

**FILED**

DEC - 9 2011

DEPARTMENT OF REAL ESTATE

BY: 

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	No. H-36832 LA
	)	
<u>ROCKWELL FINANCIAL NETWORK INC.</u> ,	)	
a corporate real estate broker	)	
doing business as Eagle Funding	)	
and Phoenix Realty; MICHAEL LEWIS	)	
POOLE, individually and as	)	
designated officer of Rockwell	)	
Financial Network Inc.; and	)	
<u>JOSE J. LOPEZ,</u>	)	
	)	
<u>Respondents,</u>	)	

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 November 4, 2011, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents ROCKWELL FINANCIAL NETWORK INC. and JOSE J. LOPEZ express admissions; (2) affidavits; and (3) other evidence.

FACTUAL FINDINGS

1.

On September 20, 2010, 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, to Respondents last known mailing addresses on file with the Department on September 29, 2010. 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.

2.

On November 4, 2011, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent ROCKWELL FINANCIAL NETWORK INC. and JOSE J. LOPEZ's default were entered herein.

3.

A. At all times mentioned, ROCKWELL FINANCIAL NETWORK INC. ("RFNI"), was licensed or had license rights issued by the Department of Real Estate ("Department") as a corporate real estate broker. RFNI was originally licensed on April 10, 2004. RFNI became Non-Broker-Affiliated on September 12, 2009.

B. At all times mentioned, JOSE J. LOPEZ ("LOPEZ"), was licensed or had license rights issued by the Department as a real estate salesperson. LOPEZ was originally licensed as a real estate salesperson on October 2, 1985. Between July 7, 2006 until September 11, 2008, LOPEZ was employed by RFNI. LOPEZ is RFNI's sole shareholder and Treasurer.

#### Brokerage

4.

At all times mentioned, in the City of Mission Hills and County of Los Angeles, RFNI acted as a real estate broker conducting licensed activities within the meaning of:

A. Code Section 10131(a). Respondent doing business as Phoenix Realty operated a realty resale brokerage engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers, including the solicitation for listings of and the negotiation of the sale of real property as the agent of others.

B. Code Section 10131(d). Respondent doing business as Eagle Funding operated a mortgage and loan brokerage engaged in activities with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

(Audit Examination)

5.

On October 31, 2008, the Department completed an audit examination of the books and records of RFNI pertaining to the residential resale and mortgage loan brokerage activities described in Paragraph 4, that require a real estate license. The audit examination covered a period of time beginning on January 1, 2006 to July 31, 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 080018 and the exhibits and work papers attached to said audit report.

6.

No trust account was kept during the audit period.

7.

In the course of activities described in Paragraph 4, above, and during the examination period described in Paragraph 5, Respondents RFNI and LOPEZ, acted in violation of the Code and the Regulations in that:

(a)(1) The Gilberto Torres Transaction. During November 2006, LOPEZ aka Jesse Lopez, RFNI's owner and sole shareholder, acting on behalf of RFNI, solicited Gilberto Torres to invest \$200,000 into the development of the property located at 30554 Bouquet Canyon, Saugus, California (the Bouquet Canyon property) until the Bouquet Canyon was developed, investor Torres was to receive interest payments of \$4,000 monthly from RFNI. The \$200,000 was to be secured by a Deed of Trust on the Bouquet Canyon property. LOPEZ represented that LOPEZ and RFNI were owners of the Bouquet Canyon property.

(a)(2) On or about November 6, 2006, LOPEZ and Gilberto Torres entered into an agreement entitled "Note Secured by Deed of Trust". LOPEZ, on behalf of RFNI caused RFNI to issue a Deed of Trust to Gilberto Torres as security for his investment into the development of the Bouquet Canyon property which neither LOPEZ nor RFNI owned or had legal title.

(a)(3) After receiving approximately twelve interest payments and several NSF payments as of February 15, 2008, no further payments from RFNI or LOPEZ were made. To date, the sum of \$200,000 remains due and owing to Gilberto Torres.

Respondents RFNI or LOPEZ' conduct acts and/or omissions in misrepresenting the ownership of the Bouquet Canyon to investor Gilberto Torres, constitutes fraud and dishonest dealing, misrepresentation and breach of fiduciary duty and negligence, in violation of Code Sections 10176(a), 10176(i) and 10177(g).

