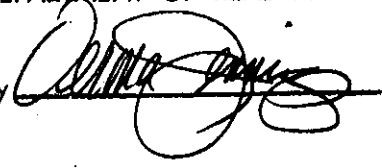


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DEPARTMENT OF REAL ESTATE

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DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-28982 LA
	)	
RUTH GEORGENNE FARIAS,	)	
	)	
Respondent.	)	

ORDER SUSPENDING REAL ESTATE LICENSE

TO: RUTH GEORGENNE FARIAS

Effective September 17, 2001, the real estate broker licenses and license rights of RUTH GEORGENNE FARIAS were suspended for a period of ninety (90) days, provided, however, that sixty (60) days of the 90-day suspension was stayed for two years upon terms and conditions. Additional conditions included the following:

1. Pursuant to Section 10148 of the Business and Professions Code, Respondent was to pay the Commissioner's reasonable cost for (a) the audits which led to this disciplinary action and (b) a subsequent audit to determine if Respondent is in compliance with the Real Estate Law.

1  
2 2. The cost of the audit which led to this  
3 disciplinary action is \$3,205.22.

4 3. The cost of the follow-up audit is \$2,796.10.

5 4. Respondent was to pay such costs within 60 days of  
6 receiving an invoice from the Commissioner detailing the  
7 activities performed during the audit and the amount of time  
8 spent performing those activities.

9 5. If payment is not timely made as provided, or as  
10 provided in a subsequent agreement, the Commissioner may suspend  
11 Respondent's license.

12 6. The suspension shall remain in effect until payment  
13 is made in full or until Respondent enters into an agreement to  
14 provide for payment, or until a decision providing otherwise is  
15 adopted following a hearing.

16 The Commissioner has determined that as of this date,  
17 Respondent has failed to satisfy these conditions, and as such,  
18 is in violation of the terms and conditions as described above.

19  
20 NOW, THEREFORE, IT IS ORDERED that the stay of the  
21 suspension of the real estate licenses of Respondent RUTH  
22 GEORGENNE FARIAS is hereby vacated and set aside, and that the  
23 broker license is suspended until such time as Respondent  
24 provides proof satisfactory to the Department of compliance with  
25 the conditions referred to above, or pending final determination  
26 made after hearing (see "Hearing Rights" set forth below).  
27

1 IT IS FURTHER ORDERED that all license certificates and  
2 identification cards issued by the Department which are in the  
3 possession of Respondent be immediately surrendered by personal  
4 delivery or by mailing in the enclosed, self-addressed envelope  
5 to:


6 Department of Real Estate  
7 Attn: Flag Section  
8 P. O. Box 187000  
9 Sacramento, CA 95818-7000

10 Hearing Rights: You have the right to a hearing to  
11 contest the Commissioner's determination that you are in  
12 violation of the Stipulation and Agreement. If you desire a  
13 hearing, you must submit a written request. The request may be  
14 in any form, as long as it is in writing and indicates that you  
15 want a hearing. Unless a written request for a hearing, signed  
16 by or on behalf of you, is delivered or mailed to the Department  
17 at 320 W. Fourth St., Room 350, Los Angeles, CA. 90013, within 20  
18 days after the date that this Order was mailed to or served on  
19 you, the Department will not be required to furnish you a  
20 hearing.

21 This Order shall be effective immediately.

22 DATED: March 25, 2004.

23 JOHN R. LIBERATOR  
24 Acting Real Estate Commissioner

25   
26 \_\_\_\_\_  
27

1 ELLIOTT MAC LENNAN, SBN 66674  
Department of Real Estate  
2 320 West 4th Street, Ste. 350  
Los Angeles, California 90013-1105

3 Telephone: (213) 576-6911 (direct)  
4 -or- (213) 576-6982 (office)

FILED  
AUG 28 2001  
DEPARTMENT OF REAL ESTATE  
By K. Medeiros

8 THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) DRE No. H-28982 LA  
12 RUTH GEORGENNE FARIAS, )  
13 )  
14 Respondent. ) STIPULATION  
15 ) AND  
 ) AGREEMENT  
 )

16 It is hereby stipulated by and between RUTH GEORGENNE  
17 FARIAS (sometimes referred to as "Respondent"), represented by  
18 Scott I. Richards, Esq., and the Complainant, acting by and  
19 through Elliott Mac Lennan, Counsel for the Department of Real  
20 Estate, as follows for the purpose of settling and disposing of  
21 the Accusation filed on March 2, 2001, in this matter:

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

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

3           2. Respondent has received, read and understands the  
4 Statement to Respondent, the Discovery Provisions of the APA and  
5 the Accusation filed by the Department of Real Estate in this  
6 proceeding.

