

2007

FILED

SEP 17 2008

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	No. H-34292 LA
	)	
PRIORITY LENDING INC.; and	)	
<u>CHARLES BARRY MOWRY</u> ,	)	
individually and as designated	)	
officer of Priority Lending	)	
Inc.	)	
	)	
Respondents	)	
	)	

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on July 21, 2008, and the findings of fact set forth herein are based on one or more of the following:
(1) Respondent CHARLES BARRY MOWRY's express admissions;
(2) affidavits; and (3) Department Audit Report LA 040208
(4) other evidence.

FACTUAL FINDINGS

1.

On September 11, 2007, Janice Waddell filed the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, to Respondents. On October 11, 2007, a Notice of Defense was filed herein within the time prescribed by Section 11506 of the Government Code by CHARLES BARRY MOWRY. On May 20, 2008,

the noticed Hearing was called by the court by Administrative Law Judge Debra Myers. After proper service, Respondent CHARLES BARRY MOWRY failed to appear. Respondent CHARLES BARRY MOWRY's default was entered herein.

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.

LICENSE HISTORY

3.

A. PRIORITY LENDING INC. At all times mentioned, PRIORITY LENDING INC. ("PLI") was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On June 5, 2004, PLI was originally licensed as a real estate broker through CHARLES BARRY MOWRY as the designated officer.

B. CHARLES BARRY MOWRY. At all times mentioned, CHARLES BARRY MOWRY ("MOWRY") was licensed or had license rights issued by the Department of Real Estate (Department) as a real estate broker. On April 16, 1999, MOWRY was originally licensed as a real estate broker. Since its inception of June 5, 2004, MOWRY was licensed as the designated officer of PLI.

C. At all times material herein, PLI was licensed by the Department of Real Estate of the State of California (hereinafter "Department") as a corporate real estate broker by and through MOWRY, as the designated officer and broker responsible, pursuant to Code Section 10159.2 of the Business and Professions Code for supervising the activities requiring a real estate license conducted on behalf PLI of by PLI's officers, agents and employees, including MOWRY.

BROKERAGE

PRIORITY LENDING INC.

4.

At all times mentioned, in the City of West Covina, County of Los Angeles, PLI acted as a real estate broker

and conducted licensed activities within the meaning of Code Section 10131(d). PLI operated a mortgage and loan brokerage.

AUDIT EXAMINATION

MORTGAGE LOAN ACTIVITIES

5.

On June 13, 2005, the Department completed an audit examination of the books and records of PLI pertaining to the mortgage and loan activities described in Paragraph 4 that require a real estate license. The audit examination covered a period of time beginning on February 1, 2004 to March 31, 2005. 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 040208 and the exhibits and work papers attached to said audit report.

TRUST ACCOUNT

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, PLI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions handled by PLI including borrowers and lenders and thereafter made deposits and or disbursements of such funds. PLI did not maintain a trust account during the audit period.

VIOLATIONS OF THE REAL ESTATE LAW

7.

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

(a) Employed and compensated Sally Villa, Arlene Sanchez, Mike Naruaez, Sergio Lopez and Albert Arroyo, as loan agents who were not licensed by the Department as real estate brokers or as real estate salespersons employed by Respondent, for performing acts for which a

real estate license is required, including soliciting mortgage loans, in violation of Code Section 10137.

(b) Failed to provide, maintain or retain a true and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrowers David Ramirez, Javier/Beatriz Ramirez, Salvador/Sylvia Dorado, Margarita Jimenez, Victor Silva, Eliseo/Laurencia Genera Jr., Daniel Perez/Linda Anne Garcia and Terri Ackerson, in violation of Code Section 10240 and 10241 and Regulation 2840.

NEGLIGENCE

8.

The overall conduct of Respondent CHARLES BARRY MOWRY constitutes negligence pursuant to Code Section 10177(g).

DETERMINATION OF ISSUES

1.

