

FILED

JUN 28 2013

DEPARTMENT OF REAL ESTATE

BY: [Signature]

1 ELLIOTT MAC LENNAN, SBN 66674  
2 Bureau of Real Estate  
3 320 West 4th Street, Ste. 350  
4 Los Angeles, California 90013-1105  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

\*\*\*\*\*

In the Matter of the Accusation of  
  
MARKOR MORTGAGE INC.;  
and, JEFFREY W. MARKELL,  
individually and as designated  
officer of Markor Mortgage Inc.,  
  
Respondents,

No. H-38931 LA

ACCUSATION

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, Bureau of Real Estate ("Bureau") for cause of Accusation against MARKOR MORTGAGE INC. ("MMI") and JEFFREY W. MARKELL ("MARKELL"), individually and as designated officer of Markor Mortgage Inc. (collectively "Respondents"), is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

///

///

2.

From July 06, 2007 through the present, Respondent MMI has been licensed as a real estate corporation. At all times relevant herein, MMI was acting by and through Respondent MARKELL as its designated broker-officer pursuant to Business and Professions Code ("Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

3.

Respondent MARKELL was originally licensed as a real estate broker on March 30, 2006.

Table: Designated Officer Tenure and MMI Ownership

Name	D.O. Tenure	Ownership	Title
Jeffrey W. Markell	July 6, 2008 to July 6, 2011	50%	President
Lee Jay Korengold	N/A	50%	Treasurer

4.

Whenever reference is made in an allegation in this Accusation to an act or omission of "Respondents", such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with Respondents committed such act or omission while engaged in the furtherance of the business or operations of Respondents and while acting within the course and scope of their corporate authority and employment, including MARKEL.

///

///

///

////

FIRST CAUSE OF ACCUSATION

(Audit)

5.

At all times mentioned, in the State of California, Respondents MMI and MARKELL engaged in conduct for which a real estate license was required pursuant to Code Section 10131(d). Respondents operated a mortgage and loan brokerage engaging in activities with the public wherein institutional and private hard money lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed, consummated and serviced on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

6.

On June 26, 2012, the Bureau completed an audit examination of the books and records of Respondent MMI pertaining to the mortgage loan activity described in Paragraph 5, which requires a real estate license. The audit examination covered a period of time beginning on January 1, 2011 to February 29, 2012. The audit examination revealed violations of the Code and Regulations as alleged in the following paragraphs, and more fully set forth in Audit Report LA 110204 and the exhibits and work papers attached thereto.

7.

During the audit period, MMI did not maintain a trust account.

8.

In the course of activities described in Paragraph 5, above, and during the examination period, described in Paragraph 6, Respondents MMI and MARKELL acted in violation of the Code and the Regulations in that Respondents:

1 (a) Failed to provide or deliver a statement in writing, to wit, a Lender/Purchaser  
2 Disclosure Statement, containing all the information required by Code Section 10232.4 to  
3 lenders Val Chris, Hall Mortgage, Access, Rama, and Tellone, before said lenders became  
4 obligated to make the loan and before the receipt by or on behalf of MMI of any funds from said  
5 lenders, in violation of Code Section 10232.4 and Regulation 2846;

6 (b) Failed to retain a true and correct complete copy of a Bureau of Real Estate  
7 approved Mortgage Loan Disclosure Statement signed by the broker for borrowers Robert R.,  
8 Mohammad Z., Tiffany T., Wendy W., and Tomas W., in violation of Code Section 10240 and  
9 Regulation 2840;

10 (c) Failed to display the MMI's license number on the on the Mortgage Loan  
11 Disclosure Statements for borrowers Mohammad Z., Tiffany T., Wendy W., and Tomas W., in  
12 violation of Code Section 10236.4;

13 (d) Failed to offer another loan without a prepayment fee or penalty to borrowers  
14 in a covered loan transaction for borrowers Susan A. and Wendy W., in violation of Financial  
15 Code Section 4973(a)(2)(A);

16 (e) Negotiated a covered loan transaction where the borrowers, Susan A. and  
17 Wendy W., total monthly debts exceeded 55% of their monthly income, in violation of Financial  
18 Code Section 4973(f)(1);

19 (f) MMI failed to notify the Bureau within 30 days of commencing mortgage loan  
20 activity to obtain a Mortgage Loan Originator endorsement, in violation of Code Section  
21 10166.02(a);

22 (g) Used the fictitious name of "Markor Mortgage", to conduct licensed activities  
23 including a mortgage and loan brokerage, without first obtaining from the Bureau a license  
24 bearing said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731;

1 (h) Failed to retain all records of MMI's mortgage loan activity during the audit  
2 period requiring a real estate broker license, in violation of Code Section 10148; and

3 (i) MARKELL failed to adequately supervise and control the mortgage loan  
4 activity conducted under MMI's real estate broker license. Moreover, Respondents had no  
5 system in place for regularly monitoring MMI's compliance with the Real Estate Law especially  
6 in regard to establishing, systems, policies and procedures to keep MMI in compliance with the  
7 Real Estate Law, in violation of Code Sections 10159.2, 10177(h) and Regulation 2725.

8 9.

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

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
13 8(a)	Code Section 10232.4 and Regulation 2846
14 8(b)	Code Section 10240 and Regulation 2840
15 8(c)	Code Section 10236.4(b)
16 8(d)	Financial Code Section 4973(a)(2)(A)
17 8(e)	Financial Code Section 4973(f)(1)
18 8(f)	Code Section 10166.02(a)
19 8(g)	Code Section 10159.5 and Regulation 2731
20 8(h)	Code Section 10148
21 8(i)	Code Sections 10159.2 and 10177(h) and Regulation 2725 (MARKELL)

22  
23  
24 The foregoing violations constitute cause for the discipline of the real estate licenses and  
25 license rights of Respondents MMI and MARKELL under the provisions of Code Sections  
26 10177(d), and/or 10177(g) and 10177(h) (MARKELL).  
27

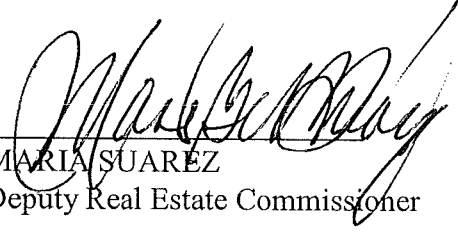


1 administrative law judge to direct a licensee found to have committed a violation of this part to  
2 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the allegations  
4 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
5 action against all licenses and/or license rights of Respondents MARKOR MORTGAGE INC.  
6 and JEFFREY W.MARKELL, individually and as designated officer of Markor Mortgage Inc.,  
7 under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions  
8 Code) and for such other and further relief as may be proper under other applicable provisions of  
9 law, including but not limited to costs investigation and enforcement.  
10

11 Dated at Los Angeles, California.

12  
13 this 27<sup>th</sup> day of June, 2013.  
14

15  
16  
17   
18 MARIA SUAREZ  
19 Deputy Real Estate Commissioner  
20  
21  
22

23 cc: Markor Mortgage Inc.  
24 Jeffrey W. Markell  
25 Maria Suarez  
26 Isabel Beltran  
27 Sacto