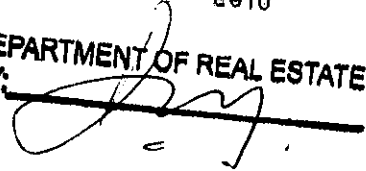


1 Department of Real Estate
320 West 4th Street, Ste. 350
2 Los Angeles, California 90013-1105

FILED

NOV 30 2010

DEPARTMENT OF REAL ESTATE
BY: 

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 TO:

11 AESLEHC INC. doing business
12 as Farwest Real Estate, Aeslehc
13 Mortgage, and Tri West Lending;
14 and ELMER MONDY as designated
15 officer of Aeslehc Inc.; BEVERLY ANNETTE
WHITE and RODERICK RENE WEST

No. H- 36940 LA

ORDER TO DESIST

AND REFRAIN

16 The Real Estate Commissioner of the State of California ("Commissioner") has
17 caused an investigation to be conducted of your activities, as described herein, and based upon
18 the findings of that investigation, is of the opinion that:

19 1.

20 AESLEHC INC. ("AI"), and ELMER MONDY ("MONDY"), individually and as
21 designated officer of Aeslehc Inc.. have violated Sections 10145, 10148, 10176(a), 10176(b) and
22 10176(c) of the California Business and Professions Code ("Code"), and Sections 2725, 2791.4,
23 2831, 2831.1, 2831.2, 2832(a), 2832.1, 2950(d), 2950(g), 2950(i) and 2951 of Title 10, Chapter
24 6, of the California Code of Regulations ("Regulations").
25

26 ///

1 MONDY, individually and as designated officer of Aeslehc Inc. has violated Code
2 Section 10159.2.

3 BEVERLY ANNETTE WHITE ("WHITE") has violated Code Section 10176(i)
4 for conversion, fraud and dishonest dealing.

5 RODERICK RENE WEST aka R. Rene West("WEST") has violated Code
6 Section 10130 by performing activities requiring a real estate license, including signing check(s)
7 from AESLEHC INC's bank account without being licensed in any capacity by the Department of
8 Real Estate.
9

10 And AI has violated Section 17006(a)(4) of the California Financial Code for
11 conducting the escrow for Wildwood Canyon Estate.

12 2.

13 All further references to the "Code" are to the California Business and Professions
14 Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of
15 Regulations with the sole exception of Section 17006(a)(4) of the California Financial Code
16 where noted.
17

18 3.

19 A. At all times mentioned, AESLEHC INC. ("AI") was licensed or had license
20 rights issued by the Department of Real Estate ("Department") as a real estate broker.
21

22 On March 17, 2008, AI was originally licensed as a corporate real estate broker.

23 B. On March 7, 2008, ELMER MONDY (sometimes "MONDY") was licensed
24 as the designated officer of AI.

25 C. At all times mentioned, ELMER MONDY was licensed or had license rights
26 issued by the Department as a real estate broker. On October 19, 1985, MONDY was originally
27

1 licensed as a real estate salesperson. On June 23, 1988, MONDY was originally licensed as a
2 real estate broker.

3 D. At all times mentioned, BEVERLY ANNETTE WHITE (sometimes
4 "WHITE") was licensed or had license rights issued by the Department as a real estate
5 salesperson. On April 20, 1995, WHITE was originally licensed as a real estate salesperson.
6 From December 5, 2008 to December 28, 2008, WHITE was employed as a salesperson by AI.
7 WHITE is the corporate secretary of AI.
8

9 E. At all times material herein, AI was licensed by the Department as a corporate
10 real estate broker by and through MONDY, as the designated officer and broker responsible,
11 pursuant to Code Sections 10159.2 and 10211 of the Business and Professions Code for
12 supervising the activities requiring a real estate license conducted on behalf AI of by AI's
13 officers, agents and employees, including MONDY and WHITE.
14

15 F. WEST, has never been licensed by the Department as a salesperson or broker.
16 West's application for a Real Estate salesperson license was denied in Department Case No.
17 H-28323 LA which was effective July 20, 2000.
18

19 4.

20 At all times mentioned, in City of Marina Del Rey, County of Los Angeles, AI
21 and MONDY acted as real estate brokers and conducted licensed activities within the meaning
22 of:

23 A. Code Section 10131(a). AI and MONDY engaged in the business of, acted
24 in the capacity of, advertised or assumed to act as real estate brokers dba Farwest Real Estate,
25 including the solicitation for listings of and the negotiation of the sale of real property as the
26 agent of others.
27

1 B. Code Section 10131(d). AI and MONDY engaged in activities with the public
2 dba Aeslehc Mortgage and Tri West Lending, wherein lenders and borrowers were solicited for
3 loans secured directly or collaterally by liens on real property, wherein such loans were arranged,
4 negotiated, processed and consummated on behalf of others for compensation or in expectation
5 of compensation and for fees often collected in advance.

