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**FILED**

OCT 26 2020

DEPT. OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11  
12 In the Matter of the Accusation of ) No.H-05180 SD  
13 DOLAN GADDI LENDING, INC.; ) ACCUSATION  
14 CHRISTOPHER EDWARD CARL DOLAN, )  
15 designated officer of Dolan Gaddi Lending, Inc.;) )  
16 and ) )  
17 PETER CHRISTOPHER GADDI, ) )  
18 designated officer of Dolan Gaddi Lending, Inc.,) )  
19 ) )  
20 Respondents. ) )  
21 ) )

22 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
23 State of California, for cause of Accusation against Respondent DOLAN GADDI LENDING,  
24 INC.; CHRISTOPHER EDWARD CARL DOLAN; and PETER CHRISTOPHER GADDI  
25 (collectively, "Respondents"), is informed and alleges as follows:  
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1.

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, makes this Accusation in her official capacity.

2.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

**DRE LICENSE HISTORY**

**RESPONDENT REC DOLAN GADDI LENDING, INC.**

3.

DOLAN GADDI LENDING, INC. ("DGLI" or "Respondent DGLI") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate broker ("REB") (corporation), Department of Real Estate ("Department" or "DRE") license ID 01916937.

4.

According to DRE records to date, DGLI was first licensed by the Department as a REB on or about July 10, 2012.

5.

According to DRE records to date, DGLI's mailing and main address of record are the same: 1931 Kellogg Avenue, Carlsbad, CA 92008 ("Kellogg address"); DGLI has two (2) active DBAs under its REB license, for DG Funding, active as of September 4, 2015 and for San Diego Homes & Realty, active as of April 2, 2013; DGLI has ten (10) real estate salespersons ("RES") employed under its REB license; and no branch offices.

6.

According to DRE records to date, DGLI's current designated officers ("D.O.") of record are CHRISTOPHER EDWARD CARL DOLAN, until his officer affiliation expiration

1 date of June 3, 2023 and PETER CHRISTOPHER GADDI, until his officer affiliation expiration  
2 date of July 9, 2024.

3 7.

4 According to DRE records to date, DGLI's REB license will expire on July 9,  
5 2024.

6 8.

7 According to DRE records to date, DGLI also has a Nationwide Multistate  
8 Licensing System ("NMLS") mortgage loan originator ("MLO") license endorsement, NMLS ID  
9 918742.

10 9.

11 At all times mentioned herein, Respondent DGLI engaged in the performance of  
12 activities requiring a real estate license pursuant to Code Section 10130, and acted and ordered,  
13 caused, authorized or participated in licensed activities within the meaning of Code Section  
14 10131.

15 **RESPONDENT REB CHRISTOPHER EDWARD CARL DOLAN**

16 10.

17 CHRISTOPHER EDWARD CARL DOLAN ("DOLAN" or "Respondent  
18 DOLAN") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of  
19 Division 4 of the Code as a REB, DRE license ID 01912017.

20 11.

21 According to DRE records to date, DOLAN was first licensed by the Department  
22 as a REB on or about September 20, 2012.

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1 12.

2 According to DRE records to date, DOLAN's mailing and main address of record  
3 are the same: 7040 Avenida Encinas, Ste. 201, Carlsbad, CA 92011 ("Encinas address") and  
4 DOLAN has no DBAs, branch offices or RES under his REB license.

5 13.

6 According to DRE records to date, DOLAN is a D.O. for DGLI until his officer  
7 expiration date of June 3, 2023.

8 14.

9 According to DRE records to date, DOLAN's license will expire on November  
10 13, 2021.

11 15.

12 According to DRE records to date, also DOLAN also holds a NMLS MLO license  
13 endorsement, NMLS ID 270548.

14 16.

15 At all times mentioned herein, Respondent DOLAN engaged in the performance  
16 of activities requiring a real estate license pursuant to Code Section 10130, and acted and  
17 ordered, caused, authorized or participated in licensed activities within the meaning of Code  
18 Section 10131.

19 **RESPONDENT REB PETER CHRISTOPHER GADDI**

20 17.

21 PETER CHRISTOPHER GADDI ("GADDI" or "Respondent GADDI") is  
22 presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the  
23 Code as a REB, DRE license ID 01866919.

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1 18.

