

FILED
NOV 27 2006

1
2 Department of Real Estate
3 P.O. Box 187007
4 Sacramento, CA 95818-7007
5
6 Telephone: (916) 227-0781

DEPARTMENT OF REAL ESTATE

By Anne Shaver

7 BEFORE THE DEPARTMENT OF REAL ESTATE

8 STATE OF CALIFORNIA

9 * * *

10
11 In the Matter of the Accusation of)
12 LOANSTAR FINANCIAL)
13 CORPORATION, JAY EDWARD)
14 LEVINE, and IGNACIO RAUL)
15 VENTURA,)
16 Respondents.)

No. H-3607 SD

STIPULATION AND
AGREEMENT

16 It is hereby stipulated by and between LOANSTAR
17 FINANCIAL CORPORATION, JAY EDWARD LEVINE, and IGNACIO RAUL
18 VENTURA (hereinafter Respondents), and the Complainant, acting
19 by and through Truly Sughrue, Counsel for the Department of
20 Real Estate, as follows for the purpose of settling and
21 disposing the Accusation filed on September 20, 2006 in this
22 matter:

23 1. All issues which were to be contested and all
24 evidence which was to be presented by Complainant and Respondents
25 at a formal hearing on the Accusation, which hearing was to be
26 held in accordance with the provisions of the Administrative
27 Procedure Act (APA), shall instead and in place thereof be

1 submitted solely on the basis of the provisions of this
2 Stipulation and Agreement.

3 2. Respondents have received, read and understand the
4 Statement to Respondent, and the Discovery Provisions of the APA
5 filed by the Department of Real Estate in this proceeding.

6 3. Respondents filed a Notice of Defense pursuant to
7 Section 11505 of the Government Code for the purpose of
8 requesting a hearing on the allegations in the Accusation.
9 Respondents hereby freely and voluntarily withdraw said Notice of
10 Defense. Respondents acknowledge that they understand that by
11 withdrawing said Notice of Defense they will thereby waive their
12 rights to require the Commissioner to prove the allegations in
13 the Accusation at a contested hearing held in accordance with the
14 provisions of the APA, and that they will waive other rights
15 afforded to them in connection with the hearing such as the right
16 to present evidence in defense of the allegations in the
17 Accusation and the right to cross-examine witnesses.

18 4. This stipulation is based on the factual
19 allegations contained in the Accusation. In the interest of
20 expediency and economy, Respondents choose not to contest these
21 factual allegations, but to remain silent and understands that,
22 as a result thereof, these factual statements will serve as a
23 prima facie basis for the "Determination of Issues" and "Order"
24 set forth below. The Real Estate Commissioner shall not be
25 required to provide further evidence to prove such allegations.

26 5. It is understood by the parties that the Real
27 Estate Commissioner may adopt the Stipulation and Agreement as

1 his decision in this matter thereby imposing the penalty and
2 sanctions on the real estate licenses and license rights of
3 Respondent as set forth in the below "Order". In the event that
4 the Commissioner in his discretion does not adopt the Stipulation
5 and Agreement, it shall be void and of no effect, and Respondents
6 shall retain the right to a hearing and proceeding on the
7 Accusation under all the provisions of the APA and shall not be
8 bound by any admission or waiver made herein.

9 6. The Order or any subsequent Order of the Real
10 Estate Commissioner made pursuant to this Stipulation and
11 Agreement shall not constitute an estoppel, merger or bar to any
12 further administrative or civil proceedings by the Department of
13 Real Estate with respect to any matters which were not
14 specifically alleged to be causes for accusation in this
15 proceeding.

16 * * *

17 DETERMINATION OF ISSUES

18 By reason of the foregoing stipulations and waivers and
19 solely for the purpose of settlement of the pending Accusation
20 without a hearing, it is stipulated and agreed that the following
21 determination of issues shall be made:

22 I

23 The acts and omissions of Respondents LOANSTAR
24 FINANCIAL CORPORATION, JAY EDWARD LEVINE, and IGNACIO RAUL
25 VENTURA as described in the Accusation are grounds for the
26 suspension or revocation of Respondents licenses and license
27 rights under the following sections of the Code and Regulations:

1 (a) As to Paragraphs VII through IX, inclusive, and
2 LOANSTAR FINANCIAL CORPORATION and JAY EDWARD LEVINE under
3 Sections 10137 and 10130 of the Code in conjunction with Section
4 10177(d) of the Code; and

5 (b) As to Paragraphs VIII and IX, and IGNACIO RAUL
6 VENTURA under Section 10130 of the Code in conjunction with
7 Section 10177(d) of the Code.

