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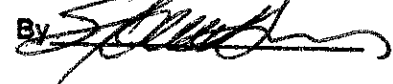
Bureau of Real Estate  
320 W. 4<sup>TH</sup> Street, Suite 350  
Los Angeles, CA 90013-1105  
Telephone: (213) 576-6982

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**FILED**

AUG 31 2015

BUREAU OF REAL ESTATE

By 

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of )  
 )  
SOUTH COAST MORTGAGE & )  
INVESTMENTS INC. doing business as )  
South Coast Loans and South Coast )  
Mortgage & Investments; and )  
 )  
EUGENE RICHARD DORN, )  
individually and as designated )  
officer of South Coast Mortgage & )  
Investments Inc., )  
 )  
Respondents. )  
 )  
 )

No. H-39584 LA

STIPULATION  
AND  
AGREEMENT

It is hereby stipulated by and between Respondents SOUTH COAST MORTGAGE & INVESTMENTS INC. and EUGENE RICHARD DORN, individually and as designated officer of SOUTH COAST MORTGAGE & INVESTMENTS INC. (sometimes collectively referred to as "Respondents") represented by Frank M. Buda, Esq. and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Bureau of Real Estate,

1 as follows for the purpose of settling and disposing of the Accusation ("Accusation") filed on  
2 August 21, 2014, in this matter:

3 1. All issues which were to be contested and all evidence which was to be  
4 presented by Complainant and Respondents at a formal hearing on the Accusation, which  
5 hearing was to be held in accordance with the provisions of the Administrative Procedure Act  
6 ("APA") shall instead and in place thereof be submitted solely on the basis of the provisions of  
7 this Stipulation and Agreement ("Stipulation").  
8

9 2. Respondents have received, read and understand the Statement to Respondent,  
10 the Discovery Provisions of the APA and the Accusation filed by the Bureau of Real Estate in  
11 this proceeding.

12 3. Respondents filed a Notice of Defense pursuant to Section 11506 of the  
13 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.  
14 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents  
15 acknowledge that they understand that by withdrawing said Notice of Defense they thereby  
16 waive their right to require the Commissioner to prove the allegations in the Accusation at a  
17 contested hearing held in accordance with the provisions of the APA and that they will waive  
18 other rights afforded to them in connection with the hearing such as the right to present evidence  
19 in their defense and the right to cross-examine witnesses.  
20  
21

22 4. This Stipulation is based on the factual allegations contained in the  
23 Accusation. In the interest of expedience and economy, Respondents choose not to contest  
24 these allegations, but to remain silent and understand that, as a result thereof, these factual  
25 allegations, without being admitted or denied, will serve as a prima facie basis for the  
26 disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to  
27

1 provide further evidence to prove said factual allegations.

2           5. This Stipulation is made for the purpose of reaching an agreed disposition of  
3 this proceeding and is expressly limited to this proceeding and any other proceeding or case in  
4 which the Bureau of Real Estate ("Bureau") or another licensing agency of this state, another  
5 state or if the federal government is involved, and otherwise shall not be admissible in any other  
6 criminal or civil proceeding.  
7

8           6. It is understood by the parties that the Real Estate Commissioner may adopt  
9 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on  
10 Respondents' real estate licenses and license rights as set forth in the below "Order". In the  
11 event that the Commissioner in the Commissioner's discretion does not adopt the Stipulation,  
12 the Stipulation shall be void and of no effect and Respondents shall retain the right to a hearing  
13 and proceeding on the Accusation under the provisions of the APA and shall not be bound by  
14 any stipulation or waiver made herein.  
15

16           7. The Order or any subsequent Order of the Real Estate Commissioner made  
17 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further  
18 administrative or civil proceedings by the Bureau of Real Estate with respect to any matters  
19 which were not specifically alleged to be causes for accusation in this proceeding.  
20

21           8. Respondents understand that by agreeing to this Stipulation, Respondents  
22 agree to pay, pursuant to Business and Professions Code Section 10148, the cost of the original  
23 audit which led to this disciplinary action. The amount of said cost is \$6,908.01.  
24

25           9. Respondents have received, read, and understand the "Notice Concerning  
26 Costs of Subsequent Audit". Respondents further understand that by agreeing to this  
27 Stipulation, the findings set forth below in the Determination of Issues become final, and the

1 Commissioner may charge Respondents for the cost of any subsequent audit conducted pursuant  
2 to Business and Professions Code Section 10148 to determine if the violations have been  
3 corrected. The maximum cost of the subsequent audit shall not exceed \$6,908.01.