7           3. Respondent filed a Notice of Defense pursuant to  
8 Section 11506 of the Government Code for the purpose of  
9 requesting a hearing on the allegations in the Accusation.  
10 Respondent hereby freely and voluntarily withdraws said Notice of  
11 Defense. Respondent acknowledges that she understands that by  
12 withdrawing said Notice of Defense she thereby waives her right to  
13 require the Commissioner to prove the allegations in the  
14 Accusation at a contested hearing held in accordance with the  
15 provisions of the APA and that she will waive other rights  
16 afforded to her in connection with the hearing such as the right  
17 to present evidence in her defense of the allegations in the  
18 Accusation and the right to cross-examine witnesses.

19           4. This Stipulation is based on the allegations  
20 contained in the Accusation. In the interest of expedience and  
21 economy, Respondent chooses not to contest these allegations, but  
22 to remain silent and understands that, as a result thereof, these  
23 allegations, without being admitted or denied, will serve as a  
24 prima facie basis for the disciplinary action stipulated to  
25 herein. The Real Estate Commissioner shall not be required to  
26 provide further evidence to prove said allegations.

27

1           5. This Stipulation is based on Respondent's decision  
2 not to contest the allegations set forth in the Accusation as a  
3 result of the agreement negotiated between the parties. This  
4 Stipulation is expressly limited to this proceeding and any  
5 further proceeding initiated by or brought before the Department  
6 of Real Estate based upon the facts and circumstances alleged in  
7 the Accusation, and is made for the sole purpose of reaching an  
8 agreed disposition of this proceeding without a hearing. The  
9 decision of Respondent not to contest the allegations is made  
10 solely for the purpose of effectuating this Stipulation. It is  
11 the intent and understanding of the parties that this Stipulation  
12 shall not be binding or admissible against Respondent in any  
13 actions against Respondent by third parties.

14           6. It is understood by the parties that the Real  
15 Estate Commissioner may adopt this Stipulation as her Decision in  
16 this matter thereby imposing the penalty and sanctions on  
17 Respondent's real estate license and license rights as set forth  
18 in the "Order" herein below. In the event that the Commissioner,  
19 in her discretion, does not adopt the Stipulation, it shall be  
20 void and of no effect and Respondent shall retain the right to a  
21 hearing and proceeding on the Accusation under the provisions of  
22 the Administrative Procedures Act and shall not be bound by any  
23 stipulation or waiver made herein.

24           7. The Order or any subsequent Order of the Real  
25 Estate Commissioner made pursuant to this Stipulation shall not  
26 constitute an estoppel, merger or bar to any further  
27 administrative or civil proceedings by the Department of Real

1 Estate with respect to any matters which were not specifically  
2 alleged to be causes for Accusation in this proceeding but do  
3 constitute a bar, estoppel and merger as to any allegations  
4 actually contained in the Accusation against Respondent herein.

5           8. This stipulation and the order made pursuant to  
6 this stipulation shall have no collateral estoppel or res  
7 judicata effect in any proceeding(s) in which RUTH GEORGENNE  
8 FARIAS and the Department are not parties. This stipulation is  
9 made and accepted with the express understanding and agreement  
10 that it is for the purpose of settling these proceedings only,  
11 and is not intended as, nor shall be it be deemed, used, argued,  
12 or accepted as an acknowledgement or admission of fact in any  
13 other judicial, administrative, or other proceeding in which the  
14 Department is not a party.  
15

16           9. Respondent understands that by agreeing to this  
17 Stipulation, Respondent agrees to pay, pursuant to Business and  
18 Professions Code Section 10148, the cost of the audit of Home  
19 Services Unlimited, Inc. which led to this disciplinary action.  
20 The amount of said cost is \$3,205.22.

21           10. Respondent has received, read, and understands the  
22 "Notice Concerning Costs of Subsequent Audit". Respondent  
23 further understands that by agreeing to this Stipulation, the  
24 findings set forth below in the Determination of Issues become  
25 final, and the Commissioner may charge Respondent for the cost of  
26 any subsequent audit conducted pursuant to Business and  
27

1 Professions Code Section 10148 to determine if the violations  
2 have been corrected. The maximum cost of the subsequent audit  
3 will not exceed \$3,205.22.