6 C. AI and MONDY conducted broker-controlled escrows through AI's escrow,
7 Farwest Real Estate Escrow Division, under the exemption set forth in California Financial Code
8 Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate
9 transaction where the broker is a party and where the broker is performing acts for which a real
10 estate license is required.
11

12 D. Respondent WHITE was employed as a salesperson by AI between
13 December 5, 2008 and December 28, 2008, pursuant to Code Section 10132.
14

15 Initial Broker Escrow Audit
16 Aeslehc Inc.
17 LA 080183

18 5.

19 On June 23, 2009, the Department completed an audit examination of the books
20 and records of AI pertaining to the broker-escrow activities described in Finding 4 which require
21 a real estate license. The audit examination covered the period from March 17, 2008 to
22 January 8, 2009. The audit examination revealed violations of the Code and the Regulations as
23 set forth in the following Findings, and more fully discussed in Audit Report LA 080183 and the
24 exhibits and work papers attached to said audit report.

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27

6.

1
2 At all times mentioned, in connection with the activities described in Finding 4,
3 above, AI accepted or received funds including funds in trust (hereinafter "trust funds") from or
4 on behalf of actual or prospective parties including buyers and sellers, for transactions escrowed
5 by AI and thereafter made deposits and or disbursements of such funds. From time to time
6 during the audit period, these trust funds were deposited and/or maintained by AI in the bank
7 account as follows:
8

9 "dba Farwest Real Estate Escrow Division
10 No. 760017920
11 Broadway Federal Bank
12 4800 Wilshire Blvd.
Los Angeles, CA 90010

(B/A #1) (broker escrow bank account)

7.

13
14
15 In the course of activities described in Findings 4 and 6 above and during the audit
16 examination period of March 17, 2008 to January 8, 2009, described in Finding 5, AI and
17 MONDY, acted in violation of the Code and the Regulations in that AI and MONDY:

18 (a) Wildwood Canyon Estate Escrow. While acting in the capacity as an escrow
19 holder for the Wildwood Canyon Estate, AI failed to render to each principal of the Wildwood
20 Canyon Estate escrow transaction a written statement setting forth all receipts and disbursements
21 together with the name of the person to whom any such disbursement was made at the close of
22 escrow, in violation of Code Sections 10145, 10176(i) and/or 10177(g) and Regulation 2950(i)
23 and 2951.
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1
2 On November 31, 2008, AI and MONDY received signed escrow cancellation
3 instructions for the Wildwood Canyon Estate in Yucaipa, California; however, AI failed to return
4 an \$80,009.92 of the \$100,000 deposited by developer Norman Tangram Development.

5 (b) AI's broker escrow is not an acceptable depository for the Wildwood Canyon
6 Estate in Yucaipa, California, consisting of a ten homes subdivision. The \$100,000 earnest
7 money deposit was received by AI, as escrow holder, from Norman Tangram Development, and
8 paid into B/A #1, in violation of Code Section 11013(a) and Regulation 2791.4. An acceptable
9 escrow depository includes escrow companies licensed by the California Department of
10 Corporations, banks, trust companies, savings and loan associations, title insurers and
11 underwritten title companies.
12

13 (c) B/A #1 was not in the name of the broker as trustee at a bank or other financial
14 institution, nor designated as a trust account, into which trust funds were deposited, including the
15 Wildwood Canyon Estate earnest money deposit, in violation of Code Section 10145 and
16 Regulations 2832(a), 2950(d) and 2951.
17

18 Final Broker Escrow Audit
19 Aeslech, Inc.
20 LA 090105

21 8.

22 This final and more detailed audit examination (LA 090105) follows upon an
23 initial preliminary prior audit examination (LA 080183), covering the same audit period and
24 repeating some of the same violations and adding others herein.

25 Accordingly, on January 26, 2010, the Department completed an audit
26 examination of the books and records of AI pertaining to the broker-escrow activities described
27

1 in Finding 4 that require a real estate license. The audit examination covered the period from
2 March 17, 2008 to January 8, 2009. The audit examination revealed violations of the Code and
3 the Regulations as set forth in the following Findings, and more fully discussed in Audit Report
4 LA 090105 and the exhibits and work papers attached to said audit report.

