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FILED

MAR 26 2010

DEPARTMENT OF REAL ESTATE
BY: *Handwritten signature*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
FOSHEES HIGH COUNTRY INC. doing)
business Century 21 High Country)
and High Country Financial,)
JAMES WRAY GRIMES, individually)
and as designated officer of)
Foshees High Country Inc.)
)
Respondents.)

No. H-35829 LA

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 March 11, 2010, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent FOSHEES HIGH COUNTRY INC. express admissions; (2) affidavits; (3) Department Audit Report LA 080088 dated December 18, 2008; and (4) other evidence.

FACTUAL FINDINGS

1.

On February 26, 2009, Robin Trujillo made 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 on April 3, 2009 to Respondents' last known mailing addresses on file with the Department.

2.

On March 11, 2010, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, FOSHEES HIGH COUNTRY INC...

3.

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

4.

A. At all times mentioned, FOSHEES HIGH COUNTRY INC. ("FHCI") was licensed or had license rights issued by the Department of Real Estate ("Department") as a corporate real estate broker.

B. At all times material herein, FHCI was licensed by the Department as a corporate real estate broker by and through James Wray Grimes, 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 FHCI of by FHCI's officers, agents and employees.

BROKERAGE

5.

At all times mentioned, in City of Lake Arrowhead, County of San Bernardino, FHCI conducted broker-controlled escrows through its escrow division, High Country Escrow, under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate license is required.

AUDIT EXAMINATION

6.

On December 18, 2008, the Department completed an audit examination of the books and records of FHCI pertaining to the broker-escrow activities described in Paragraph 5 that require a real estate license. The audit examination covered a period of time beginning on January 1, 2007 to September 30, 2008. 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 080088 and the exhibits and work papers attached to said audit report.

7.

At all times mentioned, in connection with the activities described in Finding 5, above, FHCI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties, including buyers, sellers, lenders, borrowers and homeowners for transactions handled by FHCI 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 into an unknown trust account maintained by FHCI in an unknown bank account.

VIOLATIONS OF THE REAL ESTATE LAW

8.

In the course of activities described in Findings 5 and 7 above, and during the examination period described in Finding 6, Respondent FHCI, acted in violation of the Code and the Regulations in that Respondent:

(a) Used the fictitious name of "High Country Escrow", to conduct licensed activities including broker-controlled escrows without holding a license bearing said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731.

(b) Failed to advise all parties to FHCI's escrow operation, "High Country Escrow" of FHCI's ownership and financial interest in said escrow operation, in violation of Code Section 10145 and Regulation 2950(h).

(c) Failed to retain all records of FHCI's activity during the audit period requiring a real estate broker license, and specifically related to broker-controlled escrow activities, in violation of Code Section 10148.

(d) Failed to maintain an office, place of books, records, accounts, safes, files and papers for High Country Escrow freely accessible and available for audit, inspection and examination by the Commissioner of the Department of Real Estate, in violation of Code Section 10145 and Regulation 2950(e); and

(e) Changed or abandoned FHCI's address on November 6, 2008, without notification to the Department, in violation of Code Section 10162 and Regulation 2715.

NEGLIGENCE

9.

The overall conduct of FHCI 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 Respondent FHCI pursuant to Code Section 10177(g).

DETERMINATION OF ISSUES

1.

The conduct of Respondent FOSHEES HIGH COUNTRY INC., based upon the audit violations as described in Findings 8, herein above, is in violation of Code Sections 10145, 10148, 10159.5, 10162, and Regulations 2715, 2731, 2950(e) and 2950(h). Cause for disciplinary action exists pursuant to Code Sections 10165, 10177(d) and 10177(g).

2.

