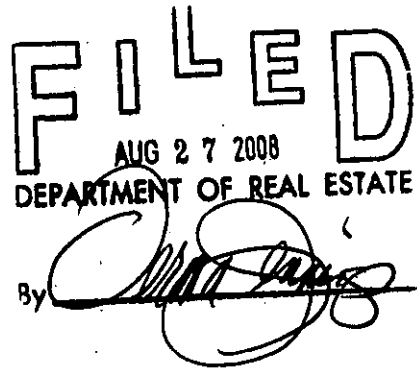


1 Department of Real Estate  
2 320 W. 4<sup>th</sup> St., Room 350  
3 Los Angeles, California 90013  
4 Telephone: (213) 576-6982



5  
6  
7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-34652 LA  
12 ) L-2008 030 089  
13 PERENNIAL FINANCIAL )  
14 NETWORK, INC., ) STIPULATION AND AGREEMENT  
15 and SHERYL ANNETTE ADAMS, )  
16 individually and as )  
17 designated officer of )  
18 Perennial Financial )  
19 Network, Inc., )  
20 Respondents. )

21 It is hereby stipulated by and between PERENNIAL  
22 FINANCIAL NETWORK, INC., and SHERYL ANNETTE ADAMS (sometimes  
23 referred to as Respondents), and the Complainant, acting by and  
24 through James R. Peel, Counsel for the Department of Real  
25 Estate, as follows for the purpose of settling and disposing of  
26 the Accusation filed on January 18, 2008, in this matter.  
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1           1. All issues which were to be contested and all  
2 evidence which was to be presented by Complainant and  
3 Respondents 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. Respondents have received, read and understand 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 January 29, 2008, Respondents 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. Respondents hereby freely and voluntarily withdraw  
16 said Notice of Defense. Respondents acknowledge that they  
17 understand that by withdrawing said Notice of Defense they will  
18 thereby waive their right to require the Commissioner to prove  
19 the allegations in the Accusation at a contested hearing held in  
20 accordance with the provisions of the APA and that they will  
21 waive other rights afforded to them in connection with the  
22 hearing, such as the right to present evidence in defense of the  
23 allegations in the Accusation and the right to cross-examine  
24 witnesses.  
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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 Respondents choose not to contest these factual allegations, but  
5 to remain silent and understand that, as a result thereof, these  
6 factual statements, will serve as a prima facie basis for the  
7 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 Respondents' 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 Respondents' 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 Respondents  
24 shall retain the right to a hearing on the Accusation under all  
25 the provisions of the APA and shall not be bound by any  
26 stipulation 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                           DETERMINATION OF ISSUES

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

12   I

13           The conduct, acts and/or omissions of Respondents  
14 PERENNIAL FINANCIAL NETWORK, INC., and SHERYL ANNETTE ADAMS, as  
15 set forth in the Accusation, constitute cause for the suspension  
16 or revocation of all of the real estate licenses and license  
17 rights of Respondents under the provisions of Section 10177(d)  
18 of the Business and Professions Code ("Code") for violation of  
19 Code Sections 10137, 10145(a), 10236.4, and 10240, and  
20 Regulations 2831, and 2831.1, Title 10, Chapter 6, California  
21 Code of Regulations.  
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II

The conduct, acts and/or omissions of Respondent SHERYL ANNETTE ADAMS, as set forth in the Accusation, constitute cause for the suspension or revocation of all of the real estate licenses and license rights of Respondent under the provisions of Section 10177(d) of the Code for violation of Code Section 10159.2.

ORDER

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

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

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

1                   3. Provided, however, that if Respondents petition,  
2 the remaining thirty (30) days of said ninety (90) day  
3 suspension shall be stayed upon condition that:

4                   a. Respondents pay a monetary penalty pursuant to  
5 Section 10175.2 of the Business and Professions Code at the rate  
6 of \$60 for each day of the suspension for a total monetary  
7 penalty of \$1,800 (\$3,600 for both Respondents).

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

13                   c. No further cause for disciplinary action  
14 against the real estate licenses of Respondent occurs within two  
15 (2) years from the effective date of the Decision in this  
16 matter.

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

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1 e. If Respondents pay the monetary penalty and if  
2 no further cause for disciplinary action against the real estate  
3 license of Respondent occurs within two (2) years from the  
4 effective date of the Decision, the stay hereby granted shall  
5 become permanent.