2 According to DRE records to date, GADDI was first licensed by the Department  
3 as a RES on June 30, 2009 and as a REB on or about February 28, 2012.

4 19.

5 According to DRE records to date, GADDI's mailing address of record is: 1244  
6 Holmgrove Drive, San Marcos, CA 92087 ("Holmgrove address") and GADDI's main address of  
7 record is the same Kellogg address as DGLI, and GADDI has no DBAs, branch offices or RES  
8 under his REB license.

9 20.

10 According to DRE records to date, GADDI is a D.O. for DGLI until his officer  
11 expiration date of July 9, 2024.

12 21.

13 According to DRE records to date, GADDI's license will expire on February 27,  
14 2024.

15 22.

16 According to DRE records to date, GADDI also holds a NMLS MLO license  
17 endorsement, NMLS ID 785377.

18 23.

19 At all times mentioned herein, Respondent GADDI engaged in the performance of  
20 activities requiring a real estate license pursuant to Code Section 10130, and acted and ordered,  
21 caused, authorized or participated in licensed activities within the meaning of Code Section  
22 10131.

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1 **[Unlicensed] Martin Joseph Kane**

2 24.

3 Martin Joseph Kane (“Kane” or “Respondent Kane”) is not presently licensed and  
4 has no license rights.

5 25.

6 According to DRE records to date, Kane was originally licensed by the DRE as a  
7 restricted RES (“RRES”), DRE license ID 01237696, on or about October 9, 1998 in DRE Case  
8 No. H-02434 SD. On or about March 2, 2010, Kane’s petition for the restriction to be removed  
9 from his RRES license was denied.

10 26.

11 On or about April 26, 2016, Kane’s RRES expired.

12 **FACTS DISCOVERED BY THE DEPARTMENT**

13 27.

14 **Anonymous Consumer Complaint**

15 On or about October 8, 2019, the DRE received a consumer complaint regarding  
16 Kane’s solicitation of customers for mortgage refinancing. The complaint indicated that Kane  
17 included on his solicitation e-mails a DRE license ID that is expired and a NMLS ID that belongs  
18 to DG Funding.

19 28.

20 **Kane’s Profile on DG Funding’s Website**

21 According to a July 17, 2020 printout from <https://www.dgfunding.com/meet-the->  
22 [team](#), Kane appears on the team roster as a “Transaction Coordinator.” According to a  
23 September 8, 2020 printout from <https://www.dgfunding.com/profile/martin-kane/> of Kane’s  
24 profile page, Kane’s telephone number is 858-334-5750; his e-mail address is

1 [martin@dgfunding.com](mailto:martin@dgfunding.com); and he has both an NMLS ID and a DRE ID, as he has listed on his  
2 profile both “NMLS 918742” and “BRE 01916937.”<sup>1</sup>

3 29.

4 Kane’s Correspondence with “Angie Gomez” via [martin@dgfunding.com](mailto:martin@dgfunding.com)

5 A. On May 6, 2020, “Angie Gomez” ([adgomez174@gmail.com](mailto:adgomez174@gmail.com)) emailed Kane at  
6 the e-mail address listed on his online DG Funding profile page ([martin@dgfunding.com](mailto:martin@dgfunding.com)) and  
7 requested information about refinancing a loan for her mother. “Angie Gomez” asked Kane what  
8 the rates are on a \$450,000 loan and how much a credit check would cost. Additionally, “Angie  
9 Gomez” inquired about Kane’s commission and whether she could pay using a credit card. Kane  
10 responded to “Angie Gomez” on the same day and indicated that a starting point would be to  
11 obtain a copy of her mother’s mortgage situation. Kane informed “Angie Gomez” as to the  
12 current 30-year fixed rate was, and what closing costs would amount to for a refinance. Kane  
13 indicated that normal closing costs for a refinance would be \$4,000, which would be added to the  
14 loan amount, and that the only upfront cost (for her) would be \$500 for the appraisal. Kane  
15 offered to provide rate options and explained that there would be points if she wanted a lower  
16 rate. Kane’s e-mail signature block included “NMLS 918742” and “BRE Lic. No. 01237696.”