5
6 9.

7 In the course of activities described in Findings 4 and 6 above and during the audit
8 examination period of March 17, 2008 to January 8, 2009, described in Finding 5, AI, MONDY,
9 WHITE and RODERICK RENE WEST, as indicated, acted in violation of the Code and the
10 Regulations in that:

11 (a) AI and MONDY. Permitted, allowed or caused the disbursement of trust
12 funds from B/A #1, the broker escrow bank account, where the disbursement of trust funds
13 reduced the total of aggregate trust funds, to an amount which, on January 8, 2009 was
14 \$80,009.92, less than the existing aggregate trust fund liability of AI to every principal who was
15 an owner of trust funds including the Norman Tangram Development purchase of the Wildwood
16 Canyon Estate, without first obtaining the prior written consent of the owners of the trust funds,
17 in violation of Code Sections 10145, 10176(i) and/or 10177(j) and/or 10177(g) and Regulations
18 2832.1, 2950(g) and 2951.
19

20 To date the Wild Canyon deposit remains not restored to B/A #1 nor remitted to
21 Norman Tangram Development.
22

23 (b)(1) AI and MONDY. Norman Tangram Development earnest money deposit
24 and escrow of Wildwood Canyon Estate by AI. Buyer Norman Tangram Development
25 (Tangram) sought to purchase the Wildwood Canyon Estate in Yucaipa, California, a 10 new
26 home subdivision. Tangram tendered \$100,000 as an earnest money deposit to be held by AI,
27

1 acting in the capacity as an escrow holder for the purchase and sale of Wildwood Canyon Estate.
2 Subsequently, the escrow was cancelled by a signed authorization from buyer Tangram and the
3 seller to return the earnest money deposit to Tangram.

4 (b)(2) AI failed to return \$80,009.92 of the \$100,000 earnest money deposit to
5 Tangram after the cancellation of the Wildwood Canyon escrow. Yet, as of the audit end date of
6 January 8, 2009, the adjusted bank balance in B/A #1 remained only \$19,990.08, not \$100,000,
7 revealing that \$80,009.92 had been converted by AI and MONDY.

8 (b)(3) Additionally, AI provided to Department auditor Godswill Keraroru
9 fraudulent bank statements, reconciliation report(s), control and separate records, which were
10 inaccurate, misleading and which sought to conceal the true bank balance in B/A #1 of
11 \$19,990.08. A comparison of the bank statements received directly from the Broadway Federal
12 Bank, with the bank statements AI provided for the initial audit (LA 080183) revealed
13 accounting records including notable discrepancies as tabulated:
14
15

<u>Date</u>	<u>Description</u>	<u>Amount*</u>	<u>Amount**</u>
06/11/08	Inglewood Open account	\$5,000.00	\$200.00
06/20/08	Inglewood Deposit	\$5,000.00	None
07/30/08	Incoming wire	\$97,845.53	None
09/10/08	To 760017185	<\$30,176.07>	None

16 * Amount obtained from the bank statement received directly from Broadway
17 Bank

18 ** Amount obtained from the bank statement provided by Aeslech Inc.
19
20
21
22

23 (b)(4) WHITE, the sole signatory on B/A #1, made these unauthorized
24 withdrawals from B/A #1, in violation of Code Sections 10145, 10176(i) and/or 10177(j) and/or
25 10177(g).
26

27 ///

	<u>Date</u>	<u>Check #</u>	<u>Description/Payee</u>	<u>Amount</u>
1				
2	07/25/2008	1002	Channel Escrow	\$1,695.00
3	08/27/2008	1015	Cash/Beverly White	\$ 600.00
4	08/27/2008	1014	Farmers Insurance/05 Benz, Acura and LandRover	\$1,133.44
5	09/11/2008	1022	Channel Escrow/Payroll and Bills	\$1,900.00
6	09/19/2009	1025	Channel Escrow/Payroll I	\$1,200.00

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(b)(5) The conduct of AI, MONDY and WHITE, are in violation Code Sections 10176(a), 10176(b), 10176(c), 10176(i) and/or 10177(j) and/or 10177(g).

(b)(6) The conduct of WHITE, is in violation Code Sections 10176(i) and/or 10177(j) and/or 10177(g).

(c) AI and MONDY. Failed to maintain an accurate and adequate control record in the form of a columnar record in chronological order of all trust funds received, deposited and disbursed from AI's bank, Broadway Federal Bank, B/A #1, in violation of Code Section 10145 and Regulations 2831, 2950(d) and 2951.