8 II

9 The acts and omissions of Respondents LOANSTAR
10 FINANCIAL CORPORATION, and JAY EDWARD LEVINE, as described in
11 the Accusation are grounds for the suspension or revocation of
12 Respondents licenses and license rights under the following
13 sections of the Code and Regulations:

14 (a) As to Paragraph XI under Section 10240 of the Code
15 in conjunction with Section 10177(d) of the Code; and

16 (b) As to Paragraph XII, under Section 10165 of the
17 Code in conjunction with Section 10161.8 of the Code and Section
18 10177(d) of the Code in conjunction with Section 2752 of the
19 Regulations.

20 III

21 The acts and omissions of Respondent JAY EDWARD
22 LEVINE, as described in the Accusation are grounds for the
23 suspension or revocation of Respondents licenses and license
24 rights under Sections Section 10177(d) of the Code in
25 conjunction with Section 10159.2 of the Code.

26 \\\

27 \\\

* * *

ORDER

I

1
2
3
4 All licenses and licensing rights of Respondent LOANSTAR
5 FINANCIAL CORPORATION (hereinafter "LOANSTAR") under the Real
6 Estate Law are suspended for a period of sixty (60) days from the
7 effective date of this Order; provided, however, that:

- 8 1) Thirty (30) days of said suspension shall be stayed, upon the
9 condition that LOANSTAR petition pursuant to Section 10175.2
10 of the Business and Professions Code and pays a monetary
11 penalty pursuant to Section 10175.2 of the Business and
12 Professions Code at a rate of \$100 for each day of the
13 suspension for a total monetary penalty of \$3,000.
- 14 a) Said payment shall be in the form of a cashier's check or
15 certified check made payable to the Recovery Account of the
16 Real Estate Fund. Said check must be delivered to the
17 Department prior to the effective date of the Order in this
18 matter.
- 19 b) No further cause for disciplinary action against the Real
20 Estate licenses of LOANSTAR occurs within two (2) years from
21 the effective date of the decision in this matter.
- 22 c) If LOANSTAR fails to pay the monetary penalty as provided
23 above prior to the effective date of this Order, the stay of
24 the suspension shall be vacated as to that Respondent and
25 the order of suspension shall be immediately executed, under
26 this Order, in which event the said Respondent shall not be
27 entitled to any repayment nor credit, prorated or otherwise,

1 for the money paid to the Department under the terms of this
2 Order.

3 d) If said Respondent pays the monetary penalty and any other
4 moneys due under this Stipulation and Agreement and if no
5 further cause for disciplinary action against the real
6 estate license of said Respondent occurs within two (2)
7 years from the effective date of this Order, the entire stay
8 hereby granted under this Order, as to said Respondent only,
9 shall become permanent.

10 2) The remaining thirty (30) days of said suspension shall be
11 stayed for two (2) years upon the following terms and
12 conditions:

13 a) LOANSTAR shall obey all laws, rules and regulations
14 governing the rights, duties and responsibilities of a real
15 estate licensee in the State of California; and,

16 b) That no final subsequent determination be made, after
17 hearing or upon stipulation, that cause for disciplinary
18 action occurred within two (2) years from the effective date
19 of this Order. Should such a determination be made, the
20 Commissioner may, in his discretion, vacate and set aside
21 the stay order and reimpose all or a portion of the stayed
22 suspension. Should no such determination be made, the stay
23 imposed herein shall become permanent.

24 II

25 All licenses and licensing rights of Respondent JAY EDWARD
26 LEVINE (hereinafter "LEVINE") under the Real Estate Law are
27 suspended for a period of sixty (60) days from the effective date

of this Order; provided, however, that:

1) Thirty (30) days of said suspension shall be stayed, upon the condition that LEVINE petition pursuant to Section 10175.2 of the Business and Professions Code and pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at a rate of \$100 for each day of the suspension for a total monetary penalty of \$3,000.

a) Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be delivered to the Department prior to the effective date of the Order in this matter.

b) No further cause for disciplinary action against the Real Estate licenses of said Respondent occurs within two (2) years from the effective date of the decision in this matter.

c) If LEVINE fails to pay the monetary penalty as provided above prior to the effective date of this Order, the stay of the suspension shall be vacated as to that Respondent and the order of suspension shall be immediately executed, under this Order, in which event the said Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for the money paid to the Department under the terms of this Order.

d) If LEVINE pays the monetary penalty and any other moneys due under this Stipulation and Agreement and if no further cause for disciplinary action against the real estate license of

1 said Respondent occurs within two (2) years from the
2 effective date of this Order, the entire stay hereby granted
3 under this Order, as to said Respondent only, shall become
4 permanent.