17 B. On May 7, 2020, “Angie Gomez” sent Kane a follow-up email to request a  
18 loan form, to which Kane responded on the same day that he normally completes the loan  
19 application after the consumer sends him all the application information, and indicated he would  
20 need information/documentation such as income, credit, housing information, address, full name,  
21 Social Security Number, date of birth, a mortgage statement, and homeowners insurance. Kane  
22 represented to “Angie Gomez” that once he completes the application, he will e-mail it for  
23

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24 <sup>1</sup> Between July 1, 2013 and June 30, 2018, the Department of Real Estate operated as the Bureau of Real Estate  
25 (“BRE”).

1 signature via e-Sign. Within the same e-mail, Kane indicated that he does not “submit loans that  
2 aren’t going to be approved.”

3 30.

4 Kane’s Employment with DGLI

5 A. On May 27, 2020, the DRE sent a letter to GADDI requesting information  
6 regarding Kane’s employment relationship with DGLI. On or about June 11, 2020, GADDI  
7 submitted his written and documentary response, including affirmation that Kane “has been  
8 employed with DG Funding since 2013 in a loan coordinator/marketing position.”

9 B. Included in GADDI’s June 11, 2020 response to the DRE was a copy of the  
10 signed “Independent Contractor Agreement (Processing)” (“ICA”) dated May 1, 2013 between  
11 Kane (as “Independent Contractor”) and DGLI (as “Company”). According to the ICA, as of  
12 May 1, 2013, Kane commenced working under DGLI as a loan processor and provided “services  
13 as a representative of Company for the processing of real estate loans and related real estate  
14 activities.” Paragraph 4. of the ICA required that, “Independent Contractor agrees to maintain a  
15 valid mortgage and/or real estate license, per Company guidelines, for all states where  
16 Independent Contractor provides services to Company during the term of this Agreement. (If  
17 applicable)”

18 31.

19 Kane’s DGLI Compensation

20 According to the 2019 1099-MISC provided by GADDI to the DRE, Kane was  
21 paid \$108,906 by DGLI in tax year 2019.

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1 collects rents from real property, or improvements thereon, or from business  
2 opportunities.

3 (c) Assists or offers to assist in filing an application for the purchase or lease of,  
4 or in locating or entering upon, lands owned by the state or federal government.

5 (d) Solicits borrowers or lenders for or negotiates loans or collects payments or  
6 performs services for borrowers or lenders or note owners in connection with  
7 loans secured directly or collaterally by liens on real property or on a business  
8 opportunity.

9 (e) Sells or offers to sell, buys or offers to buy, or exchanges or offers to exchange  
10 a real property sales contract, or a promissory note secured directly or collaterally  
11 by a lien on real property or on a business opportunity, and performs services for  
12 the holders thereof.”

13 **Unlawful Retention or Payment of Compensation - Code Section 10137**

14 34.

15 Pursuant to Code Section 10137 *Unlawful Retention or Payment of Compensation*

16 – *Penalty:*

17 “It is unlawful for any licensed real estate broker to employ or compensate,  
18 directly or indirectly, any person for performing any of the acts within the scope of this chapter  
19 who is not a license real estate broker, or a real estate salesperson licensed under the broker  
20 employing or compensating him or her, or to employ or compensate, directly or indirectly, any  
21 licensee for engaging in any activity for which a mortgage loan originator license endorsement is  
22 required, if that licensee does not hold a mortgage loan originator license endorsement; provided,  
23 however, that a licensed real estate broker may pay a commission to a broker of another state.  
24 No real estate salesperson shall be employed by or accept compensation for activity requiring a  
25 real estate license from any person other than the broker under whom he or she is at the time  
26  
27

1 licensed. It is unlawful for any licensed real estate salesperson to pay any compensation for  
2 performing any of the acts within the scope of this chapter to any real estate licensee except  
3 through the broker under whom he or she is at the time licensed. For a violation of any of the  
4 provisions of this section, the commissioner may temporarily suspend or permanently revoke the  
5 license of the real estate licensee, in accordance with the provisions of this part relating to  
6 hearings.”

7 **Broker Supervision – Code Section 10159.2 and Regulation 2725**

8 35.

9 Pursuant to Code Section 10159.2 *Responsibility of Corporate Officer in Charge:*

10 “(a) The officer designated by a corporate broker licensee pursuant to Section  
11 10211 shall be responsible for the supervision and control of the activities conducted on behalf  
12 of the corporation by its officers and employees as necessary to secure full compliance with the  
13 provisions of this division, including the supervision of salespersons licensed to the corporation  
14 in the performance of acts for which a real estate license is required.