4 DETERMINATION OF ISSUES

5  
6 By reason of the foregoing, it is stipulated and agreed  
7 that the following determination of issues shall be made:

8 The conduct of RUTH GEORGENNE FARIAS, as described in  
9 Paragraph 4, constitutes a violation of Business and Professions  
10 Code ("Code") Sections 10145, 10232, 10232.25 and 10229 and  
11 violations of Title 10, Chapter 6, California Code of Regulations  
12 Section 2832. This conduct is a basis for the suspension or  
13 revocation of Respondent's license pursuant to Section 10177(d)  
14 of the Business and Professions Code.

15 ORDER

16 WHEREFORE THE FOLLOWING ORDER IS HEREBY MADE:

17 All licenses and licensing rights of Respondent RUTH  
18 GEORGENNE FARIAS under the Real Estate Law suspended for a period  
19 of ninety (90) days from the effective date of this Decision;  
20 provided, however, that if Respondent petitions, the initial  
21 thirty (30) days of said suspension (or a portion thereof) shall  
22 be permanently stayed, if prior to the effective date of this  
23 Decision Respondent provides evidence satisfactory to the  
24 Commissioner that the trust fund deficit set forth in Audit  
25 Report LA 000202, in the amount of \$5,235,61, been cured,  
26  
27



1 including the identity of the source of funds used to cure it;  
2 and upon condition that:

3 1. Respondent pays a monetary penalty pursuant to  
4 Section 10175.2 of the Business and Professions Code at the rate  
5 of \$75 per day for each day of the suspension for a total  
6 monetary penalty of \$2,250.

7 2. Said payment shall be in the form of a cashier's  
8 check or certified check made payable to the Recovery Account of  
9 the Real Estate Fund. Said check must be received by the  
10 Department prior to the effective date of the Decision in this  
11 matter.

12 3. No further cause for disciplinary action against  
13 the real estate license of Respondent occurs within two (2) years  
14 from the effective date of the Decision in this matter.

15 4. If Respondent fails to pay the monetary penalty in  
16 accordance with the terms of the Decision, the Commissioner, may,  
17 without a hearing, order the immediate execution of all or any  
18 part of the stayed suspension, in which event the Respondent  
19 shall not be entitled to any repayment nor credit, prorated or  
20 otherwise, for money paid to the Department under the terms of  
21 this Decision.  
22

23 5. If Respondent pays the monetary penalty and if no  
24 further cause for disciplinary action against the real estate  
25 license of Respondent occurs within two years from the effective  
26

1 date of the Decision, the stay hereby granted shall become  
2 permanent

3 6. The remaining sixty (60) days of the ninety (90)  
4 day suspension shall be stayed for two (2) years upon the  
5 following terms and conditions:

6 (a) Respondent shall obey all laws, rules and regulations  
7 governing the rights, duties and responsibilities of a real  
8 estate licensee in the State of California; and

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

17  
18 7. Respondent RUTH GEORGENNE FARIAS shall, within nine  
19 (9) months from the effective date of this Decision, present  
20 evidence satisfactory to the Real Estate Commissioner that  
21 Respondent has, since the most recent issuance of an original or  
22 renewal real estate license, taken and successfully completed the  
23 continuing education requirements of Article 2.5 of Chapter 3 of  
24 the Real Estate Law for renewal of a real estate license. If  
25 Respondent fails to satisfy this condition, the Commissioner may  
26 order the suspension of the restricted license until the  
27

1 Respondent presents such evidence. The Commissioner shall afford  
2 Respondent the opportunity for a hearing pursuant to the  
3 Administrative Procedure Act to present such evidence.

4 8. Respondent RUTH GEORGENNE FARIAS shall within six  
5 (6) months from the effective date of this Decision, take and  
6 pass the Professional Responsibility Examination administered by  
7 the Department including the payment of the appropriate  
8 examination fee. If Respondent fails to satisfy this condition,  
9 the Commissioner may order suspension of the restricted license  
10 until respondent passes the examination.