5 2) The remaining on thirty (30) days of said suspension shall be
6 stayed for two (2) years upon the following terms and
7 conditions:

8 a) LEVINE shall obey all laws, rules and regulations governing
9 the rights, duties and responsibilities of a real estate
10 licensee in the State of California; and,

11 b) That no final subsequent determination be made, after
12 hearing or upon stipulation, that cause for disciplinary
13 action occurred within two (2) years from the effective date
14 of this Order. Should such a determination be made, the
15 Commissioner may, in his discretion, vacate and set aside
16 the stay order and reimpose all or a portion of the stayed
17 suspension. Should no such determination be made, the stay
18 imposed herein shall become permanent.

19 3) LEVINE shall, within six (6) months from the effective date of
20 this Decision, take and pass the Professional Responsibility
21 Examination administered by the Department including the
22 payment of the appropriate examination fee. If LEVINE fails
23 to satisfy this condition, the Commissioner may order
24 suspension of the license until Respondent passes the
25 examination.

26 III

27 All licenses and licensing rights of Respondent IGNACIO RAUL

1 VENTURA (hereinafter "VENTURA") under the Real Estate Law are
2 suspended for a period of forty (40) days from the effective date
3 of this Order; provided, however, that:

4 4) Twenty (20) days of said suspension shall be stayed, upon the
5 condition that VENTURA petition pursuant to Section 10175.2
6 of the Business and Professions Code and pays a monetary
7 penalty pursuant to Section 10175.2 of the Business and
8 Professions Code at a rate of \$100 for each day of the
9 suspension for a total monetary penalty of \$2,000.

10 a) Said payment shall be in the form of a cashier's check or
11 certified check made payable to the Recovery Account of the
12 Real Estate Fund. Said check must be delivered to the
13 Department prior to the effective date of the Order in this
14 matter.

15 b) No further cause for disciplinary action against the Real
16 Estate licenses of said Respondent occurs within two (2)
17 years from the effective date of the decision in this
18 matter.

19 c) If VENTURA fails to pay the monetary penalty as provided
20 above prior to the effective date of this Order, the stay of
21 the suspension shall be vacated as to that Respondent and
22 the order of suspension shall be immediately executed, under
23 this Order, in which event the said Respondent shall not be
24 entitled to any repayment nor credit, prorated or otherwise,
25 for the money paid to the Department under the terms of this
26 Order.
27

1 d) If VENTURA pays the monetary penalty and any other moneys
2 due under this Stipulation and Agreement and if no further
3 cause for disciplinary action against the real estate
4 license of said Respondent occurs within two (2) years from
5 the effective date of this Order, the entire stay hereby
6 granted under this Order, as to said Respondent only, shall
7 become permanent.

8 5) The remaining twenty (20) days of said suspension shall be
9 stayed for two (2) years upon the following terms and
10 conditions:

11 a) VENTURA shall obey all laws, rules and regulations governing
12 the rights, duties and responsibilities of a real estate
13 licensee in the State of California; and,

14 b) That no final subsequent determination be made, after
15 hearing or upon stipulation, that cause for disciplinary
16 action occurred within two (2) years from the effective date
17 of this Order. Should such a determination be made, the
18 Commissioner may, in his discretion, vacate and set aside
19 the stay order and reimpose all or a portion of the stayed
20 suspension. Should no such determination be made, the stay
21 imposed herein shall become permanent.

