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FILED  
JUN 12 2007  
DEPARTMENT OF REAL ESTATE

By C.2

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) No. H-31735 LA  
RUTH GEORGENNE FARIAS, )  
Respondent. )

FIRST AMENDED ORDER SUSPENDING REAL ESTATE LICENSE

TO: RUTH GEORGENNE FARIAS  
131 N. Tustin Avenue, Suite 210  
Tustin, CA 92780

On June 22, 2006, Respondent's real estate broker license was suspended by the Department of Real Estate on the terms, conditions and restrictions set forth in the Real Estate Commissioner's Order of May 24, 2006, in Case No. H-31735 LA. This Order, which was effective June 22, 2006, granted Respondent the right to the issuance of a restricted real estate broker license subject to the provisions of Section 10156.7 of the Business and Professions Code and to enumerated additional terms, conditions and

1 restrictions imposed under authority of Section 10156.6 of  
2 said Code. Among those terms, conditions and restrictions,  
3 Respondent was required to take and pass the Professional  
4 Responsibility Examination administered by the Department  
5 within six (6) months from June 22, 2006. The Commissioner  
6 has determined that Respondent has failed to satisfy these  
7 conditions, and as such, is in violation of Section 10177(k)  
8 of the Business and Professions Code. Respondent has no right  
9 to renew the restricted license if this condition is not  
10 satisfied by the date of its expiration (Section 10156.7 of  
11 the Business and Professions Code).

12 In addition to those terms, conditions and  
13 restrictions stated above, Respondent was further required,  
14 within nine (9) months from June 22, 2006, to present evidence  
15 satisfactory to the Real Estate Commissioner that Respondent  
16 has, since the most recent issuance of an original or renewal  
17 real estate license, taken and successfully completed the  
18 continuing education requirements of Article 2.5 of Chapter 3  
19 of the Real Estate Law for renewal of a real estate license.  
20 The Commissioner has determined that as of March 29, 2007,  
21 Respondent has failed to satisfy these conditions, and as  
22 such, is in violation of Section 10177(k) of the Business and  
23 Professions Code.  
24

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1 NOW, THEREFORE, IT IS ORDERED under authority of  
2 Section 10156.7 of the Business and Professions Code of the State  
3 of California that the restricted real estate broker license  
4 heretofore issued to Respondent and the exercise of any  
5 privileges thereunder is hereby suspended until such time as you  
6 provide proof satisfactory to the Department of compliance with  
7 the "conditions" referred to above, or pending final  
8 determination made after hearing (see "Hearing Rights" set forth  
9 below).

10 IT IS FURTHER ORDERED that all license certificates and  
11 identification cards issued by Department which are in the  
12 possession of Respondent be immediately surrendered by personal  
13 delivery or by mailing in the enclosed, self-addressed envelope  
14 to:

15  
16 Department of Real Estate  
17 Attn: Flag Section  
18 P. O. Box 187000  
19 Sacramento, CA 95818-7000

20 HEARING RIGHTS: Pursuant to the provisions of Section  
21 10156.7 of the Business and Professions Code, you have the right  
22 to a hearing to contest the Commissioner's determination that you  
23 are in violation of Section 10177(k). If you desire a hearing,  
24 you must submit a written request. The request may be in any  
25 form, as long as it is in writing and indicates that you want a  
26 hearing. Unless a written request for a hearing, signed by or on  
27 behalf of you, is delivered or mailed to the Department, at 320 W.  
4<sup>th</sup> Street, Room 350, Los Angeles California, within 20 days

1 after the date that this Order was mailed to or served on you,  
2 the Department will not be obligated or required to provide you  
3 with a hearing.

4 This Order shall be effective immediately.

5 DATED: 6-5-07

6  
7 JEFF DAVI  
8 Real Estate Commissioner

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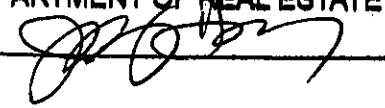
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APR - 5 2007

DEPARTMENT OF REAL ESTATE

BY: 

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )	
	) NO. H-31735 LA
	)
RUTH GEORGENNE FARIAS,	)
	)
Respondent.	)
_____)	