The conduct of Respondent, FOSHEES HIGH COUNTRY INC, as described in Finding 9, herein above, 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

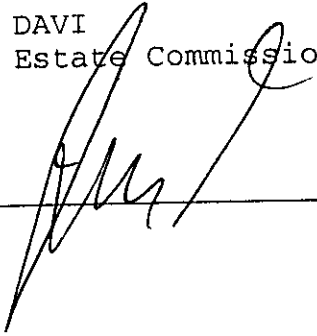
The real estate broker license and license rights of Respondent FOSHEES HIGH COUNTRY INC., under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on April 15, 2010.

DATED: _____

3/24/2010

JEFF DAVI
Real Estate Commissioner



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MAR 11 2010

DEPARTMENT OF REAL ESTATE

BY: [Signature]

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-35829 LA
)	
FOSHEES HIGH COUNTRY INC. doing)	
business Century 21 High Country)	
and High Country Financial,)	
JAMES WRAY GRIMES, individually)	
and as designated officer of)	
Foshees High Country Inc.)	
Respondents.)	

DEFAULT ORDER

Respondent, FOSHEES HIGH COUNTRY INC., having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

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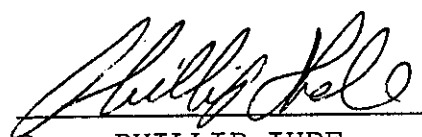
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IT IS SO ORDERED MARCH 11, 2010

JEFF DAVI
Real Estate Commissioner



By: PHILLIP IHDE
Regional Manager

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OCT 26 2009

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-35829 LA
)	
FOSHEES HIGH COUNTRY INC. doing)	
business Century 21 High Country)	
and High Country Financial,)	
<u>JAMES WRAY GRIMES</u> , individually)	
and as designated officer of)	
Foshees High Country Inc.)	
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Respondents.)	
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ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On April 3, 2009, an Accusation was filed in this matter against Respondent JAMES WRAY GRIMES.

On September 23, 2009, Respondent petitioned the Commissioner to voluntarily surrender his real estate broker license pursuant to Section 10100.2 of the Business and Professions Code.

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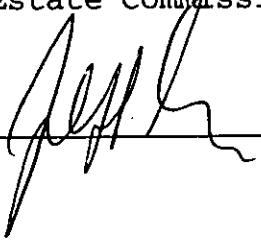
IT IS HEREBY ORDERED that Respondent JAMES WRAY GRIMES's petition for voluntary surrender of his real estate broker license is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated September 23, 2009, (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
Attn: Licensing Flag Section
P.O. Box 187000
Sacramento, CA 95818-7000

This Order shall become effective at 12 o'clock noon on
November 16, 2009.

DATED: 10-21, 2009

JEFF DAVI
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-35829 LA
)	
FOSHEES HIGH COUNTRY INC. doing)	
business Century 21 High Country)	
and High Country Financial,)	
<u>JAMES WRAY GRIMES</u> , individually)	
and as designated officer of)	
Foshees High Country Inc.)	
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Respondents.)	
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DECLARATION

My name is JAMES WRAY GRIMES and I am currently licensed as a real estate broker and/or have license rights with respect to said license.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code), I wish to

1 voluntarily surrender my real estate license(s) issued by the
2 Department of Real Estate ("Department"), pursuant to Business
3 and Professions Code Section 10100.2.

4 I understand that by so voluntarily surrendering my
5 license, I may be relicensed as a broker or as a salesperson
6 only by petitioning for reinstatement pursuant to Section 11522
7 of the Government Code. I also understand that by so
8 voluntarily surrendering my license(s), I agree to the
9 following:

10 1. The filing of this Declaration shall be deemed as
11 my petition for voluntary surrender.

12 2. It shall also be deemed to be an understanding and
13 agreement by me that I waive all rights I have to require the
14 Commissioner to prove the allegations contained in the
15 Accusation filed in this matter at a hearing held in accordance
16 with the provisions of the Administrative Procedure Act
17 (Government Code Sections 11400 et seq.), and that I also waive
18 other rights afforded to me in connection with the hearing such
19 as the right to discovery, the right to present evidence in
20 defense of the allegations in the Accusation and the right to
21 cross-examine witnesses.