The conduct of Respondent CHARLES BARRY MOWRY, as described in Finding 7, herein above, is in violation of Code Sections 10137, 10240 and 10241 and Regulation 2840, and are cause for disciplinary action pursuant to Code Sections 10177(d) and 10177(g).

2.

The conduct of Respondent CHARLES BARRY MOWRY, as described in Finding 8, herein above, constitutes negligence, and is cause for disciplinary action pursuant to Code Section 10177(g).

3.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

The real estate broker license and license rights
of Respondent CHARLES BARRY MOWRY, under the provisions
of Part I of Division 4 of the Business and Professions
Code are revoked.

This Decision shall become effective at
12 o'clock noon on October 7, 2008

DATED: 8/13/08, 2008

JEFF DAVI
Real Estate Commissioner

A handwritten signature in cursive script, appearing to read "Barbara J. Bigby", written over a horizontal line.

BY: Barbara J. Bigby
Chief Deputy Commissioner

Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

(213) 576-6982

FILED

JUL 21 2008

DEPARTMENT OF REAL ESTATE
BY: *Holly*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	No. H-34292 LA
	)	
PRIORITY LENDING INC.; and	)	
CHARLES BARRY MOWRY, individually	)	
and as designated officer of	)	
Priority Lending Inc.,	)	
	)	
Respondents	)	

DEFAULT ORDER

Respondent CHARLES BARRY MOWRY, individually and as designated officer of Priority Lending Inc., having failed to appear at the hearing scheduled for this matter on May 20, 2008, after filing a Notice of Defense, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED

July 21, 2008
JEFF DAVI

Real Estate Commissioner

Dolores Weeks
By: DOLORES WEEKS
Regional Manager

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DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

No. H-34292 LA

PRIORITY LENDING INC. and)

CHARLES BARRY MOWRY,)

Individually and as)

designated officer of)

Priority Lending Inc.,)

Respondents.)

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On September 11, 2007, an Accusation was filed in this matter against Respondent PRIORITY LENDING INC.

On October 19, 2007, Respondent petitioned the Commissioner to voluntarily surrender its real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

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1 IT IS HEREBY ORDERED that Respondent PRIORITY LENDING
2 INC.'s petition for voluntary surrender of its real estate broker
3 license rights is accepted as of the effective date of this Order
4 as set forth below, based upon the understanding and agreement
5 expressed in Respondent's Declaration dated October 19, 2007
6 (attached as Exhibit "A" hereto). Respondent's license
7 certificate, pocket card and any branch office license
8 certificate shall be sent to the below listed address so that
9 they reach the Department on or before the effective date of this
10 Order:

11
12 Department of Real Estate
13 Atten: Licensing Flag Section
14 P.O. Box 187000
15 Sacramento, CA 95818-7000

16 This Order shall become effective at 12 o'clock noon on
17 January 7, 2008.

18 DATED: 12-10, 2007

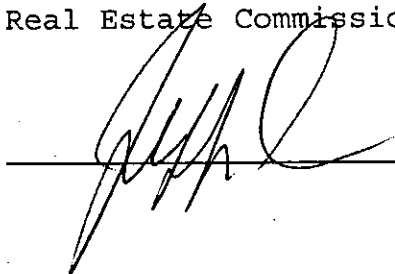
19 JEFF DAVI
20 Real Estate Commissioner
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EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

No. H-34292 LA

PRIORITY LENDING INC. and)

CHARLES BARRY MOWRY,)

Individually and as)

designated officer of)

Priority Lending Inc.,)

Respondents.)

DECLARATION

My name is Alberto Arroyo and I am the President and
Secretary of Priority Lending Inc., which is licensed as a real
estate broker and/or has license rights with respect to said
license. I am authorized to sign this declaration on behalf of
Priority Lending Inc.

///

///

1 In lieu of proceeding in this matter in accordance
2 with the provisions of the Administrative Procedures Act
3 (Sections 11400 et seq., of the Government Code) Priority
4 Lending Inc. wishes to voluntarily surrender its real estate
5 license issued by the Department of Real Estate ("Department"),
6 pursuant to Business and Professions Code Section 10100.2.