8.

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

(a) Failed to retain all records of RFNI's activity during the audit period requiring a real estate broker license, in violation of Code Section 10148.

(b) Failed to place trust funds, including earnest money deposits, accepted on behalf of another into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account in the name of the trustee at a bank or other financial institution not later than three business days following receipt of the funds by the broker or by the broker's salesperson, in violation of Code Section 10145 and Regulation 2832(d). Earnest money deposits for buyers were held beyond three days following receipt by Respondent.

(c) Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", in violation of Code Section 10145 and Regulation 2831.

(d) Failed to deliver a Lender Purchaser Disclosure Statement to investor/lender Gilberto Torres for the Bouquet Canyon property, in violation of Code Sections 10232.4 and 10232.5.

(e) Failed to retain the salesperson license certificates for Joel Henderson, Alenjandra Figueroa and Jose Alva, in violation of Code Section 10160 and Regulation 2753.

(f) Failed to notify the Department of the termination of salespersons Alenjandra Figueroa and Jose Alva, in violation of Code Section 10161.8 and Regulation 2752.

#### DETERMINATION OF ISSUES

1.

The conduct, acts and/or omissions of Respondent ROCKWELL FINANCIAL NETWORK INC. as described above, is in violation of Business and Professions Code Sections 10145, 10148, 10160, 10161.8, 10232.4 and 10232.5 and Sections 2752, 2753, 2831 and 2832(d), Title 10, Chapter 6 of the California Code of Regulations and is cause for disciplinary action pursuant to Code Sections 10176(a), 10176(i), 10177(d) and 10177(g).

2.

The conduct, acts and/or omissions of Respondent JOSE J. LOPEZ as described in Paragraph 7, herein above, is cause for disciplinary action pursuant to Business and Professions Code Sections 10176(a), 10176(i) and 10177(g).

3.

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

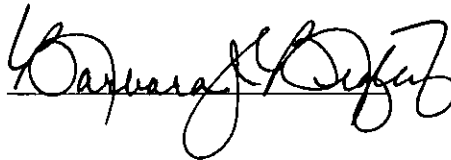
ORDER

The real estate broker license and license rights of Respondents ROCKWELL FINANCIAL NETWORK INC. and JOSE J. LOPEZ, 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 December 29, 2011

DATED: 11/16, 2011

BARBARA J. BIGBY  
Acting Real Estate Commissioner



1 Department of Real Estate  
2 320 West 4th Street, Ste. 350  
3 Los Angeles, California 90013-1105

**FILED**

4 (213) 576-6982

NOV - 4 2011

DEPARTMENT OF REAL ESTATE  
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

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10	In the Matter of the Accusation of	)	No. H-36832 LA
11		)	
12	<u>ROCKWELL FINANCIAL NETWORK INC.,</u>	)	
13	a corporate real estate broker	)	
14	doing business as Eagle Funding	)	
15	and Phoenix Realty; MICHAEL LEWIS	)	
16	POOLE, individually and as	)	
17	designated officer of Rockwell	)	
	Financial Network Inc.; and	)	
	JOSE J. LOPEZ,	)	
		)	
	Respondents,	)	

18 DEFAULT ORDER

19 Respondent ROCKWELL FINANCIAL NETWORK INC., having failed to file a  
20 Notice of Defense within the time required by Section 11506 of the Government Code, is now in  
21 default. It is, therefore, ordered that a default be entered on the record in this matter.

22 IT IS SO ORDERED NOVEMBER 4, 2011

23 BARBARA J. BIGBY  
24 Acting Real Estate Commissioner


25   
26 By: PHILLIP HYDE  
27 Regional Manager

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Department of Real Estate  
320 West 4th Street, Ste. 350  
Los Angeles, California 90013-1105  
  
(213) 576-6982

**FILED**

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BY: 

BEFORE THE DEPARTMENT OF REAL ESTATE

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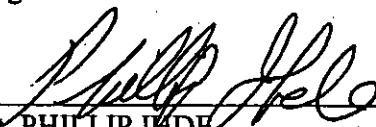
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In the Matter of the Accusation of	)	No. H-36832 LA
	)	
ROCKWELL FINANCIAL NETWORK INC.,	)	
a corporate real estate broker	)	
doing business as Eagle Funding	)	
and Phoenix Realty; MICHAEL LEWIS	)	
POOLE, individually and as	)	
designated officer of Rockwell	)	
Financial Network Inc.; and	)	
<u>JOSE J. LOPEZ,</u>	)	
	)	
Respondents,	)	