22 3. I further agree that upon acceptance by the
23 Commissioner, as evidenced by an appropriate order, all
24 affidavits and all relevant evidence obtained by the Department
25 in this matter prior to the Commissioner's acceptance, and all
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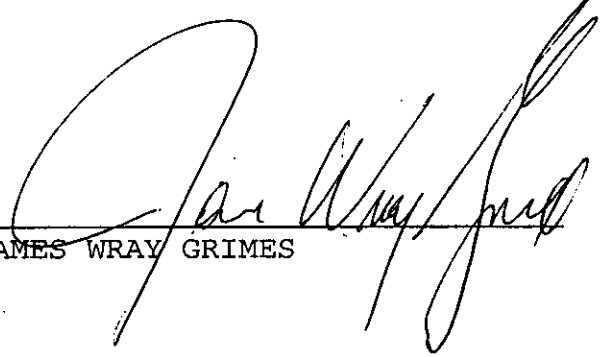
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allegations contained in the combined Accusations filed in Department Case No. H-35829 LA, shall be considered by the Department to be true and correct for the purpose of deciding whether to grant relicensure or reinstatement pursuant to Government Code Section 11522.

4. I freely and voluntarily surrender all my licenses and license rights under the Real Estate Law.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this declaration was executed on Sept. 23, 2009, at J. G. J.



JAMES WRAY GRIMES

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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)

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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- 35829 LA
)	
FOSHEES HIGH COUNTRY INC. doing)	<u>A C C U S A T I O N</u>
business Century 21 High Country)	
and High Country Financial,)	
JAMES WRAY GRIMES, individually)	
and as designated officer of)	
Foshees High Country Inc.)	
)	
Respondents.)	

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against FOSHEES HIGH COUNTRY INC. dba Century 21 High Country and High Country Financial and JAMES WRAY GRIMES, individually and as designated officer of Foshees High Country Inc., alleges as follows:

///
///

1.

1 The Complainant, Robin Trujillo, acting in her official
2 capacity as a Deputy Real Estate Commissioner of the State of
3 California, makes this Accusation against FOSHEES HIGH COUNTRY
4 INC. and JAMES WRAY GRIMES.
5

2.

6 All references to the "Code" are to the California
7 Business and Professions Code and all references to "Regulations"
8 are to Title 10, Chapter 6, California Code of Regulations.
9

3.

10 A. At all times mentioned, FOSHEES HIGH COUNTRY INC.
11 ("FHCI") was licensed or had license rights issued by the
12 Department of Real Estate ("Department") as a corporate real
13 estate broker.
14

15 B. At all times mentioned, JAMES WRAY GRIMES
16 ("GRIMES") was licensed or had license rights issued by the
17 Department as a real estate broker.

18 C. At all times material herein, FHCI was licensed by
19 the Department as a corporate restricted real estate broker by
20 and through GRIMES, as the designated officer and broker
21 responsible, pursuant to Code Section 10159.2 of the Business and
22 Professions Code for supervising the activities requiring a real
23 estate license conducted on behalf FHCI of by FHCI's officers,
24 agents and employees, including GRIMES.
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4.

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2 At all times mentioned, in City of Lake Arrowhead,
3 County of San Bernardino, FHCI conducted broker-controlled
4 escrows through its escrow division, High Country Escrow, under
5 the exemption set forth in California Financial Code Section
6 17006(a)(4) for real estate brokers performing escrows incidental
7 to a real estate transaction where the broker is a party and
8 where the broker is performing acts for which a real estate
9 license is required.

10 5.

11 On December 18, 2008, the Department completed an audit
12 examination of the books and records of FHCI pertaining to the
13 broker-escrow activities described in Paragraph 4 that require a
14 real estate license. The audit examination covered a period of
15 time beginning on January 1, 2007 to September 30, 2008. The
16 audit examination revealed violations of the Code and the
17 Regulations as set forth in the following paragraphs, and more
18 fully discussed in Audit Report LA 080088 and the exhibits and
19 work papers attached to said audit report.
20

21 6.