7 I understand that Priority Lending Inc., by so
8 voluntarily surrendering its license, can only have it
9 reinstated in accordance with the provisions of Section 11522 of
10 the Government Code. I also understand that by so voluntarily
11 surrendering its license rights, Priority Lending Inc. agrees to
12 the following:

13 The filing of this Declaration shall be deemed as its
14 petition for voluntary surrender. It shall also be deemed to be
15 an understanding and agreement by Priority Lending Inc. that, it
16 waives all rights it has to require the Commissioner to prove
17 the allegations contained in the Accusation ("Accusation ")
18 filed in this matter at a hearing held in accordance with the
19 provisions of the Administrative Procedures Act (Government Code
20 Sections 11400 et seq.), and that it also waives other rights
21 afforded to it in connection with the hearing such as the right
22 to discovery, the right to present evidence in defense of the
23 allegations in the Accusation and the right to cross examine
24 witnesses. I further agree on behalf of Priority Lending Inc.
25 that upon acceptance by the Commissioner, as evidenced by an
26
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1 appropriate order, all affidavits and all relevant evidence
2 obtained by the Department in this matter prior to the
3 Commissioner's acceptance, and all allegations contained in the
4 Accusation filed in the Department Case No. H-34292 LA, may be
5 considered by the Department to be true and correct for the
6 purpose of deciding whether or not to grant reinstatement of
7 Priority Lending Inc.'s license pursuant to Government Code
8 Section 11522.

9 I declare under penalty of perjury under the laws of
10 the State of California that the above is true and correct and
11 that I am acting freely and voluntarily on behalf of Priority
12 Lending Inc. to surrender its license and all license rights
13 attached thereto.
14

15 October 19th West Covina, 2007
16 Date and Place

17
18 
19 PRIORITY LENDING INC.
20 BY: ALBERTO ARROYO,
21 President and Secretary
22
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

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

FILED

SEP 11 2007

DEPARTMENT OF REAL ESTATE
BY: Defy

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

No. H-34292LA

PRIORITY LENDING INC. and)
CHARLES BARRY MOWRY, individually)
and as designated officer of)
Priority Lending Inc.,)

A C C U S A T I O N

Respondents.)

The Complainant, Janice Waddell, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against PRIORITY LENDING INC. and CHARLES BARRY MOWRY,
individually and as designated officer of Priority Lending Inc.,
alleges as follows:

1.

The Complainant, Janice Waddell, acting in her official
capacity as a Deputy Real Estate Commissioner of the State of
California, makes this Accusation against PRIORITY LENDING INC.
and CHARLES BARRY MOWRY.

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.

LICENSE HISTORY

3.

A. PRIORITY LENDING INC. At all times mentioned, PRIORITY LENDING INC. ("PLI") was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On June 5, 2004, PLI was originally licensed as a real estate broker through CHARLES BARRY MOWRY as the designated officer.

B. CHARLES BARRY MOWRY. At all times mentioned, CHARLES BARRY MOWRY ("MOWRY") was licensed or had license rights issued by the Department of Real Estate (Department) as a real estate broker. On April 16, 1999, MOWRY was originally licensed as a real estate broker. Since its inception of June 5, 2004, MOWRY was licensed as the designated officer of PLI.

C. At all times material herein, PLI was licensed by the Department of Real Estate of the State of California (hereinafter "Department") as a corporate real estate broker by and through MOWRY, as the designated officer and broker responsible, pursuant to Code Section 10159.2 of the Business and Professions Code for supervising the activities requiring a real

1 estate license conducted on behalf PLI of by PLI's officers,
2 agents and employees, including MOWRY.

3 BROKERAGE

4 PRIORITY LENDING INC.

5 4.