The control record of trust funds received and disbursed was not accurate. The bank statements received directly from Broadway Federal Bank revealed that certain transactions were not entered into the control record. The control record omitted almost all of the transactions that were posted on the statements received directly from Broadway Federal Bank. Certain items omitted from the control record, in violation of Code Sections 10145, 10176(i) and/or 10177(j) and/or 10177(g) are tabulated herein:

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<u>Date</u>	<u>Description</u>	<u>Amount*</u>	<u>Amount**</u>
06/11/08	Inglewood Open account	\$5,000.00	\$200.00
06/20/08	Inglewood Deposit	\$5,000.00	None
07/30/08	Incoming wire	\$97,845.53	None
09/10/08	To 760017185	<\$30,176.07>	None

* Amount obtained from the bank statement received directly from Broadway Bank
** Amount obtained from the bank statement provided by Aeslech Inc.

(d) AI and MONDY. Failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited and disbursed from B/A #1, in violation of Code Section 10145 and Regulations 2831.1, 2950(d) and 2951.

The separate record of trust funds received and disbursed was not accurate. The bank statements received directly from Broadway Federal Bank revealed that certain transactions were not entered into the separate record. The separate record omitted almost all of the transactions that were posted on the statements received directly from Broadway Federal Bank. Certain items omitted from the separate record, in violation of Code Sections 10145, 10176(i) and/or 10177(j) and/or 10177(g) are tabulated herein:

<u>Date</u>	<u>Check #</u>	<u>Description/Payee</u>	<u>Amount</u>
07/25/2008	1002	Channel Escrow	\$1,695.00
08/27/2008	1015	Cash/Beverly White	\$ 600.00
08/27/2008	1014	Farmers Insurance/05 Benz, Acura and LandRover	\$1,133.44
09/11/2008	1022	Channel Escrow/Payroll and Bills	\$1,900.00
09/19/2009	1025	Channel Escrow/Payroll I	\$1,200.00

1 (e) AI and MONDY. Failed to perform a monthly reconciliation of the balance of
2 all separate beneficiary or transaction records maintained pursuant to Regulation 2831.1 with the
3 record of all trust funds received, deposited and disbursed from B/A #1, the control record,
4 pursuant Regulation 2831, in violation of Code Section 10145 and Regulations 2831.2, 2950(d)
5 and 2951.

6 AI did not maintain an accurate monthly trust account reconciliation of all the
7 separate records with the records of all trust funds received and disbursed for by B/A #1, the
8 control record, also known as the daily journal, into which were deposited trust funds and
9 disbursed therefrom.

10 The reconciliation reflected transactions entered on the fraudulent bank statement
11 provided by AI to the Department auditor. Transactions on the actual bank statements received
12 directly from Broadway Federal Bank were not reflected in the reconciliation. The reconciliation
13 provided by AI omitted almost all of the transactions that were on the bank statements that were
14 received directly from the bank. Certain transactions that were omitted from the bank statements,
15 in violation of Code Sections 10145, 10176(i) and/or 10177(j) and/or 10177(g), are herein
16 tabulated:

<u>Date</u>	<u>Description</u>	<u>Amount*</u>	<u>Amount**</u>
06/11/08	Inglewood Open account	\$5,000.00	\$200.00
06/20/08	Inglewood Deposit	\$5,000.00	None
07/30/08	Incoming wire	\$97,845.53	None
09/10/08	To 760017185	<\$30,176.07>	None

21 * Amount obtained from bank statement received directly from Broadway
22 Federal Bank

23 ** Amount obtained from the bank statement provided by Aeslech Inc.

24 (f) AI and MONDY. As previously set forth in Finding 7(c), above, with respect
25 to the initial audit, B/A #1 was not in the name of the broker as trustee at a bank or other
26 financial institution, nor designated as a trust account, into which trust funds were deposited
27

1 including the \$100,000 earnest money deposit for Wildwood Canyon in violation of Code
2 Section 10145 of the Code and Regulations 2832(a), 2950(d) and 2951.