11 9. Pursuant to Section 10148 of the Business and  
12 Professions Code, Respondent shall pay the Commissioner's  
13 reasonable cost for (a) the audits which led to this disciplinary  
14 action and (b) a subsequent audits to determine if Respondent  
15 RUTH GEORGENNE FARIAS are now in compliance with the Real Estate  
16 Law. The cost of the audit which led to this disciplinary action  
17 is \$3,205.22. In calculating the amount of the Commissioner's  
18 reasonable cost, the Commissioner may use the estimated average  
19 hourly salary for all persons performing audits of real estate  
20 brokers, and shall include an allocation for travel time to and  
21 from the auditor's place of work. Said amount for the prior and  
22 subsequent audits shall not exceed \$6,410.44.

24 Respondent shall pay such cost within 60 days of  
25 receiving an invoice from the Commissioner detailing the  
26  
27

1 activities performed during the audit and the amount of time  
2 spent performing those activities.

3 The Commissioner may suspend the license of Respondent  
4 pending a hearing held in accordance with Section 11500, et seq.,  
5 of the Government Code, if payment is not timely made as provided  
6 for herein, or as provided for in a subsequent agreement between  
7 the Respondent and the Commissioner. The suspension shall remain  
8 in effect until payment is made in full or until Respondent  
9 enters into an agreement satisfactory to the Commissioner to  
10 provide for payment, or until a decision providing otherwise is  
11 adopted following a hearing held pursuant to this condition.

12 10. Prior to the effective date of the Decision  
13 Respondent RUTH GEORGENNE FARIAS shall submit to the Department  
14 of Real Estate Quarterly Trust Fund Status Reports for the 2<sup>nd</sup>,  
15 3<sup>rd</sup>, and 4<sup>th</sup> quarters of 2001, as set forth in Issue 5 of Audit  
16 Report LA 000202, and Paragraph 9 of the Accusation.

17  
18 DATED: 8-14-01 E. J. L.  
19 ELLIOTT MAC LENNAN, Counsel for  
20 the Department of Real Estate

21 \* \* \*

22 I have read the Stipulation and Agreement, have  
23 discussed it with my counsel, and its terms are understood by me  
24 and are agreeable and acceptable to me. I understand that I am  
25 waiving rights given to me by the California Administrative  
26 Procedure Act (including but not limited to Sections 11506,  
27 11508, 11509 and 11513 of the Government Code), and I willingly,

intelligently and voluntarily waive those rights, including the  
right of requiring the Commissioner to prove the allegations in  
the Accusation at a hearing at which I would have the right to  
cross-examine witnesses against me and to present evidence in  
defense and mitigation of the charges.

Respondent RUTH GEORGINA FARIAS can signify acceptance  
and approval of the terms and conditions of this Stipulation and  
Agreement by faxing a copy of its signature page, as actually  
signed by Respondent, to the Department at the following  
telephonn/fax number: (213) 576-6917, Attention: Elliott Mac  
Lennan. Respondent agrees, acknowledges and understands that by  
electronically sending to the Department a fax copy of  
Respondent's actual signature as it appears on the Stipulation  
and Agreement, that receipt of the faxed copy by the Department  
shall be as binding on Respondent as if the Department had  
received the original signed Stipulation and Agreement.

18 DATED: Aug 9, 2001

Ruth G. Farias  
RUTH GEORGINA FARIAS, Respondent

19 DATED: 8/9/01

Scott I. Richards  
SCOTT I. RICHARDS  
Attorney for Respondent

1 intelligently and voluntarily waive those rights, including the  
2 right of requiring the Commissioner to prove the allegations in  
3 the Accusation at a hearing at which I would have the right to  
4 cross-examine witnesses against me and to present evidence in  
5 defense and mitigation of the charges.

6           Respondent RUTH GEORGENNE FARIAS can signify acceptance  
7 and approval of the terms and conditions of this Stipulation and  
8 Agreement by faxing a copy of its signature page, as actually  
9 signed by Respondent, to the Department at the following  
10 telephone/fax number: (213) 576-6917, Attention: Elliott Mac  
11 Lennan. Respondent agrees, acknowledges and understands that by  
12 electronically sending to the Department a fax copy of  
13 Respondent's actual signature as it appears on the Stipulation  
14 and Agreement, that receipt of the faxed copy by the Department  
15 shall be as binding on Respondent as if the Department had  
16 received the original signed Stipulation and Agreement.  
17