6 At all times mentioned, in the City of West Covina,
7 County of Los Angeles, PLI acted as a real estate broker and
8 conducted licensed activities within the meaning of Code Section
9 10131(d). PLI operated a mortgage and loan brokerage.

10 AUDIT EXAMINATION

11 MORTGAGE LOAN ACTIVITIES

12 5.

13 On June 13, 2005, the Department completed an audit
14 examination of the books and records of PLI pertaining to the
15 mortgage and loan activities described in Paragraph 4, that
16 require a real estate license. The audit examination covered a
17 period of time beginning on February 1, 2004 to March 31, 2005.
18 The audit examination revealed violations of the Code and the
19 Regulations as set forth in the following paragraphs, and more
20 fully discussed in Audit Report LA 040208 and the exhibits and
21 workpapers attached to said audit report.

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23 ///

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TRUST ACCOUNT

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, PLI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions handled by PLI including borrowers and lenders and thereafter made deposits and or disbursements of such funds. PLI did not maintain a trust account during the audit period.

VIOLATIONS OF THE REAL ESTATE LAW

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period described in Paragraph 5, Respondents PLI and MOWRY, acted in violation of the Code and the Regulations in that they:

(a) Employed and compensated Sally Villa, Arlene Sanchez, Mike Naruaez, Sergio Lopez and Albert Arroyo, as loan agents who were not licensed by the Department as a real estate brokers or as a real estate salesperson employed by a real estate broker, for performing acts for which a real estate license is required, including soliciting mortgage loans, in violation of Code Section 10137.

(b) Solicited and negotiated with borrowers Ponciano/Josefina Diaz-Solis, Margarita Jimenez, Victor Silva, Eliseo Jr./Laurencia Genera, Daniel/Linda Garcia, Terri Ackerson,

1 Enrique Lopez, Susan Kozyra and Rosa Moreno, between February and
2 May 2004, when PLI was not license until June 5, 2004, in
3 violation of Section 10130.

4 (c) Failed to provide, maintain or retain a true and
5 correct copy of a Department of Real Estate approved Mortgage
6 Loan Disclosure Statement signed by the broker for borrowers
7 David Ramirez, Javier/Beatriz Ramirez, Salvador/Sylvia Dorado,
8 Margarita Jimenez, Victor Silva, Eliseo/Laurencia Genera Jr.,
9 Daniel Perez/Linda Anne Garcia and Terri Ackerson, in violation
10 of Code Section 10240 and 10241 and Regulation 2840.

11 8.

12 The conduct of Respondents PLI, MOWRY and MOWRY,
13 described in Paragraph 7, above, violated the Code and the
14 Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
16 7(a)	Code Section 10137
18 7(b)	Code Section 10130
20 7(c)	Code Section 10240, 10241 and 22 Regulation 2840

23 The foregoing violations constitutes cause for the suspension or
24 revocation of the real estate license and license rights of PLI,
25 MOWRY and MOWRY, under the provisions of Code Sections 10177(d)
26 and/or 10177(g).
27

9.

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

10.

The overall conduct of Respondent MOWRY constitutes a failure on her part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of PLI as required by Code Section 10159.2, and to keep PLI in compliance with the Real Estate Law, and is cause for the suspension or revocation of the real estate license and license rights of MOWRY pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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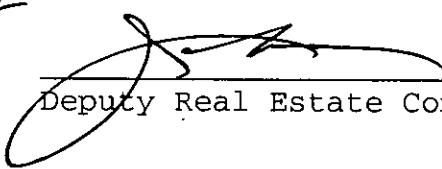
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents
5 PRIORITY LENDING INC. and CHARLES BARRY MOWRY, under the Real
6 Estate Law (Part 1 of Division 4 of the Business and Professions
7 Code) and for such other and further relief as may be proper
8 under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this

29 June 2007


Deputy Real Estate Commissioner

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24 cc: Priority Lending Inc.
25 c/o Charles Barry Mowry D.O.
26 Janice Waddell
Sacto
Audits - Lisa Kwong
27