3 (g)(1) AI and MONDY. Designated officer MONDY, the broker licensee charged
4 with responsibility for AI's and its officers compliance with the Real Estate Law and AI's trust
5 fund handling, was not a signatory on AI's bank account. B/A #1, into which trust funds were
6 deposited, including the \$100,000 earnest money deposit for Wildwood Canyon, in violation of
7 Code Section 10145 and Regulations 2834(b), 2950(d) and 2951; and

8
9 (g)(2) AI, MONDY and WEST. On September 19, 2009, "R. Rene West" aka
10 Roderick Rene West, an unlicensed person and a denied salesperson applicant in H-28323 LA
11 effective July 20, 2000, and not a signatory on AI's escrow bank account, B/A #1, signed check
12 #1025 to Channel Escrow, formerly a licensed escrow company with the Department of
13 Corporation, licensee #9632250. Check #1025 was drafted on September 19, 2009. Channel
14 Escrow was initially licensed on February 17, 2006's escrow. Channel Escrow's license ended on
15 April 25, 2008. Roderick Rene West's Channel Escrow check was made for Channel Escrow's
16 payroll sixteen (16) months after the end of its licensure with the Department of Corporations, in
17 violation of Code Sections 10145 and 10176(i) and/or 10177(j) and/or 10177(g) and Regulation
18 2834 for AI and MONDY, and Code Section 10130 for WEST.

19
20 (h) AI and MONDY. As previously set forth in Finding 7(b), above, with respect
21 to the initial audit, AI's broker escrow is not an acceptable depository for the Wildwood Canyon
22 Estate, consisting of a ten home subdivision. The \$100,000 earnest money deposit was received
23 by AI, as escrow holder, from Norman Tangram Development, and deposited into B/A #1, in
24 violation of Code Section 11013.2 and Regulation 2791.4. An acceptable escrow depository
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1 includes escrow companies licensed by the California Department of Corporations, banks, trust
2 companies, savings and loan associations, title insurers and underwritten title companies.

3 (i) AI and MONDY. After notice and subpoena on August 12, 2009, AI failed to
4 retain all records of AI's activity during the audit period requiring a real estate broker license, in
5 violation of Code Section 10148.

6 NOW, THEREFORE, AESLEHC INC., and ELMER MONDY, ARE ORDERED
7 TO DESIST AND REFRAIN from performing any and all acts requiring a real estate license in
8 California unless and until you are in compliance with Sections 10145, 10148, 10176(a),
9 10176(b) and 10176(c) of the California Business and Professions Code and Sections 2725,
10 2791.4, 2831, 2831.1, 2831.2, 2832(a), 2832.1, 2950(d), 2950(g), 2950(i) and 2951 of Title 10,
11 Chapter 6, of the California Code of Regulations.
12

13 FURTHERMORE, AESLEHC INC., and ELMER MONDY, ARE ORDERED
14 TO DESIST AND REFRAIN from performing any and all acts requiring a real estate license in
15 California unless and until you have restored the \$80,009.92 portion of the Wildwood Canyon
16 Estate earnest money deposit to Norman Tangram Development.
17

18 FURTHERMORE, ELMER MONDY, IS ORDERED TO DESIST AND
19 REFRAIN from performing any and all acts requiring a real estate license in California unless
20 and until AESLEHC INC. and you, MONDY, are in compliance with the Real Estate Law.
21

22 FURTHERMORE, BEVERLY ANN WHITE, IS ORDERED TO DESIST AND
23 REFRAIN from performing any and all acts requiring a real estate license in California unless
24 and until you are in compliance with the Real Estate Law.

25 FURTHERMORE, AESLEHC INC., ELMER MONDY, BEVERLY ANN
26 WHITE ARE ORDERED TO DESIST AND REFRAIN from performing any and all acts
27

1 requiring a real estate license in California unless and until you have restored \$6,528.44 pursuant
2 to Finding 9(b)(4), above, to B/A #1.

3 FURTHERMORE, RODERICK RENE WEST aka R. Rene West, IS ORDERED TO DESIST
4 AND REFRAIN from performing any and all acts requiring a real estate license in California,
5 with reference to Finding 9(g)(2), above, unless and until you are in compliance with Code
6 Section 10130.

7
8
9 DATED 11/19/2010

10
11 JEFF DAVI
12 Real Estate Commissioner

13 

14 By WAYNE S. BELL
15 Chief Counsel

16 cc: Aeslehc Inc.
17 c/o Elmer Mondy D.O.
18 14196 Gayhead Rd.
19 Apple Valley, CA 92307

20 Elmer Mondy D.O.
21 14196 Gayhead Rd.
22 Apple Valley, CA 92307

23 Beverly Annette White
24 15705 Hawthorne Blvd. Ste. H
25 Lawndale, CA 90260

26 Roderick Rene West
27 4314 Marina City Drive, #230CTS
Marina Del Rey, CA 90292

Roderick Rene West
c/o Elmer Mondy D.O.
4314 Marina City Drive, #230CTS
Marina Del Rey, CA 90292