

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE

JUL 18 2013

STATE OF CALIFORNIA

BUREAU OF REAL ESTATE

By Jane B. Dow

* * * *

In the Matter of the Accusation of)
)
CORNER STREET MORTGAGE;)
 and JACK D. BULIS)
 and JAMES MICHAEL BULIS)
 individually and formerly as)
 designated officers of)
 Corner Street Mortgage,)
)
)
 Respondents.)
)

No. H-37827 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 January 23, 2013, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

The right to reinstatement of a revoked license is controlled by Section 11522 of the Government Code. A copy of the Commissioner's Criteria of Rehabilitation is attached hereto for the information of the Respondent.

FINDINGS OF FACT

1.

On January 31, 2012, Maria Suarez 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 address on file with the Department on February 2, 2012.

On January 23, 2013, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents CORNER STREET MORTGAGE and JAMES MICHAEL BULIS's default was entered herein.

2.

Respondents CORNER STREET MORTGAGE and JAMES MICHAEL BULIS are presently licensed and have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter Code).

3.

At all times herein mentioned, Respondent CORNER STREET MORTGAGE was licensed as a real estate broker with Respondents JACK D. BULIS and JAMES MICHAEL BULIS as its designated officers. Respondent JACK D. BULIS was designated officer from April 15, 2008 through April 2, 2009, and Respondent JAMES MICHAEL BULIS was designated officer from August 24, 2009 through July 31, 2011.

4.

At all times material herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California within the meaning of Section 10131(d) of the Code, including soliciting and negotiating loans and loan modifications on real property.

5.

On or about September 23, 2011, the Department completed an examination of Respondent's CORNER STREET MORTGAGE's books and records, pertaining to the activities described in Paragraph 4 above, covering a period from August 1, 2008, through June 30, 2011, which examination revealed violations of the Code and of Title 10, chapter 6, California Code of Regulations (hereinafter Regulations) as set forth below.

6.

The examination described in Paragraph 5, above, determined that, in connection with the activities described in

Paragraph 4 above, Respondents accepted or received funds, including funds in trust (hereinafter "trust funds") from or on behalf of principals, and thereafter made deposit or disbursement of such funds.

7.

In the course of activities described in Paragraphs 4 and 6 and during the examination period described in Paragraph 5, Respondents CORNER STREET MORTGAGE and JAMES MICHAEL BULIS acted in violation of the Code and the Regulations as follows, and as more specifically set forth in Audit Report Nos. SD 100018 and SD 110011 and related exhibits:

- a. Violated Sections 10145(a) and 10176(e) of the Code and Regulations 2832 and 2835 by collecting advance fees which were deposited and commingled with funds in the business account. Respondents failed to place such funds into a trust account.
- b. Violated Section 10145 of the Code and Regulations 2831 and 2831.1 by not maintaining a columnar record and separate records of all trust funds received and disbursed in connection with advance fees collected from borrowers.
- c. Violated Section 10145 of the Code and Regulation 2831.2 by not maintaining a monthly reconciliation of the columnar record with separate records.
- d. Violated Code Section 10085 and Regulation 2970 by not submitting to the Department of Real Estate for its review and approval all Advance Fee Agreements and Materials.
- e. Violated Code Section 10146 and Regulation 2972 by not providing the borrowers with the required itemized accounting.
- f. CORNER STREET MORTGAGE violated Regulation 2740 and Code Section 10130 by performing activities requiring a real estate license during the period from April 2, 2009, to August 23, 2009, when there was no corporate officer.
- g. Violated Code Section 10162 and Regulation 2715 by not notifying the Department of Real Estate of the change of corporation's main business address.

- h. Violated Code Section 10137 by employing unlicensed persons to arrange real estate loans and loan modifications with borrowers.

8.

During the period Respondent JAMES MICHAEL BULIS was designated officer of the corporation he failed supervise the activities of the corporation as required by the Real Estate Law.

DETERMINATION OF ISSUES

1.

Cause for disciplinary action against Respondents CORNER STREET MORTGAGE and JAMES MICHAEL BULIS exists pursuant to Business and Professions Code Sections 10177(d) and 10177(g), and Section 10176(e) for violation of Code Sections 10085, 10145, 10146, 10162, and 10176(e) and Regulations 2715, 2831, 2831.1, 2831.2, 2832, 2835, 2970 and 2972.

2.

Cause for disciplinary action against Respondent CORNER STREET MORTGAGE exists pursuant to Business and Professions Code Section 10177(d) for violating Code Section 10130 and Regulation 2740.

3.

The conduct of Respondent JAMES MICHAEL BULIS, as alleged above, is in violation of Business and Professions Code Section 10159.2 and Regulation 2725 and subjects his real estate license and license rights to suspension or revocation pursuant to Code Sections 10177(d), 10177(g), and 10177(h).

4.

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

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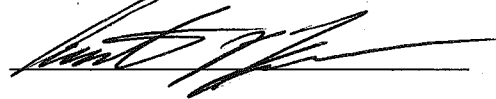
ORDER

All licenses and license rights of Respondents CORNER STREET MORTGAGE and JAMES MICHAEL BULIS 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 AUG - 7 2013.

DATED: 2/5/13.

REAL ESTATE COMMISSIONER



By **AWET P. KIDANE**
Chief Deputy Commissioner

FILED

JAN 23 2013

1 Department of Real Estate
2 320 West Fourth Street, Suite 350
3 Los Angeles, California 90013-1105
4 (213) 576-6982

DEPARTMENT OF REAL ESTATE
BY: *R. Medeiros*

6 BEFORE THE DEPARTMENT OF REAL ESTATE

7 STATE OF CALIFORNIA

8 * * * *

9	In the Matter of the Accusation of)	
10)	NO. H-37827 LA
11)	
12	<u>CORNER STREET MORTGAGE;</u>)	
13	and JACK D. BULIS)	
14	and <u>JAMES MICHAEL BULIS</u>)	
15	individually and formerly as)	
16	designated officers of)	
17	Corner Street Mortgage,)	
18)	<u>DEFAULT ORDER</u>
19	Respondents.)	
20)	

21 Respondents, CORNER STREET MORTGAGE and JAMES
22 MICHAEL BULIS, having failed to file a Notice of Defense
23 within the time required by Section 11506 of the Government
24 Code, are now in default. It is, therefore, ordered that a
25 default be entered on the record in this matter.

26 IT IS SO ORDERED *January 11, 2013.*

27 REAL ESTATE COMMISSIONER
By: *Dolores Weeks*
DOLORES WEEKS
Regional Manager