4 10. Respondents understand that by agreeing to this Stipulation, Respondents  
5 agree to pay, pursuant to Business and Professions Code Section 10106, the cost of the  
6 investigation and enforcement of this matter. The amount of said cost is \$3,500.00.

7  
8 DETERMINATION OF ISSUES

9 By reason of the foregoing, it is stipulated and agreed that the following  
10 Determination of Issues shall be made:

11 I.

12 The conduct of Respondents SOUTH COAST MORTGAGE & INVESTMENTS  
13 INC. and EUGENE RICHARD DORN, as described in Paragraph 4 of the Stipulation, above, is  
14 in violation of Code Sections 10140.6(b), 10145, 10234(a), 10236.4, 10238(k)(3), and  
15 10238(h)(3), and Sections 2832(a), and 2842.5, of Title 10, Chapter 6 of the California Code of  
16 Regulations (“Regulations”) and is a basis for suspension or revocation of Respondents’ license  
17 and license rights as a violation of the Real Estate Law pursuant to Code Section 10177(d).

18 II.

19 The conduct of EUGENE RICHARD DORN, , as described in Paragraph 4 of the  
20 Stipulation, above, constitutes a failure to supervise and to keep SOUTH COAST MORTGAGE  
21 & INVESTMENTS INC. in compliance with the Real Estate Law during the time that said  
22 Respondent EUGENE RICHARD DORN, was the officer designated by a corporate broker  
23 licensee, in violation of Regulation 2725 and is a basis for suspension or revocation of  
24 Respondent EUGENE RICHARD DORN’s license and license rights as a violation of the Real  
25 Estate Law pursuant to Code Section 10177(d).

26 ///



1 from the effective date of the Decision, the stay hereby granted shall become permanent.

2 B. The remaining thirty (30) days of the sixty (60) day suspension shall be stayed  
3 for two (2) years upon the following terms and conditions:

4 1. Respondents shall obey all laws, rules and regulations governing the rights,  
5 duties and responsibilities of a real estate licensee in the State of California; and

6 2. That no final subsequent determination be made after hearing or upon  
7 stipulation, that cause for disciplinary action occurred within two (2) years from the effective  
8 date of this Decision. Should such a determination be made, the Commissioner may, in his  
9 discretion, vacate and set aside the stay order and re-impose all or a portion of the stayed  
10 suspension. Should no such determination be made, the stay imposed herein shall become  
11 permanent.

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14 II.

15 Pursuant to Section 10148 of the Business and Professions Code, Respondents  
16 SOUTH COAST MORTGAGE & INVESTMENTS INC. and EUGENE RICHARD DORN,  
17 shall pay the Commissioner's reasonable cost for (a) the audit which led to this disciplinary  
18 action and (b) a subsequent audit to determine if Respondents are now in compliance with the  
19 Real Estate Law. The cost of the audit which led to this disciplinary action is \$6,908.01. In  
20 calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the  
21 estimated average hourly salary for all persons performing audits of real estate brokers, and shall  
22 include an allocation for travel time to and from the auditor's place of work. Said amount for  
23 the prior and subsequent audits shall not exceed \$13,816.02. Respondents are jointly and  
24 severally liable for the cost of the audit.



1 handling continuing education course within 120 days prior to the effective date of the Decision  
2 in this matter.

3 V.

4 Respondent EUGENE RICHARD DORN, shall within nine (9) months from the  
5 effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner  
6 that Respondent has, since the most recent issuance of an original or renewal real estate license,  
7 taken and successfully completed the continuing education requirements of Article 2.5 of  
8 Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to  
9 satisfy this condition, the Commissioner may order the suspension of the license until  
10 Respondent presents such evidence. The Commissioner shall afford Respondent the  
11 opportunity for a hearing pursuant to the Administrative Procedure Act to present such  
12 evidence.  
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15 VI.

16 All licenses and licensing rights of Respondent are indefinitely suspended unless  
17 or until Respondent provides proof satisfactory to the Commissioner that the trust fund shortage  
18 of \$1,815.64 set forth in the Accusation has been restored by the effective date of the Stipulation,  
19 including the identification of the source of funds used to cure the shortage.  
20

21 VII.

22 As a further condition for the Commissioner to enter into this Stipulation,  
23 Respondents shall provide evidence satisfactory to the Real Estate Commissioner that all  
24 violations cited in the Determination of Issues have been corrected prior to the effective date of  
25 the Decision.  
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VIII.