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

TO: NAME: RUTH GEORGENNE FARIAS

On June 22, 2006, respondent's real estate broker license was revoked with the right to a restricted license. On the same date, a restricted real estate broker license was issued by the Department of Real Estate to respondent on the terms, conditions and restrictions set forth in the Real Estate Commissioner's Order, in case No. H-31735 LA. This Order granted Respondent the right to the issuance of a restricted real estate broker license subject to the provisions of Section 10156.7 of the Business and Professions

1 Code and to enumerated additional terms, conditions and  
2 restrictions imposed under authority of Section 10156.6 of  
3 said Code. Among those terms, conditions and restrictions,  
4 Respondent was required to take and pass the Professional  
5 Responsibility Examination administered by the Department  
6 within six (6) months from June 22, 2006. The Commissioner  
7 has determined that Respondent has failed to satisfy these  
8 conditions, and as such, is in violation of Section 10177(k)  
9 of the Business and Professions Code. Respondent has no right  
10 to renew the restricted license if this condition is not  
11 satisfied by the date of its expiration (Section 10156.7 of  
12 the Business and Professions Code).

13                   NOW, THEREFORE, IT IS ORDERED under authority of  
14 Section 10156.7 of the Business and Professions Code of the  
15 State of California that the restricted real estate broker  
16 license heretofore issued to respondent and the exercise of  
17 any privileges thereunder is hereby suspended until such time  
18 as Respondent provides proof satisfactory to the Department of  
19 having taken and passed the Professional Responsibility  
20 Examination administered by the Department, as referred to  
21 above, or pending final determination made after hearing (see  
22 "Hearing Rights" set forth below).

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

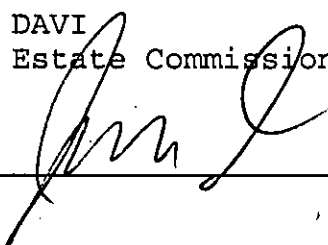
Department of Real Estate  
Attn: Flag Section  
P. O. Box 187000  
Sacramento, CA 95818-7000

HEARING RIGHTS: Pursuant to the provisions of Section 10156.7 of the Business and Professions Code, you have the right to a hearing to contest the Commissioner's determination that you are in violation of Section 10177(k). If you desire a hearing, you must submit a written request. The request may be in any form, as long as it is in writing and indicates that you want a hearing. Unless a written request for a hearing, signed by or on behalf of you, is delivered or mailed to the Department at 320 West Fourth Street, Suite 350, Los Angeles, California, within 20 days after the date that this Order was mailed to or served on you, the Department will not be obligated or required to provide you with a hearing.

This Order shall be effective immediately.

DATED: 3/21, 2007

JEFF DAVI  
Real Estate Commissioner

  
\_\_\_\_\_

FILED  
JUN - 2 2008  
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

5 Telephone: (213) 576-6911 (direct)  
6 -or- (213) 576-6982 (office)

By H. Meluhlo

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )	No. H-31735 LA
12 DANA CAPITAL GROUP INC.; )	<u>STIPULATION</u>
13 <u>RUTH GEORGENNE FARIAS,</u> )	<u>AND</u>
14 individually and as )	<u>AGREEMENT</u>
15 former designated officer of )	
16 Dana Capital Group Inc., )	
17 Respondents. )	

18 It is hereby stipulated by and between Respondent  
19 RUTH GEORGENNE FARIAS, individually and as former designated  
20 officer of Dana Capital Group Inc. (sometimes referred to as  
21 "Respondent"), represented by Yves Joseph, Esq. and the  
22 Complainant, acting by and through Elliott Mac Lennan, Counsel  
23 for the Department of Real Estate, as follows for the purpose of  
24 settling and disposing of the Accusation ("Accusation") filed on  
25 March 8, 2005, in this matter.  
26  
27



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

8           2. Respondent has received, read and understands the  
9 Statement to Respondent, the Discovery Provisions of the APA and  
10 the Accusation filed by the Department of Real Estate in this  
11 proceeding.