18 DATED: \_\_\_\_\_

\_\_\_\_\_  
RUTH GEORGENNE FARIAS, Respondent

19  
20 DATED: \_\_\_\_\_

\_\_\_\_\_  
SCOTT I. RICHARDS,  
Attorney for Respondent

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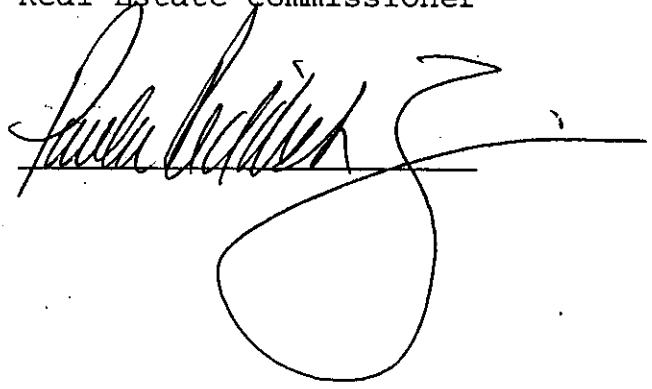
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\* \* \*

The foregoing Stipulation and Agreement is hereby  
adopted as my Decision and shall become effective at  
12 o'clock noon on September 17, 2001.

IT IS SO ORDERED August 22, 2001.

PAULA REDDISH ZINNE MANN  
Real Estate Commissioner



*Sacto*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

FILED  
JUL 16 2001  
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

RUTH GEORGENNE FARIAS,

By K. Niederholt

Case No. H-28982 LA

OAH No. L-2001050653

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 W. Fourth St., Ste. 630, Los Angeles, CA on August 14, 2001, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: July 16, 2001

By E. J. Li  
Counsel

cc: Ruth Georgenne Farias  
Scott Richards, Esq.  
Sacto  
OAH  
LF

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*Sacks  
Hary*

**FILED**  
MAR 2 2001  
DEPARTMENT OF REAL ESTATE

1 ELLIOTT MAC LENNAN, SBN 66674  
2 Department of Real Estate  
3 320 West 4th Street, Ste. 350  
4 Los Angeles, California 90013-1105

By Laura B. Crowe

5 Telephone: (213) 576-6911 (direct)  
6 -or- (213) 576-6082 (office)  
7

8 BEFORE THE DEPARTMENT OF REAL ESTATE.

9 STATE OF CALIFORNIA

10 \* \* \*

11	In the Matter of the Accusation of	)	No. H-28982 LA
12	RUTH GEORGENNE FARIAS, dba	)	<u>ACCUSATION</u>
13	the Loan Service Center, and	)	
14	Coastview Financial	)	
15	Respondent.	)	

16 The Complainant, Thomas McCrady, a Deputy Real Estate  
17 Commissioner of the State of California, acting in his official  
18 capacity, for cause of accusation against RUTH GEORGENNE FARIAS  
19 dba the Loan Service Center and Coastview Financial, is informed  
20 and alleges as follows:

21 1.

22 RUTH GEORGENNE FARIAS (FARIAS) sometimes referred to as  
23 Respondent, is presently licensed and/or has license rights under  
24 the Real Estate Law (Part 1 of Division 4 of the California  
25 Business and Professions Code).

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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.

3.

At all times mentioned, FARIAS was licensed or had license rights issued by the Department of Real Estate (Department) as a real estate broker. On July 9, 1980, FARIAS was originally licensed as a real estate salesperson. Since April 26, 1993, FARIAS has been licensed as a real estate broker.

4.

At all times mentioned, in the City of Tustin, County of Orange, State of California, FARIAS acted as real estate broker within the meaning of Section 10131(d) of the Code in that she operated as a mortgage loan broker and as a loan servicer dba the Loan Service Center. Although an active fictitious business name of FARIAS, Coastview Financial had no real estate activity during the audit period set forth in Paragraph 6.

5.

At all times mentioned, in connection with the activities described in Paragraph 4, FARIAS accepted or received funds in trust (trust funds) from or on behalf of borrowers and investor/lenders. Thereafter she made disposition of such funds. FARIAS maintained the following trust account for her broker licensed activities into which she deposited certain of these funds:

1 "Ruth Farias Henry Serrano dba The Loan Service Center  
Trust Account (T/A #1)  
2 Account No. 55460141"  
Peoples Bank of California  
3 1212 Valley View  
Garden Grove, California  
4

5 "Leslie Thomas dba The Loan Service Center  
Trust Account (T/A #2)  
Account No. 0030007026"  
6 Pacific Business Bank  
2019 Oranewood  
7 Orange, California  
8

9 6.