DEFAULT ORDER

Respondent JOSE J. LOPEZ, having failed to appear at a duly scheduled Hearing on October 18, 2011, after notice, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED NOVEMBER 4, 2011  
BARBARA J. BIGBY  
Acting Real Estate Commissioner

  
By: PHILLIP HYDE  
Regional Manager

*Sarto*

**FILED**

DEC - 9 2011

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	No. H-36832 LA
	)	
ROCKWELL FINANCIAL NETWORK INC.,	)	
a corporate real estate broker	)	
doing business as Eagle Funding	)	
and Phoenix Realty; <u>MICHAEL LEWIS</u>	)	
<u>POOLE</u> , individually and as	)	
designated officer of Rockwell	)	
Financial Network Inc.; and	)	
JOSE J. LOPEZ,	)	
	)	
Respondent.	)	

DISMISSAL

The Accusation filed against MICHAEL LEWIS POOLE on September 29, 2010,  
is dismissed.

IT IS SO ORDERED this 17<sup>th</sup> day of November, 2011.

BARBARA J. BIGBY  
Acting Real Estate Commissioner

*[Signature]*



1 ELLIOTT MAC LENNAN, SBN 0006674  
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)

**FILED**

SEP 29 2010

DEPARTMENT OF REAL ESTATE  
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 ROCKWELL FINANCIAL NETWORK INC., )  
13 a corporate real estate broker )  
14 doing business as Eagle Funding )  
15 and Phoenix Realty; MICHAEL LEWIS )  
16 POOLE, individually and as )  
17 designated officer of Rockwell )  
18 Financial Network Inc.; and )  
19 JOSE J. LOPEZ, )

20 Respondents, )

No. H- 36832 LA

A C C U S A T I O N

21 The Complainant, Robin Trujillo, a Deputy Real Estate  
22 Commissioner of the State of California, for cause of Accusation  
23 against ROCKWELL FINANCIAL NETWORK INC. dba Eagle Funding and  
24 Phoenix Realty; MICHAEL LEWIS POOLE, individually and as  
25 designated officer of ROCKWELL FINANCIAL NETWORK INC.; and JOSE  
26 J. LOPEZ aka Jesse Lopez and JJ Lopez, alleges as follows:

27 ///

///

1.

1 The Complainant, Robin Trujillo, makes this Accusation  
2 in her official capacity.

2.

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

6 License History

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8

9

3.

10 A. At all times mentioned, ROCKWELL FINANCIAL NETWORK  
11 INC. ("RFNI") was licensed or had license rights issued by the  
12 Department of Real Estate ("Department") as a corporate real  
13 estate broker. RFNI was originally licensed on April 10, 2004.  
14 RFNI became Non-Broker-Affiliated on September 12, 2009.

15 B. At all times mentioned, MICHAEL LEWIS POOLE  
16 ("POOLE") was licensed or had license rights issued by the  
17 Department as a real estate broker. On November 5, 1988, POOLE  
18 was originally licensed as a real estate broker.

19 C. At all times mentioned JOSE J. LOPEZ ("LOPEZ") was  
20 licensed and had license rights as a real estate salesperson.  
21 LOPEZ was originally licensed as a real estate salesperson on  
22 October 2, 1985. Between July 7, 2006 until September 11, 2008,  
23 LOPEZ was employed by RFNI. LOPEZ is RFNI's sole shareholder and  
24 Treasurer.

25

26 ///

27 ///

1 D. At all times material herein, RFNI was licensed by  
2 the Department as a corporate real estate broker by and through  
3 POOLE, as the designated officer and broker responsible, pursuant  
4 to Code Section 10159.2 of the Business and Professions Code for  
5 supervising the activities requiring a real estate license  
6 conducted on behalf RFNI of by RFNI' officers, agents and  
7 employees, including POOLE. RFNI was originally licensed as a  
8 corporate real estate broker on April 10, 2004 and became Non-  
9 Broker-Affiliated on September 12, 2008, upon the cancellation of  
10 designated officer POOLE. POOLE was initially licensed as a real  
11 estate broker on November 5, 1988. RFNI's designated officers  
12 since RFNI's inception have been:

13  
14

15 Designated Officers	From	To
16 Michael Lewis Poole	April 10, 2008	September 12, 2008
17		
18 Guerra G. Ramon	July 2, 2007	April 9, 2008
19 Raymond Martinez	June 28, 2006	April 9, 2008
20		

21  
22 Brokerage

23 4.