15 (b) A corporate broker licensee that has procured additional licenses in accordance  
16 with Section 10158 through officers other than the officer designated pursuant to Section 10211  
17 may, by appropriate resolution of its board of directors, assign supervisory responsibility over  
18 salespersons licensed to the corporation to its broker-officers.

19 (c) A certified copy of any resolution of the board of directors assigning  
20 supervisory responsibility over real estate salespersons licensed to the corporation shall be filed  
21 with the Real Estate Commissioner within five days after the adoption or modification thereof.”

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Pursuant to Regulation 2725 *Broker Supervision*:

“A broker shall exercise reasonable supervision over the activities of his or her salespersons. Reasonable supervision includes, as appropriate, the establishment of policies, rules, procedures and systems to review, oversee, inspect and manage:

- (a) Transactions requiring a real estate license.
- (b) Documents which may have a material effect upon the rights or obligations of a party to the transaction.
- (c) Filing, storage and maintenance of such documents.
- (d) The handling of trust funds
- (e) Advertising of any service for which a license is required.
- (f) Familiarizing salespersons with the requirements of federal and state laws relating to the prohibition of discrimination.
- (g) Regular and consistent reports of licensed activities of salespersons.

The form and extent of such policies, rules, procedures and systems shall take into consideration the number of salespersons employed and the number and location of branch offices. A broker shall establish a system for monitoring compliance with such policies, rules, procedures and systems. A broker may use the services of brokers and salespersons to assist in administering the provisions of this section so long as the broker does not relinquish overall responsibility for supervision of the acts of salespersons licensed to the broker.”

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1 41.

2 In the course of the activities described above, and based on the facts discovered  
3 by the Department, also described above, the acts and/or omissions of Respondents **DOLAN**  
4 **GADDI LENDING INC., CHRISTOPHER EDWARD CARL DOLAN, and PETER**  
5 **CHRISTOPHER GADDI**, in their employ and compensation of Martin Joseph Kane, to  
6 perform real estate activities for which a mortgage loan originator license endorsement is  
7 required, when Kane did not in fact hold a mortgage loan originator license endorsement, are in  
8 violation of **Code Section 10137 (unlawful retention or payment of compensation)** and  
9 constitute cause for the suspension or revocation of all licenses and license rights of Respondents  
10 DGLI, DOLAN and GADDI under the Real Estate Law.

11 42.

12 In the course of the activities described above, and based on the facts discovered  
13 by the Department, also described above, the acts and/or omissions of Respondents  
14 **CHRISTOPHER EDWARD CARL DOLAN and PETER CHRISTOPHER GADDI** are in  
15 violation of **Code Sections 10159.2 and 10177(h) and Regulation 2725 (failure to exercise**  
16 **reasonable supervision over DGLI's activities)**, and constitute cause for the suspension or  
17 revocation of all licenses and license rights of Respondents DOLAN and GADDI under the Real  
18 Estate Law.

19 COSTS

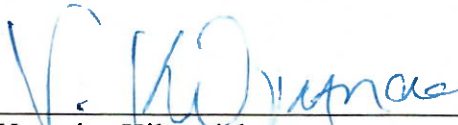
20 43.

21 **Code Section 10106** provides, in pertinent part that in any order issued in  
22 resolution of a disciplinary proceeding before the Department, the Commissioner may request the  
23 administrative law judge to direct a licensee found to have committed a violation of this part to  
24 pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

1           WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this  
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action  
3 against all the licenses and license rights of Respondents DOLAN GADDI LENDING, INC.,  
4 CHRISTOPHER EDWARD CARL DOLAN, and PETER CHRISTOPHER GADDI under the  
5 Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other  
6 and further relief as may be proper under other applicable provisions of law.

7 Dated at San Diego, California

8 this 19 day of October 2020.

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12 \_\_\_\_\_  
13 Veronica Kilpatrick  
14 Supervising Special Investigator  
15

16 cc: DOLAN GADDI LENDING, INC.  
17 CHRISTOPHER EDWARD CARL DOLAN  
18 PETER CHRISTOPHER GADDI  
19 V. Kilpatrick  
20 Sacto.  
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