1  
2 All proof required by this Decision, shall be sent to the attention of Bureau of  
3 Real Estate, Flag Section, P.O. Box 137013, Sacramento, CA 95813-7013. All checks, unless  
4 otherwise specified, are payable to the Bureau of Real Estate. All proof required by this  
5 Decision, and all payments required herein, may be made by either cashier's check or made by  
6 credit card. Credit card payments shall be accompanied by Form RE 909. Proof and payments  
7 shall be sent to the attention of Bureau of Real Estate, Flag Section, P.O Box 137013,  
8 Sacramento, CA 95813-7013.  
9

10  
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12 DATED: 7/14/15

EL  
13 ELLIOTT MAC LENNAN,  
14 Counsel for Bureau of Real Estate

15 \* \* \*

16 EXECUTION OF THE STIPULATION

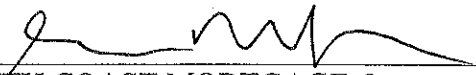
17 We have read the Stipulation and have discussed it with our attorney. Its terms  
18 are understood by us and are agreeable and acceptable to us. We understand that we are waiving  
19 rights given to us by the California Administrative Procedure Act (including but not limited to  
20 Sections 11506, 11508, 11509 and 11513 of the Government Code), and we are willingly,  
21 intelligently and voluntarily waive those rights, including the right of requiring the  
22 Commissioner to prove the allegations in the Accusation at a hearing at which we would have  
23 the right to cross-examine witnesses against us and to present evidence in defense and  
24 mitigation of the charges.

25 MAILING/FACSIMILE


26 Respondents (1) shall mail the original signed signature page of the Stipulation  
27 herein to Elliott Mac Lennan: Attention: Legal Section, Bureau of Real Estate, 320 W. Fourth

1 A facsimile constitutes acceptance and approval of the terms and conditions of  
2 this Stipulation. Respondents agree, acknowledge and understand that by electronically sending  
3 to the Bureau of Real Estate a facsimile copy of Respondents' actual signatures as they appear  
4 on the Stipulation that receipt of the facsimile copy by the Bureau shall be as binding on  
5 Respondents as if the Bureau of Real Estate had received the original signed Stipulation.  
6  
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8 DATED: 7-6-15

  
\_\_\_\_\_  
SOUTH COAST MORTGAGE &  
INVESTMENTS INC.  
BY: EUGENE RICHARD DORN, D.O.  
Respondent

12 DATED: 7-6-15

  
\_\_\_\_\_  
EUGENE RICHARD DORN, individually  
and as designated officer of South Coast Mortgage  
& Investments Inc.  
Respondent

17 DATED: \_\_\_\_\_

\_\_\_\_\_  
FRANK M. BUDA, ESQ.  
Attorney for Respondents  
Approved as to Form


21 [This section intentionally left blank]

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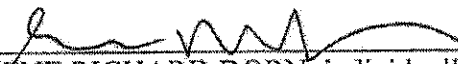
25 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to  
26 Respondents SOUTH COAST MORTGAGE & INVESTMENTS INC. and EUGENE  
27

1 A facsimile constitutes acceptance and approval of the terms and conditions of  
2 this Stipulation. Respondents agree, acknowledge and understand that by electronically sending  
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4 on the Stipulation that receipt of the facsimile copy by the Bureau shall be as binding on  
5 Respondents as if the Bureau of Real Estate had received the original signed Stipulation.  
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7


8 DATED: 7-6-15

  
SOUTH COAST MORTGAGE &  
INVESTMENTS INC.  
BY: EUGENE RICHARD DORN, D.O.  
Respondent

12  
13 DATED: 7-6-15

  
EUGENE RICHARD DORN, individually  
and as designated officer of South Coast Mortgage  
& Investments Inc.  
Respondent

16  
17 DATED: 7-6-15

  
FRANK M. BUDA, ESQ.  
Attorney for Respondents  
Approved as to Form

21  
22 [This section intentionally left blank]

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25 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to  
26 Respondents SOUTH COAST MORTGAGE & INVESTMENTS INC. and EUGENE  
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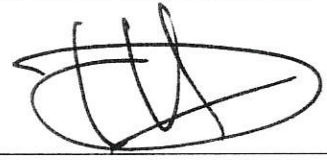
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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to  
Respondents SOUTH COAST MORTGAGE & INVESTMENTS INC. and EUGENE  
RICHARD DORN, , individually and as designated officer of South Coast Mortgage &  
Investments Inc. and shall become effective at 12 o'clock noon on SEP 21 2015,  
2015

IT IS SO ORDERED August 26, 2015

**WAYNE S. BELL**  
Real Estate Commissioner



By: JEFFREY MASON  
Chief Deputy Commissioner