24 At all times mentioned, in the City of Mission Hills  
25 and County of Los Angeles, RFNI acted as a real estate broker  
26 conducting licensed activities within the meaning of:  
27

1 A. Code Section 10131(a). Respondents doing business  
2 as Phoenix Realty operated a realty resale brokerage engaged in  
3 the business of, acted in the capacity of, advertised or assumed  
4 to act as real estate brokers, including the solicitation for  
5 listings of and the negotiation of the sale of real property as  
6 the agent of others.

7 B. Code Section 10131(d). Respondent's doing business  
8 as Eagle Funding operated a mortgage and loan brokerage engaged  
9 in activities with the public wherein lenders and borrowers were  
10 solicited for loans secured directly or collaterally by liens on  
11 real property, wherein such loans were arranged, negotiated,  
12 processed and consummated on behalf of others for compensation or  
13 in expectation of compensation and for fees often collected in  
14 advance.

15 Audit Examination

16 5.

17 On October 31, 2008, the Department completed an audit  
18 examination of the books and records of RFNI pertaining to the  
19 residential resale and mortgage loan brokerage activities  
20 described in Paragraph 4, that require a real estate license.  
21 The audit examination covered a period of time beginning on  
22 January 1, 2006 to July 31, 2008. The audit examination revealed  
23 violations of the Code and the Regulations as set forth in the  
24 following paragraphs, and more fully discussed in Audit Report LA  
25 080018 and the exhibits and workpapers attached to said audit  
26 report.  
27

Trust Account

6.

No trust account was kept 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 RFNI and LOPEZ, acted in violation of the Code and the Regulations in that Respondents:

(a)(1) The Gilberto Torres Transaction. During November 2006, LOPEZ aka Jesse Lopez, RFNI's owner and sole shareholder, acting on behalf of RFNI, solicited Gilberto Torres to invest a principal sum of \$200,000 into the development of the property located at 30554 Bouquet Canyon, Saugus, California (the Bouquet Canyon property) until Bouquet Canyon was developed, investor Torres was to receive interest payments on the principal sum of \$4,000 monthly from RFNI. The principal sum was to be secured by a Deed of Trust on the Bouquet Canyon property.

(a)(2) On or about November 6, 2006, LOPEZ and Gilberto Torres entered into an agreement entitled "Note Secured by Deed of Trust". LOPEZ, on behalf of RFNI caused RFNI to issue a Deed of Trust to Gilberto Torres as security for his principal investment into the development of the Bouquet Canyon property which neither LOPEZ nor RFNI owned or had legal title.

1 (a) (3) After receiving approximately twelve interest  
2 payments and several NSF payments as of February 15, 2008, no  
3 further payments from RFNI or LOPEZ were made. To date, the  
4 sum of \$200,000 remains due and owing to Gilberto Torres.

5 Respondents RFNI or LOPEZ' conduct in  
6 misrepresenting the ownership of the Bouquet Canyon to  
7 investor Gilberto Torres, constitutes fraud and dishonest  
8 dealing, misrepresentation and breach of fiduciary duty and  
9 negligence, in violation of Code Sections 10176(a), 10176(i)  
10 and/or 10177(g).

11 8.

12 In the course of activities described in Paragraphs  
13 4 and 6, above, and during the examination period described in  
14 Paragraph 5, Respondents RFNI and POOLE, acted in violation of  
15 the Code and the Regulations in that Respondents:

16 (a) After notice and subpoena on September 3, 2008,  
17 failed to retain all records of RFNI's activity during the audit  
18 period requiring a real estate broker license, in violation of  
19 Code Section 10148.