12           3. Respondent timely filed a Notice of Defense  
13 pursuant to Section 11506 of the Government Code for the purpose  
14 of requesting a hearing on the allegations in the Accusation.  
15 Respondent hereby freely and voluntarily withdraws said Notice of  
16 Defense. Respondent acknowledges that she understands that by  
17 withdrawing said Notice of Defense she thereby waives her right  
18 to require the Commissioner to prove the allegations in the  
19 Accusation at a contested hearing held in accordance with the  
20 provisions of the APA and that she will waive other rights  
21 afforded to her in connection with the hearing such as the right  
22 to present evidence in her defense the right to cross-examine  
23 witnesses.  
24

25           4. This Stipulation is based on the factual  
26 allegations contained in the Accusation. In the interest of  
27

1 expedience and economy, Respondent chooses not to contest these  
2 allegations, but to remain silent and understands that, as a  
3 result thereof, these factual allegations, without being admitted  
4 or denied, will serve as a prima facie basis for the disciplinary  
5 action stipulated to herein. The Real Estate Commissioner shall  
6 not be required to provide further evidence to prove said factual  
7 allegations.

8           5. This Stipulation and Respondent's decision not to  
9 contest the Accusation is made for the purpose of reaching an  
10 agreed disposition of this proceeding and is expressly limited to  
11 this proceeding and any other proceeding or case in which the  
12 Department of Real Estate ("Department"), the state or federal  
13 government, or any agency of this state, another state or federal  
14 government is involved.

15           6. It is understood by the parties that the Real  
16 Estate Commissioner may adopt this Stipulation as his Decision in  
17 this matter thereby imposing the penalty and sanctions on  
18 Respondent's real estate licenses and license rights as set forth  
19 in the "Order" herein below. In the event that the Commissioner  
20 in his discretion does not adopt the Stipulation, it shall be  
21 void and of no effect and Respondent shall retain the right to a  
22 hearing and proceeding on the Accusation under the provisions of  
23 the APA and shall not be bound by any stipulation or waiver made  
24 herein.  
25

26 ///  
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1                   7. The Order or any subsequent Order of the Real  
2 Estate Commissioner made pursuant to this Stipulation shall not  
3 constitute an estoppel, merger or bar to any further  
4 administrative or civil proceedings by the Department of Real  
5 Estate with respect to any matters which were not specifically  
6 alleged to be causes for Accusation in this proceeding but do  
7 constitute a bar, estoppel and merger as to any allegations  
8 actually contained in the Accusations against Respondent herein.

9                                   DETERMINATION OF ISSUES

10                   By reason of the foregoing, it is stipulated and agreed  
11 that the following determination of issues shall be made:

12                                   I.

13                   The conduct of RUTH GEORGENNE FARIAS, with respect to  
14 Audit LA 020255 (Dana Capital Group Inc.), as described in  
15 Paragraph 4, constitutes a failure to keep Dana Capital Group  
16 Inc. in compliance with the Real Estate Law during the time that  
17 she was the officer designated by a corporate broker licensee in  
18 violation of Section 10159.2 of the Code. This conduct is a  
19 basis for the suspension or revocation of Respondent's license  
20 pursuant to Code Section 10177(h).

21                                   II.

22                   The conduct of RUTH GEORGENNE FARIAS, with respect to  
23 Audit LA 020256 (Ruth Georgenne Farias), as described in  
24 Paragraph 4, above, is in violation of Sections 10145 and 10240  
25 of the Business and Professions Code ("Code") and Sections 2731  
26  
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1 and 2840 of Title 10, Chapter 6 of the California Code of  
2 Regulations ("Regulations") and is a basis for the suspension or  
3 revocation of Respondent's license and license rights as a  
4 violation of the Real Estate Law pursuant to Code Sections  
5 10177(d) and 10177(g).

6 ORDER

7 WHEREFORE, THE FOLLOWING ORDER is hereby made:

8 I.

9 All licenses and licensing rights of Respondent RUTH  
10 GEORGENNE FARIAS, under the Real Estate Law suspended for a  
11 period of sixty (60) days from the effective date of this  
12 Decision; provided, however, that if Respondent requests, the  
13 initial thirty (30) days of said suspension (or a portion  
14 thereof) shall be stayed for two (2) years upon condition that:

15 1. Respondent pays a monetary penalty pursuant to  
16 Section 10175.2 of the Business and Professions Code at the rate  
17 of \$50.00 per day for each day of the suspension for a total  
18 monetary penalty of \$1,500.

19 2. Said payment shall be in the form of a cashier's  
20 check or certified check made payable to the Recovery Account of  
21 the Real Estate Fund. Said check must be received by the  
22 Department prior to the effective date of the Decision in this  
23 matter.

24 3. No further cause for disciplinary action against  
25 the real estate license of Respondent occurs within two (2) years  
26

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1 from the effective date of the Decision in this matter.

