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DEPARTMENT OF REAL ESTATE
By R. Mar

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) NO. H-4243 SD
13 DME PARTNERS, INC. and)
14 DONNA LEIGH SANFILIPPO,) ACCUSATION
15 Respondents.)

16 The Complainant, JOSEPH AIU, in his official capacity as a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation against DME PARTNERS, INC.,
18 (hereinafter "DME") and DONNA LEIGH SANFILIPPO (hereinafter "SANFILIPPO")
19 (collectively referred to herein as "Respondents") is informed and alleges as follows:

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21 DME is presently licensed by the Department of Real Estate (hereinafter "the
22 Department") and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the
23 Business and Professions Code (hereafter "the Code"), as a corporate real estate broker, and at all
24 times relevant herein was acting by and through SANFILIPPO as its designated officer broker.

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26 At all times relevant herein, DME had the fictitious business names "DME Financial
27 Group" and "Weichert Realtors Elite" registered with the Department.

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SANFILIPPO is presently licensed by the Department and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code, as a real estate broker.

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At all times relevant herein, SANFILIPPO was licensed by the Department as the designated officer broker of DME, and in that capacity was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of DME for which a real estate license is required.

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

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At all times herein mentioned, DME engaged in the business of, acted in the capacity of, advertised, or assumed to act as a corporate real estate broker within the State of California on behalf of others, for compensation or in expectation of compensation within the meaning of:

- (a) Section 10131(a) of the Code, including the operation and conduct of a real estate brokerage that included the sale or offer of sale, purchase or offer of purchase, solicitation of prospective sellers and purchasers of, solicitation or obtaining listings of, or negotiations of the purchase, sale or exchange of real property or a business opportunity; and
- (b) Section 10131(d) of the Code in the operation of a mortgage loan brokerage, wherein DME solicited borrowers or lenders for or negotiated loans or collected payments or performed services for borrowers or lenders or note owners in connection with loans

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1 secured directly or collaterally by liens on real property or on a business opportunity,
2 and wherein DME arranged, negotiated, processed, and consummated such loans.

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4 FIRST CAUSE OF ACTION

5 Audit Violations

6 As Against DME

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8 Each and every allegation in Paragraphs 1 through 6, inclusive, above, is
9 incorporated by this reference as if fully set forth herein.

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11 Beginning on or about April 19, 2010, and continuing intermittently until September
12 30, 2010, an audit was conducted at the Department of Real Estate's Los Angeles District Office
13 location and at DME's main office located at 8954 Rio San Diego, Suite 201, San Diego,
14 California, wherein the Auditor examined DME's records for the period of November 1, 2008
15 through March 31, 2010 (hereinafter "the audit period").

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17 While acting as a corporate real estate broker as described in Paragraph 6; above, and
18 within the audit period, DME accepted or received funds in trust (hereinafter "trust funds") from or
19 on behalf of sellers, buyers, borrowers, lenders, and/or others in connection with loans secured
20 directly or collaterally by liens on real property or on a business opportunity, and in connection with
21 the sale of residential property, for or in expectation of compensation, as alleged herein, and
22 thereafter from time-to-time made disbursements of said trust funds.

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24 The trust funds accepted or received by DME as described in Paragraph 9, above,
25 were deposited or caused to be deposited by DME into a general bank account maintained by DME
26 for the handling of DME's funds ("Bank Account #1"), and thereafter from time-to-time DME
27 made disbursements of said trust funds.

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In the course of the activities described in Paragraph 6, above, and within the audit period, DME:

- (a) failed to place funds accepted on behalf of another, in the form of credit and appraisal fees, into the hands of the owner of the funds, into a neutral escrow depository or into a trust fund account in the name of the broker, or in a fictitious name if the broker is the holder of a license bearing such fictitious name, as trustee at a bank or other financial institution not later than three business days following receipt of the funds by the broker, in violation of Section 10145 of the Code and Section 2832 of Title 10 of the California Code of Regulations (hereinafter "the Regulations"), for transactions including, but not limited to, the following:

Borrower	Loan No.	Funds Received	Credit/Appraisal Fee
Murtie	0000600952	11/06/08	\$15.42
Huynh	74100004812	11/18/08	\$11.21 / \$100
Cooper	7410004809	11/18/08	\$26.21
Gaxiola	000600239	10/31/08	\$15.42
Macedo	00000116633	08/13/08	\$350

- (b) failed to record earnest money deposits received on behalf of another on a record of trust funds received and not placed into a trust account, in violation of Section 10145 of the Code and Section 2831 of the Code, for the following transactions:

Name	Date	Amount
Portugal	12/04/09	\$5,000
Manfedonia	11/19/09	\$2,000

- (c) failed to maintain a columnar record of all trust funds, in the form of credit report and appraisal fees, received and disbursed for Bank Account #1, in

1 connection with DME's mortgage loan activities, in violation of Section
2 10145 of the Code and Section 2831 of the Regulations;

- 3 (d) failed to maintain separate records for each beneficiary of trust funds
4 accepted or received for Bank Account #1, in violation of Section 10145 of
5 the Code and Section 2831.1 of the Regulations;
- 6 (e) failed to reconcile the total of separate beneficiary records with a control
7 record on at least a monthly basis, for Bank Account #1 in violation of
8 Section 10145 of the Code and Section 2831.2 of the Regulations;
- 9 (f) caused, suffered or permitted money of others, trust funds, which were
10 received and held by Respondent in Bank Account #1 to be commingled with
11 Respondent's own money, in violation of Section 10176(e) of the Code and
12 Section 2835 of the Regulations; and
- 13 (g) failed to provide and/or provided incomplete and/or inaccurate Mortgage
14 Loan Disclosure Statements (MLDS) to borrowers containing all of the
15 information required by Section 10241 of the Code, in violation of Section
16 10240(a) of the Code and Section 2840 of the Regulations, for transactions,
17 including, but not limited to the following:

- 18 i. The MLDS was not signed by the broker and/or agents
19 negotiating the loan, and the MLDS did not contain the license
20 number of the broker and/or agent, for the following transactions:

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Borrower	Loan Number	Date Closed
Murtie	0000600952	11/06/08
Huynh	7410004812	11/18/08
Cooper	7410004809	11/18/08
Pierce	199799746	10/08/08
Rudolph	0000637662	03/20/09
Alkhouri	3809110834	12/18/09
Gaxiola	0000600239	10/31/08
Macedo	00000011633	08/13/08

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1 ii. The MLDS did not include a disclosure that rebates from
2 lenders were received, for the following transactions:

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Borrower	Loan Number	Date Closed	Rebate
Murtie	0000600952	11/06/08	\$4,520.25
Freeman	0000637663	06/01/09	\$45.59

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7 The acts and/or omissions of Respondents as alleged in Paragraph 11, above,
8 constitute grounds for the discipline of all licenses and license rights of Respondents pursuant to
9 Section 10177(d) (Willful Disregard/Violation of Real Estate Law), or in the alternative Section
10 10177(g) (Negligence/Incompetence in Performing Act Requiring License) of the Code.

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12 The acts and/or omissions of Respondents as alleged in Paragraph 11, above, entitle
13 the Department to reimbursement of the costs of its audit pursuant to Section 10148(b)
14 (Reimbursement for Cost of Audit for Trust Fund Handling Violation) of the Code.

15 SECOND CAUSE OF ACTION

16 Failure to Supervise

17 As Against SANFILIPPO as Designated Officer Broker of DME

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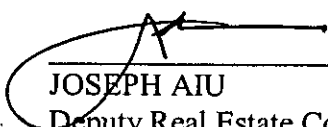
19 Each and every allegation in Paragraphs 1 through 13, inclusive, above, is
20 incorporated by this reference as if fully set forth herein.

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22 SANFILIPPO, as the designated officer broker of DME, was required to exercise
23 reasonable supervision and control over the activities of DME. SANFILIPPO failed to exercise
24 reasonable supervision over the acts and/or omissions of DME in such a manner as to allow the acts
25 and/or omissions as described in Paragraph 11, above, to occur, all in violation of Section 10159.2
26 (Reasonable Supervision by Designated Officer) of the Code and Section 2725 (Reasonable
27 Supervision by Broker) of the Regulations, which constitutes cause for the discipline of all licenses

1 and license rights of SANFILIPPO under Section 10177(d) (Willful Disregard/Violation of Real
2 Estate Law) or in the alternative Section 10177(g) (Negligence/Incompetence in Performing Act
3 Requiring License), and Section 10177(h) (Failure to Exercise Reasonable Supervision) of the
4 Code.

5 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
6 this Accusation and that upon proof thereof a decision be rendered imposing disciplinary action
7 against all licenses and license rights of all Respondents named herein under the Real Estate Law
8 (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as
9 may be proper under other provisions of law.

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13 JOSEPH AIU
Deputy Real Estate Commissioner

14 Dated at San Diego, California,
15 this 12 day of September, 2011.
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