20 (b) Failed to place trust funds, including earnest  
21 money deposits, accepted on behalf of another into the hands of  
22 the owner of the funds, a neutral escrow depository or into a  
23 trust fund account in the name of the trustee at a bank or other  
24 financial institution not later than three business days  
25 following receipt of the funds by the broker or by the broker's  
26  
27

1 salesperson, in violation of Code Section 10145 and Regulation  
2 2832(d). Earnest money deposits for buyers were held beyond  
3 three days following receipt by Respondents.

4 (c) Failed to maintain a control record in the form of  
5 a columnar record in chronological order of all "Trust Funds  
6 Received, Not Placed Broker's Trust Account", in violation of  
7 Code Section 10145 and Regulation 2831.

8 (d) Failed to deliver a Lender Purchaser Disclosure  
9 Statement to investor/lender Gilberto Torres for the Bouquet  
10 Canyon property, in violation of Code Sections 10232.4 and  
11 10232.5.

12 (e) Failed to retain the salesperson license  
13 certificates for Joel Henderson, Alenjandra Figueroa and Jose  
14 Alva, in violation of Code Section 10160 and Regulation 2753.

15 (f) Failed to notify the Department of the termination  
16 of salespersons Alenjandra Figueroa and Jose Alva, in violation  
17 of Code Section 10161.8 and Regulation 2752.

18 (g) POOLE had no system in place for regularly  
19 monitoring compliance with the Real Estate Law especially in  
20 regard to establishing, systems, policies and procedures to  
21 review trust fund handling, in violation of Code Sections  
22 10159.2, 10177(h) and Regulation 2725.

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Disciplinary Statues and Regulations

9.

The conduct of Respondents RFNI and POOLE described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
8(a)	Code Section 10148
8(b)	Code Section 10145 and Regulation 2832(d)
8(c)	Code Section 10145 and Regulation 2831
8(d)	Code Sections 10232.4 and 10232.5
8(e)	Code Section 10160 and Regulation 2753
8(f)	Code Section 10161.8 and Regulation 2752
8(g)	Code Section 10159.2, 10177(h) and Regulation 2725 (POOLE)



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

5 Negligence

6 10.

7 The overall conduct of Respondents RFNI and POOLE  
8 constitutes negligence. This conduct and violation are cause for  
9 the suspension or revocation of the real estate license and  
10 license rights of said Respondents pursuant to Code Section  
11 10177(g).  
12

13 Breach of Fiduciary Duty

14 11.

15 The conduct, acts and omissions of Respondents RFNI and  
16 POOLE constitute a breach of fiduciary duty with respect to but  
17 not limited to the Gilberto Torres Bouquet Canyon mortgage loan,  
18 in violation of Code Sections 10176(i) and/or 10177(g).  
19

20 Supervision and Compliance

21 12.

22 The overall conduct of Respondent POOLE constitutes a  
23 failure on Respondent's part, as officer designated by a  
24 corporate broker licensee to be responsible for the supervision  
25 and control over the activities conducted on behalf of RFNI by  
26 its officers and employees as necessary to secure full compliance  
27 with the Real Estate Law including the supervision of

1 salespersons licensed to the corporation, RFNI, as required by  
2 Code Section 10159.2. This conduct is cause for discipline of  
3 the real estate license and license rights of POOLE pursuant to  
4 the provisions of Code Sections 10177(d), 10177(g) and/or  
5 10177(h).

6 Broker Supervision of Salespersons

7 13.

8 Respondent POOLE had no system in place for regularly  
9 monitoring compliance with the Real Estate Law especially in  
10 regard to establishing policies to review trust fund handling,  
11 retention of records and transactions files, correctness of  
12 disclosure statements and for the self dealing of LOPEZ regarding  
13 the lender-purchaser Gilberto Torres loan specifically with  
14 respect to the preparation and delivery of the Lender Purchaser  
15 Disclosure Statement, in violation of Code Section 10177(h) and  
16 Regulation 2725.

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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 ROCKWELL FINANCIAL NETWORK INC., MICHAEL LEWIS POOLE and JOSE J.  
6 LOPEZ, 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 20 day of September 2010.   
11 Deputy Real Estate Commissioner

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24 cc: Rockwell Financial Network Inc.  
25 c/o Michael Lewis Poole D.O.  
26 Jose J. Lopez  
27 Robin Trujillo  
Sacto  
Audits - Godswill Keraoru