6 4. Pursuant to Section 10148 of the Business and  
7 Professions Code, Respondents PERENNIAL FINANCIAL NETWORK, INC.  
8 and SHERYL ANNETTE ADAMS shall pay the Commissioner's reasonable  
9 cost for the audit which led to this disciplinary action and  
10 Respondent PERENNIAL FINANCIAL NETWORK, INC. shall pay the  
11 Commissioner's reasonable cost for a subsequent audit to  
12 determine if PERENNIAL FINANCIAL NETWORK, INC. has corrected the  
13 violations found in the Determination of Issues. In calculating  
14 the amount of the Commissioner's reasonable cost, the  
15 Commissioner may use the estimated average hourly salary for all  
16 persons performing audits of real estate brokers, and shall  
17 include an allocation for travel costs, including mileage, time  
18 to and from the auditor's place of work and per diem.  
19 Respondents shall pay such cost within 45 days of receiving an  
20 invoice from the Commissioner detailing the activities performed  
21 during the audit and the amount of time spent performing those  
22 activities. The Commissioner may, in his discretion, vacate and  
23 set aside the stay order, if payment is not timely made as  
24 provided for herein, or as provided for in a subsequent  
25 agreement between the Respondents and the Commissioner. The  
26 vacation and the set aside of the stay shall remain in effect  
27

1 until payment is made in full, or until Respondents enter into  
2 an agreement satisfactory to the Commissioner to provide for  
3 payment. Should no order vacating the stay be issued, either in  
4 accordance with this condition or condition "2", the stay  
5 imposed herein shall become permanent.

6 5. All licenses and licensing rights of Respondent  
7 SHERYL ANNETTE ADAMS are indefinitely suspended unless or until  
8 Respondent provides proof satisfactory to the Real Estate  
9 Commissioner of having taken and successfully completed the  
10 continuing education course on trust fund accounting and  
11 handling specified in paragraph (3) of subdivision (a) of  
12 Section 10170.5 of the Business and Professions Code. Proof of  
13 satisfaction of this requirement includes evidence that  
14 Respondent has successfully completed the trust fund account and  
15 handling continuing education course within 120 days prior to  
16 the effective date of the Decision in this matter.

17  
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19  
20 DATED:

July 1, 2008

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



1 \* \* \*

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

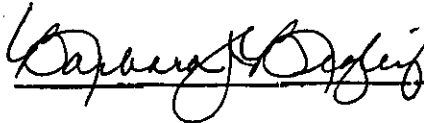
14 Respondents can signify acceptance and approval of the  
15 terms and conditions of this Stipulation and Agreement by faxing  
16 a copy of the signature page, as actually signed by Respondents,  
17 to the Department at the following telephone/fax number:  
18 (213) 576-6917. Respondents agree, acknowledge and understand  
19 that by electronically sending to the Department a fax copy of  
20 his or her actual signature as it appears on the Stipulation and  
21 Agreement, that receipt of the faxed copy by the Department  
22 shall be as binding on Respondents as if the Department had  
23 received the original signed Stipulation and Agreement.  
24  
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Further, if the Respondents are represented, the Respondents' counsel can signify his or her agreement to the terms and conditions of the Stipulation and Agreement by submitting that signature via fax.

DATED: 6-27-08  
PERENNIAL FINANCIAL NETWORK, INC.,  
RespondentDATED: 6-27-08  
SHERYL ANNETTE ADAMS  
Respondent

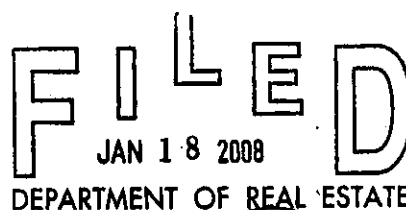
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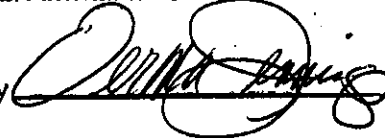
The foregoing Stipulation and Agreement is hereby adopted as my Decision and Order in this matter, and shall become effective at 12 o'clock noon on September 16, 2008.