10 On January 26, 2001, the Department completed an audit  
11 examination of the books and records of FARIAS pertaining to the  
12 activities described in Paragraph 4 that require a real estate  
13 license. The audit examination covered a period of time  
14 beginning on December 1, 1999 and terminating on  
15 November 30, 2000. The audit examination revealed violations of  
16 the Code and the Regulations as set forth in the following  
17 paragraphs.

18 7.

19 With respect to the trust funds referred to in  
20 Paragraph 5, it is alleged that FARIAS:

21 (a) Permitted, allowed or caused the disbursement of  
22 trust funds from T/A #1, the trust fund used as a depository for  
23 the monthly payments and principal payoffs from borrowers  
24 received by The Loan Servicing Center, where the disbursement of  
25 funds reduced the total of aggregate funds in the T/A #1, to an  
26 amount which, on November 30, 2000, was \$5,109.51 less than the  
27 existing aggregate trust fund liability of FARIAS to every

1 principal who was an owner of said funds, without first obtaining  
2 the prior written consent of the owners of said funds, as  
3 required by Code Section 10145 and Regulation 2832.1. This  
4 shortage was caused in part by borrowers making mortgage payments  
5 with non-sufficient funds checks and was in part undeterminable;  
6 and

7 (b) Failed to place trust funds into a trust fund  
8 account in the name of the broker as trustee, as required by Code  
9 Section 10145 and Regulation 2832. T/A #1 was co-established in  
10 FARIAS' name and in the name of one of her two licensed  
11 salespersons, to wit, Henry Serrano.

12 8.

13 The conduct of Respondent FARIAS, described in  
14 Paragraph 7, above, violated the Code and the Regulations as set  
15 forth below:

16 PARAGRAPH

PROVISIONS VIOLATED

17 7(a)

Code Section 10145 and Regulation 2832.1

18  
19 7(b)

Code Section 10145 and Regulations 2832

20 The foregoing violations constitute cause for the suspension or  
21 revocation of the real estate license and license rights of  
22 FARIAS under the provisions of Code Section 10177(d).

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9.

The audit examination also revealed, that FARIAS met the criteria as a threshold broker pursuant to:

a) Code Section 10232(a)(1), by negotiating ten or more loan transactions secured directly or collaterally by liens on real property, in aggregate amount of \$1,000,000, within a twelve month period. FARIAS satisfied the threshold criteria as of September 29, 2000, by negotiating and closing fifteen loans valued at approximately \$1,200,000; and

b) Code Section 10232(a)(2), by collecting more than \$250,000 on behalf of owners of promissory notes secured directly or collaterally by liens on real property. FARIAS satisfied this second and independent threshold criteria by collecting \$320,000 in borrower payments.

Yet under either the negotiation or collection criteria, FARIAS failed to provide the Department with timely or accurate Quarterly and Annual Trust Fund Status Reports. This conduct constitutes a violation of and Code Sections 10232.2 and 10232.25, and is cause to suspend or revoke the real estate license and license rights of FARIAS under Code Section 10177(d).

10.

On or about, July 7, 2000, FARIAS made or arranged its first multi-lender transaction in the amount of \$200,000 for borrower Palm Apartments, Inc., 1109 W. San Bernardino Road, Covina, California on behalf of investor/lenders Leo Lowenkron and Noah Grange. FARIAS failed to submit a notice to the

1 Department with respect to The Loan Service Center's first multi-  
2 lender note secured directly by an interest in the same real  
3 property. This conduct constitutes a violation of Code Section  
4 10229(a) and is cause to suspend or revoke the real estate  
5 license and license rights of FARIAS under Code Section 10177(d).

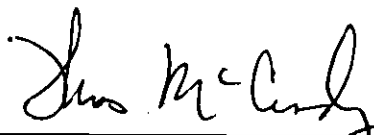
6 11.

7 The overall conduct of Respondent FARIAS constitutes  
8 negligence or incompetence. This conduct and violation are cause  
9 for the suspension or revocation of FARIAS' real estate license  
10 and license rights under Code Section 10177(g).

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

19  
20 Dated at Los Angeles, California

21 this 2nd day of March, 2001.

22   
23 \_\_\_\_\_  
24 Deputy Real Estate Commissioner

25 cc: Ruth Georgenne Farias  
26 Sacto  
27 LF  
TM  
Audits