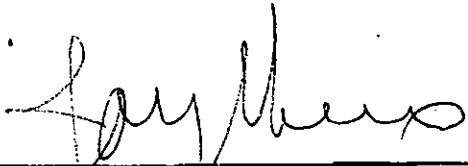
22
23 8-Nov-06
24 DATED

23 
24 TRUDY SUGHRUE
25 Counsel for Complainant

26 * * *

1 I have read the Stipulation and Agreement, and its
2 terms are understood by me and are agreeable and acceptable to
3 me. I understand that I am waiving rights given to me by the
4 California Administrative Procedure Act, and I willingly,
5 intelligently and voluntarily waive those rights, including the
6 right of requiring the Commissioner to prove the allegations in
7 the Accusation at a hearing at which I would have the right to
8 cross-examine witnesses against me and to present evidence in
9 defense and mitigation of the charges.

10 11/2/06
11 _____
12 DATED




Jay Edward Levine for
LOANSTAR FINANCIAL CORPORATION
Respondent

13 11/2/06
14 _____
15 DATED



JAY EDWARD LEVINE
Respondent

16 NOV 21, 2006
17 _____
18 DATED

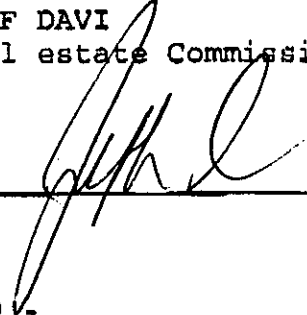


IGNACIO RAUL VENTURA
Respondent

17 * * *

18 The foregoing Stipulation and Agreement is hereby
19 adopted as my Decision and shall become effective at 12 o'clock
20 noon on DEC 18 2006

21 IT IS SO ORDERED 11-21-, 2006.

22
23 JEFF DAVI
24 Real estate Commissioner
25 
26 _____
27

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 187007
5 Sacramento, CA 95818-7007
6
7 Telephone: (916) 227-0781

FILED
SEP 20 2006

DEPARTMENT OF REAL ESTATE

By *Anna Shaw*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12) No. H-3607 SD
13 LOANSTAR FINANCIAL)
14 CORPORATION, JAY EDWARD)
15 LEVINE, and IGNACIO RAUL)
VENTURA)
Respondents.)

16 The Complainant, J. CHRIS GRAVES, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against LOANSTAR FINANCIAL CORPORATION, JAY EDWARD LEVINE, and
19 IGNACIO RAUL VENTURA, (hereinafter "Respondents"), are informed
20 and alleges as follows:

21 PRELIMINARY ALLEGATIONS

22 I

23 The Complainant, J. CHRIS GRAVES, a Deputy Real Estate
24 Commissioner of the State of California, makes this Accusation in
25 his official capacity.

26 \\\

II

1 Respondents are presently licensed and/or has license
2 rights under the Real Estate Law, Part 1 of Division 4 of the
3 Business and Professions Code (hereinafter "Code").
4

III

5 At all times herein mentioned, LOANSTAR FINANCIAL
6 CORPORATION, (hereinafter "LOANSTAR") was and is licensed by the
7 State of California Department of Real Estate (hereinafter
8 "Department") as a real estate broker corporation.
9

IV

10 At all times herein mentioned, Respondent JAY EDWARD
11 LEVINE, (hereinafter "LEVINE") was and is licensed by the
12 Department individually and as the designated broker officer of
13 LOANSTAR. As said designated officer-broker, LEVINE was and now
14 is responsible pursuant to Section 10159.2 of the Code for the
15 supervision of the activities of the officers, agents, real
16 estate licensees and employees of LOANSTAR for which a license is
17 required.
18

V

19 Respondent IGNACIO RAUL VENTURA (hereinafter "VENTURA")
20 was not licensed by the Department either as a real estate
21 salesperson or as a real estate broker any time mention herein
22 prior to September 17, 2004. At all times mentioned herein from
23 and after September 17, 2004, VENTURA was and now is licensed by
24 the Department as a real estate salesperson.
25
26
27

VI

1 At all times herein mentioned, Respondents engaged in
2 the business of, acted in the capacity of, advertised or assumed
3 to act as a real estate broker in the State of California within
4 the meaning of Section 10131(d) of the Code, including the
5 operation and conduct of a mortgage loan brokerage business with
6 the public wherein Respondents solicited lenders and borrowers
7 for loans secured directly or collaterally by liens on real
8 property or a business opportunity, and wherein such loans were
9 arranged, negotiated, processed, and consummated by Respondent on
10 behalf of others for compensation or in expectation of a
11 compensation.
12

13 FIRST CAUSE OF ACTION

14 VII

15 At all times mentioned herein beginning on or about
16 December 2003, LOANSTAR and LEVINE employed and compensated
17 VENTURA, an unlicensed individual, to perform the acts and
18 conduct the activities described in Paragraph VI, above,
19 including but not limited to the activities described in
20 Paragraph VIII, below.