IT IS SO ORDERED 8-17-08JEFF DAVI  
Real Estate Commissioner

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 Telephone: (213) 576-6982  
6 -or- (213) 576-6913 (Direct)



By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-34652 LA  
12 PERENNIAL FINANCIAL )  
13 NETWORK, INC., ) A C C U S A T I O N  
14 and SHERYL ANNETTE ADAMS, )  
15 individually and as )  
16 designated officer of )  
Perennial Financial )  
Network, Inc., )  
Respondents. )

17  
18 The Complainant, Robin L. Trujillo, a Deputy Real  
19 Estate Commissioner of the State of California, for cause of  
20 accusation against PERENNIAL FINANCIAL NETWORK, INC., and SHERYL  
21 ANNETTE ADAMS, individually and as designated officer of  
22 Perennial Financial Network, Inc., alleges as follows:

23 I

24 The Complainant, Robin L. Trujillo, acting in her  
25 official capacity as a Deputy Real Estate Commissioner of the  
26 State of California, makes this Accusation against PERENNIAL  
27

1 FINANCIAL NETWORK, INC., and SHERYL ANNETTE ADAMS, individually  
2 and as designated officer of PERENNIAL FINANCIAL NETWORK, Inc.

3 II

4 PERENNIAL FINANCIAL NETWORK, INC. and SHERYL ANNETTE  
5 ADAMS, 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 PERENNIAL  
12 FINANCIAL NETWORK, INC. was licensed as a real estate broker  
13 through Respondent SHERYL ANNETTE ADAMS 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(a) and (d) of the Code, including  
20 negotiating loans on real property.

21 V

22 On or about August 2, 2007, the Department completed an  
23 examination of Respondent PERENNIAL FINANCIAL NETWORK, INC.'s  
24 books and records, pertaining to the activities described in  
25 Paragraph IV above, covering a period from January 1, 2005,  
26 through February 28, 2007, 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 PERENNIAL FINANCIAL NETWORK, 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 PERENNIAL FINANCIAL NETWORK, INC. and  
14 SHERYL ANNETTE ADAMS acted in violation of the Code and the  
15 Regulations as follows, and as more specifically set forth in  
16 Audit Report No. LA 060267 and related exhibits:

17 (1) Violated Regulation 2831 by failing to maintain a  
18 control record for all appraisal fees and credit report fees  
19 received from escrow and not deposited into a trust account.

20 (2) Violated Regulation 10131.1 by failing to maintain  
21 separate trust fund records for the beneficiaries of credit  
22 report fees and appraisal fees received from escrow.

23 (3) Violated Section 10236.4(b) by failing to disclose  
24 its broker license number on Mortgage Loan Disclosure Statements.

25 (4) Violated Code Section 10145(a) by failing to  
26 deposit appraisal fees and credit report fees into a trust  
27 account.

1 (5) Violated Code Section 10240 by failing to retain  
2 on file for a period of three years a true and correct copy of  
3 each Mortgage Loan Disclosure Statement as signed by the borrower  
4 and by the real estate broker negotiating the loan or by a real  
5 estate licensee acting for the broker in negotiating the loan.

6 (6) Violated Code Sections 10240 and 10241 by failing  
7 to disclose to each borrower that the broker received a yield  
8 spread premium rebate from the lender.

9 (7) Violated Section 10137 of the Code by employing an  
10 unlicensed person Darryl Green to solicit and negotiate loans on  
11 real property for borrowers Beheshteh Varasteh and Darlene  
12 Fields.

#### 13 VIII

14 The conduct of Respondents PERENNIAL FINANCIAL NETWORK,  
15 INC., and SHERYL ANNETTE ADAMS, as alleged above, subjects their  
16 real estate licenses and license rights to suspension or  
17 revocation pursuant to Sections 10137, 10176(g), 10177(d), and/or  
18 10177(g) of the Code.

19 The conduct of Respondent SHERYL ANNETTE ADAMS, as  
20 alleged above, in failing to exercise the required supervision  
21 over Perennial Financial Network, Inc. subjects her real estate  
22 licenses and license rights to suspension or revocation pursuant  
23 to Sections 10159.2, 10177(h), 10177(d), and/or 10177(g) of the  
24 Code.

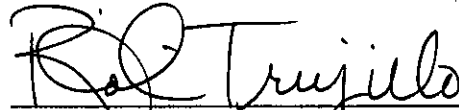
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26 ///

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 all licenses and license rights of Respondents  
5 PERENNIAL FINANCIAL NETWORK, INC., and SHERYL ANNETTE ADAMS,  
6 under the Real Estate Law (Part 1 of Division 4 of the Business  
7 and Professions Code) and for such other and further relief as  
8 may be proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 16 day of January, 2008.

11 

12 ROBIN L. TRUJILLO  
13 Deputy Real Estate Commissioner  
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23

24 cc: Perennial Financial Network, Inc.  
25 Sheryl Annette Adams  
26 Robin L. Trujillo  
27 Audit Section/Darryl Thomas  
Sacto.