2 4. If Respondent fails to pay the monetary penalty in  
3 accordance with the terms of the Decision, the Commissioner may,  
4 without a hearing, order the immediate execution of all or any  
5 part of the stayed suspension, in which event the Respondent  
6 shall not be entitled to any repayment nor credit, prorated or  
7 otherwise, for money paid to the Department under the terms of  
8 this Decision.

9 5. If Respondent pays the monetary penalty and if no  
10 further cause for disciplinary action against the real estate  
11 license of Respondent occurs within two (2) years from the  
12 effective date of the Decision, the stay hereby granted shall  
13 become permanent

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

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

20 (b) That no final subsequent determination be made  
21 after hearing or upon stipulation, that cause for disciplinary  
22 action occurred within two (2) years from the effective date of  
23 this Decision. Should such a determination be made, the  
24 Commissioner may, in his discretion, vacate and set aside the  
25 stay order and reimpose all or a portion of the stayed  
26  
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1 suspension. Should no such determination be made, the stay  
2 imposed herein shall become permanent.

3 (c) During the two year period, Respondent shall not  
4 serve as the designated broker at any corporate real estate  
5 broker unless and until Respondent is the owner or trustee of  
6 record of the controlling shares of the corporation.

7 II.

8 All licenses and licensing rights of Respondent RUTH  
9 GEORGENNE FARIAS are indefinitely suspended unless or until  
10 Respondent provides proof satisfactory to the Commissioner, of  
11 having taken and successfully completed the continuing education  
12 course on trust fund accounting and handling specified in  
13 paragraph (3) of subdivision (a) of Section 10170.5 of the  
14 Business and Professions Code. Proof of satisfaction of this  
15 requirement includes evidence that Respondent has successfully  
16 completed the trust fund account and handling continuing  
17 education course within 120 days prior to the effective date of  
18 the Decision in this matter.

19 III.

20 Respondent shall, within nine (9) months from the  
21 effective date of this Decision, present evidence satisfactory to  
22 the Real Estate Commissioner that Respondent has, since the most  
23 recent issuance of an original or renewal real estate license,  
24 taken and successfully completed the continuing education  
25 requirements of Article 2.5 of Chapter 3 of the Real Estate Law  
26  
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1 for renewal of a real estate license. If Respondent fails to  
2 satisfy this condition, the Commissioner may order the suspension  
3 of the restricted license until the Respondent presents such  
4 evidence. The Commissioner shall afford Respondent the  
5 opportunity for a hearing pursuant to the Administrative  
6 Procedure Act to present such evidence.

7 IV.

8 Respondent shall within six (6) months from the  
9 effective date of the Decision herein, take and pass the  
10 Professional Responsibility Examination administered by the  
11 Department including the payment of the appropriate examination  
12 fee. If Respondent fails to satisfy this condition, the  
13 Commissioner may order suspension of Respondent's license until  
14 Respondent passes the examination.

15  
16  
17 DATED: 4-13-04

ELIOTT MAC LENNAN  
18 ELLIOTT MAC LENNAN, Counsel for  
19 the Department of Real Estate

20 \* \* \*

21 EXECUTION OF THE STIPULATION

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

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

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

17  
 18  
 19 DATED: 12-1-05

Ruth Georgenne Parias  
 RUTH GEORGENNE PARIAS, individually  
 And as former designated officer of  
 Dana Capital Group Inc., Respondent

20  
 21  
 22 DATED: 12/1/05

Yves Joseph  
 YVES JOSEPH, ESQ.  
 Attorney for Respondent  
 Approved as to form

23  
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1 waive those rights, including the right of requiring the  
2 Commissioner to prove the allegations in the Accusation at a  
3 hearing at which we would have the right to cross-examine  
4 witnesses against me and to present evidence in defense and  
5 mitigation of the charges.