21 VIII

22 In course of the activities and employment described
23 above, without first being licensed by the Department either as a
24 real estate salesperson or as a real estate broker, VENTURA,
25 acting for and on behalf of another or others, for or in
26 expectation of compensation, solicited loans secured directly or
27 collaterally by liens on real property, including but not limited

1 to the real property located at: (1) 2212 Zaby Street,
2 Oceanside, California, and (2) 1645 Cherry Place, Escondido,
3 California.

4 IX

5 In acting as described above, LOANSTAR and LEVINE
6 violated and/or willfully failed to comply with Sections 10130
7 and 10137 of the Code, and VENTURA violated and/or willfully
8 failed to comply with Section 10130 of the Code.

9 X

10 The facts alleged above are grounds for the suspension
11 or revocation of the licenses and license rights of Respondents
12 under the following provisions of the Code:

13 (a) As to Paragraphs VII through IX, inclusive, and
14 LOANSTAR and LEVINE under Sections 10137 and 10130 of the Code in
15 conjunction with Section 10177(d) of the Code; and

16 (b) As to Paragraphs VIII and IX, and VENTURA under
17 Section 10130 of the Code in conjunction with Section 10177(d) of
18 the Code.

19 SECOND CAUSE OF ACTION

20 XI

21 In connection with the mortgage loan brokerage
22 business described in Paragraph VI, LOANSTAR violated and/or
23 willfully failed to comply with Section 10240 of the Code, in
24 that Respondent:

25 (a) failed to cause to be delivered to the borrowers
26 the written Disclosure Statement required by Section 10241 of
27 the Code;

1 (b) failed to obtain the signature of the borrowers
2 on any Written Disclosure Statement; and/or

3 (c) failed to retain on file for a period of three
4 years a true and correct copy of any Written Disclosure
5 Statement signed by the borrowers.

6 XII

7 LOANSTAR failed to immediately notify the Commissioner
8 in writing of salespersons entered into Respondents' employ as
9 required by Section 10161.8 of the Code. Said salespersons
10 included but are not limited to VENTURA.

11 XIII

12 The facts alleged above are grounds for the suspension
13 or revocation of the licenses and license rights of Respondents
14 under the following provisions of the Code:

15 (a) As to Paragraph XI under Section 10240 of the Code
16 in conjunction with Section 10177(d) of the Code; and

17 (b) As to Paragraph XII, under Section 10165 of the
18 Code in conjunction with Section 10161.8 of the Code and Section
19 10177(d) of the Code in conjunction with Section 2752 of the
20 Regulations.

21 THIRD CAUSE OF ACTION

22 XIV

23 LEVINE failed to exercise reasonable supervision over
24 the acts of LOANSTAR in such a manner as to allow the acts and
25 events described above to occur.

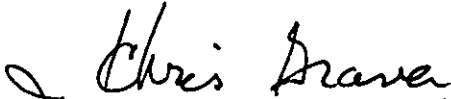
XV

1 The acts and/or omissions of LEVINE described in
2 Paragraph XIV, constitute failure on the part of LEVINE, as
3 designated broker-officer for LOANSTAR, to exercise reasonable
4 supervision and control over the licensed activities of LEVINE
5 required by Section 10159.2 of the Code.
6

XVI

7 The facts alleged in Paragraphs XIV and XV, are
8 grounds from the suspension or revocation of the licenses and
9 license rights of Respondent LEVINE under Sections 10177(g)
10 and/or 10177(h) of the Code, and Section 10177(d) of the Code in
11 conjunction with Section 10159.2 of the Code.
12

13 WHEREFORE, Complainant prays that a hearing be
14 conducted on the allegations of this Accusation and that upon
15 proof thereof, a decision be rendered imposing disciplinary
16 action against all licenses and license rights of Respondents
17 under the Real Estate Law (Part 1 of Division 4 of the Business
18 and Professions Code), and for such other and further relief as
19 may be proper under other provisions of law.
20

21 
22 J. CHRIS GRAVES
23 Deputy Real Estate Commissioner

24 Dated at San Diego, California,
25 this 23rd day of August, 2006
26
27