22 At all times mentioned, in connection with the
23 activities described in Paragraph 4, above, FHCI accepted or
24 received funds including funds in trust (hereinafter "trust
25 funds") from or on behalf of actual or prospective parties,
26 including buyers, sellers, lenders, borrowers and homeowners for
27

1 transactions handled by FHCI and thereafter made deposits and/or
2 disbursements of such funds. From time to time herein mentioned
3 during the audit period, said trust funds were deposited into an
4 unknown trust account maintained by FHCI in an unknown bank
5 account.

6 7.

7 In the course of activities described in Paragraphs 4
8 and 6, above, and during the examination period described in
9 Paragraph 5, Respondents FHCI and GRIMES, acted in violation of
10 the Code and the Regulations in that they:

11 (a) Used the fictitious name of "High Country Escrow",
12 to conduct licensed activities including broker-controlled
13 escrows without holding a license bearing said fictitious
14 business name, in violation of Code Section 10159.5 and
15 Regulation 2731.

16 (b) Failed to advise all parties to FHCI's escrow
17 operation, "High Country Escrow" of FHCI's ownership and
18 financial interest in said escrow operation, in violation of Code
19 Section 10145 and Regulation 2950(h).

20 (c) Failed to retain all records of FHCI's activity
21 during the audit period requiring a real estate broker license,
22 and specifically related to broker-controlled escrow activities,
23 in violation of Code Section 10148.

24 (d) Failed to maintain an office, place of books,
25 records, accounts, safes, files and papers for High Country
26

27

1 Escrow freely accessible and available for audit, inspection and
2 examination by the Commissioner of the Department of Real Estate,
3 in violation of Code Section 10145 and Regulation 2950(e); and

4 (e) Changed or abandoned FHCI's address on November 6,
5 2008, without notification to the Department, in violation of
6 Code Section 10162 and Regulation 2715.

7 8.

8 The conduct of Respondents FHCI and GRIMES described in
9 Paragraph 7, above, violated the Code and the Regulations as set
10 forth below:

11 <u>PARAGRAPH</u>	12 <u>PROVISIONS VIOLATED</u>
13 7(a)	14 Code Section 10159.5 and Regulation 15 2731
16 7(b)	17 Code Section 10176(g) and 18 Regulation 2950(h)
19 7(c)	20 Code Section 10148
21 7(d)	22 Code Section 10145 and Regulation 23 2950(e)
24 7(e)	25 Code Section 10162 and Regulation 26 2715
27	

1 The foregoing violations constitute cause for the suspension or
2 revocation of the real estate license and license rights of FHCI
3 and GRIMES, under the provisions of Code Sections 10176(g),
4 10177(d) and/or 10177(g).

5 9.

6 The overall conduct of Respondents FHCI and GRIMES
7 constitutes negligence or incompetence. This conduct and
8 violation are cause for the suspension or revocation of the real
9 estate license and license rights of Respondents FHCI and GRIMES
10 pursuant to Code Section 10177(g).

11 10.

12 The overall conduct of Respondent GRIMES constitutes a
13 failure on Respondent's part, as officer designated by a
14 corporate broker licensee, to exercise the reasonable supervision
15 and control over the licensed activities of FHCI as required by
16 Code Section 10159.2, and to keep FHCI in compliance with the
17 Real Estate Law, and is cause for the suspension or revocation of
18 the real estate license and license rights of GRIMES pursuant to
19 the provisions of Code Section 10177(h).

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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 FOSHEES HIGH COUNTRY INC. dba High Country Escrow and JAMES WRAY
6 GRIMES, under the Real Estate Law (Part 1 of Division 4 of the
7 Business and Professions Code) and for such other and further
8 relief as may be proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 26 day of February 2009.

11 
12 Deputy Real Estate Commissioner
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24 cc: Foshees High Country Inc.
25 c/o James Wray Grimes D.O.
26 Robin Trujillo
Sacto
Audits - Manijeh Khazrai
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