6 Respondent can signify acceptance and approval of the  
7 terms and conditions of this Stipulation by faxing a copy of its  
8 signature page, as actually signed by Respondent, to the  
9 Department at the following telephone/fax number: Elliott Mac  
10 Lennan at (213) 576-6917. Respondent agree, acknowledge and  
11 understand that by electronically sending to the Department a fax  
12 copy of Respondent' actual signature as they appear on the  
13 Stipulation, that receipt of the faxed copy by the Department  
14 shall be as binding on Respondent as if the Department had  
15 received the original signed Stipulation.  
16  
17  
18

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

\_\_\_\_\_  
RUTH GEORGENNE FARIAS, individually  
And as former designated officer of  
Dana Capital Group Inc., Respondent

22 DATED: \_\_\_\_\_

\_\_\_\_\_  
YVES JOSEPH, ESQ.  
Attorney for Respondent  
Approved as to form

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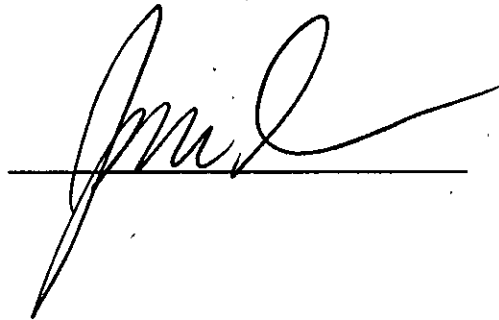
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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent RUTH GEORGENNE FARIAS and shall become effective at 12 o'clock noon on JUN 22, 2006.

IT IS SO ORDERED S-24, 2006.

JEFF DAVI  
Real Estate Commissioner



A handwritten signature in cursive script, appearing to read 'Jeff Davi', is written over a horizontal line.

*Sachs  
JLH*

1 ELLIOTT MAC LENNAN, SBN 66674  
2 Department of Real Estate  
3 320 West 4th Street, Ste. 350  
4 Los Angeles, California 90013-1105  
5 Telephone: (213) 576-6911 (direct)  
6 -or- (213) 576-6982 (office)

**FILED**  
JUN - 2 2008  
DEPARTMENT OF REAL ESTATE

By *[Signature]*

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8  
9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

11	In the Matter of the Accusation of	)	No. H-31735 LA
12		)	
13	<u>DANA CAPITAL GROUP INC.;</u>	)	<u>STIPULATION</u>
14	RUTH GEORGENNE FARIAS,	)	<u>AND</u>
15	individually and as	)	<u>AGREEMENT</u>
16	designated officer of Dana	)	
17	Capital Group Inc.,	)	
18		)	
19	Respondents.	)	

18 It is hereby stipulated by and between Respondent  
19 DANA CAPITAL GROUP INC., a corporate real estate broker  
20 (sometimes referred to as "Respondent"), represented by Daniel A.  
21 Nassie, Esq. of Doss and Page Lawyers, and the Complainant,  
22 acting by and through Elliott Mac Lennan, Counsel for the  
23 Department of Real Estate, as follows for the purpose of settling  
24 and disposing of the Accusation ("Accusation") filed on March 8,  
25 2005, in this matter.

26 ///

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

8           2. Respondent has received, read and understands the  
9 Statement to Respondent, the Discovery Provisions of the APA and  
10 the Accusation filed by the Department of Real Estate in this  
11 proceeding.

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

25 ///  
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1                   4. This Stipulation is based on the factual  
2 allegations contained in the Accusation. In the interest of  
3 expedience and economy, Respondent chooses not to contest these  
4 allegations, but to remain silent and understands that, as a  
5 result thereof, these factual allegations, without being admitted  
6 or denied, will serve as a prima facie basis for the disciplinary  
7 action stipulated to herein. The Real Estate Commissioner shall  
8 not be required to provide further evidence to prove said factual  
9 allegations.

10                   5. This Stipulation and Respondent's decision not to  
11 contest the Accusation is made for the purpose of reaching an  
12 agreed disposition of this proceeding and is expressly limited to  
13 this proceeding and any other proceeding or case in which the  
14 Department of Real Estate ("Department"), the state or federal  
15 government, or any agency of this state, another state or federal  
16 government is involved.

17                   6. It is understood by the parties that the Real  
18 Estate Commissioner may adopt this Stipulation as his Decision in  
19 this matter thereby imposing the penalty and sanctions on  
20 Respondent's real estate licenses and license rights as set forth  
21 in the "Order" herein below. In the event that the Commissioner  
22 in his discretion does not adopt the Stipulation, it shall be  
23 void and of no effect and Respondent shall retain the right to a  
24 hearing and proceeding on the Accusation under the provisions of  
25 the APA and shall not be bound by any stipulation or waiver made  
26  
27

herein.

