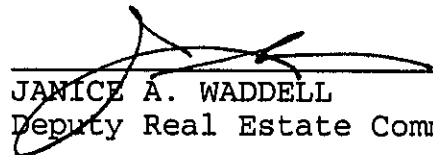
IX

The conduct, acts, and/or omissions of Respondent LAWRENCE OTIS MARR, as alleged above, subjects his real estate licenses and license rights to suspension or revocation pursuant to Sections 10159.2, 10177(h), 10177(d), and/or 10177(g), of the Code.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents CLARION MORTGAGE CAPITAL, INC. and LAWRENCE OTIS MARR, individually and as designated officer of Clarion Mortgage Capital, Inc. under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California

this 12 day of June, 2006.


JANICE A. WADDELL
Deputy Real Estate Commissioner

cc: Clarion Mortgage Capital, Inc.
Lawrence Otis Marr
Janice A. Waddell
Audit Section/Lisa Kwong
Sacto.