1  
2           7. The Order or any subsequent Order of the Real  
3 Estate Commissioner made pursuant to this Stipulation shall not  
4 constitute an estoppel, merger or bar to any further  
5 administrative or civil proceedings by the Department of Real  
6 Estate with respect to any matters which were not specifically  
7 alleged to be causes for Accusation in this proceeding but does  
8 constitute a bar, estoppel and merger as to any allegations  
9 actually contained in the Accusations against Respondent herein.

10           8. Respondent understands that by agreeing to this  
11 Stipulation, Respondent agrees to pay, pursuant to Business and  
12 Professions Code Section 10148, the cost of audit (LA 020255)  
13 which led to this disciplinary action. The amount of said cost  
14 for the audit is \$5,104.04.

15           9. Respondent has received, read, and understands the  
16 "Notice Concerning Costs of Subsequent Audit". Respondent  
17 further understands that by agreeing to this Stipulation, the  
18 findings set forth below in the Determination of Issues becomes  
19 final, and the Commissioner may charge Respondent for the cost of  
20 any subsequent audit conducted pursuant to Business and  
21 Professions Code Section 10148 to determine if the violations  
22 have been corrected. The maximum cost of the subsequent audit  
23 will not exceed \$5,104.04.

24  
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DETERMINATION OF ISSUES

1  
2 By reason of the foregoing, it is stipulated and agreed  
3 that the following determination of issues shall be made:

I.

4  
5 The conduct of DANA CAPITAL GROUP INC., as described in  
6 Paragraph 4, above, is in violation of Sections 10145 and 10161.8  
7 of the Business and Professions Code ("Code") and Sections 2731,  
8 2752, 2950(d), 2950(g) and 2951 of Title 10, Chapter 6 of the  
9 California Code of Regulations ("Regulations") and is a basis for  
10 discipline of Respondent's license and license rights as a  
11 violation of the Real Estate Law pursuant to Code Sections  
12 10177(d) and 10177(g).

ORDER

13  
14 WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

15  
16  
17 Respondent DANA CAPITAL GROUP INC. is publicly reprovod.

II.

18  
19 Pursuant to Section 10148 of the Business and  
20 Professions Code, Respondent DANA CAPITAL GROUP INC. shall pay  
21 the Commissioner's reasonable cost for (a) the audit which led to  
22 this disciplinary action (b) a subsequent audit to determine if  
23 Respondent is now in compliance with the Real Estate Law. The  
24 cost of the audit which led to this disciplinary action is  
25 \$5,104.04 (LA 020255). In calculating the amount of the  
26 Commissioner's reasonable cost, the Commissioner may use the  
27

1 estimated average hourly salary for all persons performing audits  
2 of real estate brokers, and shall include an allocation for  
3 travel time to and from the auditor's place of work. Said amount  
4 for the prior and subsequent audits shall not exceed \$10,208.08.

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

18 III.

19 Respondent DANA CAPITAL GROUP INC. shall provide, prior  
20 to the effective date of the Decision, evidence satisfactory to  
21 the Commissioner that the escrow trust fund deficit set forth in  
22 Audit Report LA 020255, in amount of \$4,983.49, has been cured,  
23 including the identity of the source of funds used to cure it.

24 ///

25 ///

26



DATED: 11-17-05

EL  
ELLIOTT MAC LENNAN, Counsel for  
the Department of Real Estate

\* \* \*

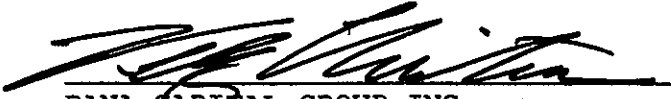
#### EXECUTION OF THE STIPULATION

We have read the Stipulation and discussed it with our counsel. Its terms are understood by us and are agreeable and acceptable to us. We understand that we are waiving rights given to us by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and we 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 we would have the right to cross-examine witnesses against us and to present evidence in defense and mitigation of the charges.

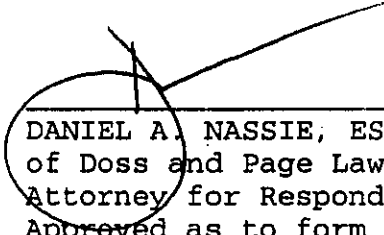
Respondent can signify acceptance and approval of the terms and conditions of this Stipulation by faxing a copy of its signature page, as actually signed by Respondent, to the Department at the following telephone/fax number: Elliott Mac Lennan at (213) 576-6917. Respondent agree, acknowledge and understand that by electronically sending to the Department a fax copy of Respondent's actual signature as they appear on the Stipulation, that receipt of the faxed copy by the Department will be as binding on Respondent as if the Department had received the original signed Stipulation.

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DATED: 11/22/05

  
DANA CAPITAL GROUP INC., a  
corporate real estate broker,  
BY: Kelly David Christensen D.O.,  
Respondent

DATED: 11/18/05

  
DANIEL A. NASSIE, ESQ.  
of Doss and Page Lawyers,  
Attorney for Respondent  
Approved as to form

\* \* \*

The foregoing Stipulation and Agreement is hereby  
adopted as my Decision as to Respondent DANA CAPITAL GROUP INC.  
and shall become effective at 12 o'clock noon on

JUN 22, 2006.

IT IS SO ORDERED

5-24-06, 2006.

JEFF DAY  
Real Estate Commissioner



*Handwritten initials/signature*

1 ELLIOTT MAC LENNAN, Counsel  
2 State Bar No. 66674  
3 Department of Real Estate  
4 320 West Fourth Street, Suite 350  
5 Los Angeles, California 90013-1105  
6  
7 Telephone: (213) 576-6911 (direct)  
8 -or- (213) 576-6982 (office)

**FILED**  
MAR - 8 2005  
DEPARTMENT OF REAL ESTATE

By *Handwritten signature*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \*

11 In the Matter of the Accusation of ) NO. H-31735 LA  
12 )  
13 DANA CAPITAL GROUP INC., and )  
14 RUTH GEORGENNE FARIAS, individually ) A C C U S A T I O N  
15 and as designated officer )  
16 of Dana Capital Group Inc., )  
17 )  
18 Respondents. )

17 The Complainant, Maria Suarez, a Deputy Real Estate  
18 Commissioner of the State of California, for cause of Accusation  
19 against DANA CAPITAL GROUP INC., and RUTH GEORGENNE FARIAS,  
20 individually and as designated officer of Dana Capital Group  
21 Inc., alleges as follows:

22 1.

23 The Complainant, Maria Suarez, acting in her official  
24 capacity as a Deputy Real Estate Commissioner of the State of  
25 California, makes this Accusation against DANA CAPITAL GROUP  
26 INC. ("DCGI"), and RUTH GEORGENNE FARIAS ("FARIAS").  
27

2.

1 All references to the "Code" are to the California  
2 Business and Professions Code and all references to  
3 "Regulations" are to Title 10, Chapter 6, California Code of  
4 Regulations.  
5

3.

6 DCGI and FARIAS (sometimes hereinafter referred to as  
7 Respondents) are presently licensed or have license rights under  
8 the Real Estate Law (Part 1 of Division 4 of the Business and  
9 Professions Code, hereinafter "Code").  
10

11  
12 FIRST CAUSE OF ACCUSATION

13 LICENSE HISTORY OF DANA CAPITAL GROUP INC.

4.

14 At all time herein mentioned except between September  
15 17, 2001 and December 16, 2001, FARIAS was licensed by the  
16 Department as the designated officer of DCGI to qualify DCGI and  
17 to act for DCGI as a real estate broker and, as provided by Code  
18 Section 10159.2, was responsible for the supervision and control  
19 of the activities conducted on behalf of DCGI by its officers,  
20 managers and employees as necessary to secure full compliance  
21 with the provisions of the Real Estate Law including the  
22 supervision of the salespersons licensed to the corporation in  
23 the performance of acts for which a real estate license is  
24 required. DCGI was originally licensed as a corporate real  
25 estate broker on February 19, 1997. FARIAS was originally  
26 licensed as a real estate broker on April 26, 1993. FARIAS was  
27

1 the designated officer of DCGI from September 17, 1999 until  
2 present except for the period between September 17, 2001 until  
3 December 16, 2001, as set forth in Paragraph 5 immediately  
4 below. Dana Harold Smith was DCGI's designated officer from  
5 October 24, 2001 until January 22, 2001.

6 LICENSE HISTORY RUTH GEORGENNE FARIAS

7 5.

8 At all times mentioned, FARIAS was licensed or had  
9 license rights issued by the Department of Real Estate  
10 (Department) as a real estate broker. On July 9, 1980, FARIAS  
11 was originally licensed as a real estate salesperson. Since  
12 April 26, 1993, FARIAS has been licensed as a real estate  
13 broker. Between September 17, 2001 and December 16, 2001,  
14 FARIAS' license was suspended.

15 On August 28, 2001, in Case No. H-28982 LA, a  
16 Respondent RUTH GEORGENNE FARIAS real estate broker license was  
17 suspended for ninety (90) days on terms and conditions as more  
18 fully set forth below in Paragraph 18.

19 6.

20 Whenever reference is made in an allegation in the  
21 Accusation to an act or omission of DCGI such allegation shall  
22 be deemed to mean that the officers, directors, managers,  
23 employees, agents and real estate licensees employed by or  
24 associated with DCGI including FARIAS committed such act or  
25 omission while engaged in the furtherance of its business or  
26

27

1 operation and while acting within the course and scope of its  
2 corporate authority, agency and employment.

3 7.

4 At all times herein mentioned, in the City of Laguna  
5 Woods, California, DCGI, on behalf of others in expectation of  
6 compensation, engaged in the business, acted in the capacity of,  
7 advertised or assumed to act as a real estate broker within the  
8 meaning of:

9 A. Code Section 10131(d) of the Code. DCGI operated  
10 as a mortgage and loan broker including soliciting borrowers and  
11 lenders and negotiating and servicing loans on real property;  
12 and

13 B. Conducted broker-controlled escrows through its  
14 escrow operation using the fictitious business name of Esteem  
15 Escrow Inc. under the exemption set forth in California  
16 Financial Code Section 17006(a)(4) for real estate brokers  
17 performing escrows incidental to a real estate transaction where  
18 the broker is a party and where the broker is performing acts  
19 for which a real estate license is required.

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1 DANA CAPITAL GROUP INC.

2 AUDIT REPORT LA 020255

3 8.

4 On May 15, 2003, the Department completed an audit  
5 examination of the books and records of DANA CAPITAL GROUP INC.  
6 pertaining only to the broker-controlled escrow activities  
7 described in Paragraph 8 that require a real estate license.  
8 The audit examination covered a period of time beginning on  
9 November 1, 2001 through January 31, 2003. The audit  
10 examination revealed violations of the Code and the Regulations  
11 as set forth in the following paragraphs, and more fully  
12 discussed in Audit Report LA 020255 and the exhibits and  
13 workpapers attached to said audit report.  
14

15 9.

16 At all times mentioned, in connection with the  
17 activities described in Paragraph 7, above, DCGI accepted or  
18 received funds in trust (trust funds) from or on behalf of  
19 borrowers and lenders, and thereafter made disposition of such  
20 funds. Respondent DCGI maintained the following trust account  
21 during the audit period into which were deposited certain of  
22 these funds at:

23  
24 "Dana Capital Group Inc. dba Esteem Escrow Trust Account  
25 Account No. 0350030492" ("escrow trust account")  
26 Union Bank of California")  
27 Huntington Beach, CA 92646

1  
2 In the course of activities described in Paragraphs 7  
3 and 9, above, and during the examination period described in  
4 Paragraph 8, Respondents DCGI and FARIAS acted in violation of  
5 the Code and the Regulations in that DCGI:

6 (a) Permitted, allowed or caused the disbursement of  
7 trust funds from the escrow trust account, to an amount which,  
8 on December 31, 2003, was \$4,983.49., less than the existing  
9 aggregate trust fund liability of DCGI to every principal who  
10 was an owner of said funds, without first obtaining the prior  
11 written consent of the owners of said funds, as required by Code  
12 Section 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951.

13 (b) Failed to maintain an adequate control record in  
14 the form of a columnar record in chronological order of all  
15 trust funds received for the escrow trust account, as required  
16 by Code Section 10145 and Regulations 2831, 2950(d) and 2951.

17 (c) Failed to maintain an adequate separate record for  
18 each beneficiary or transaction, thereby failing to account for  
19 all trust funds received, deposited into, and disbursed from the  
20 escrow trust account, as required by Code Section 10145 and  
21 Regulations 2831.1, 2950(d) and 2951.

22 (d) Permitted Dana Harold Smith, president of DCGI and  
23 former designated officer and a licensed person who was not  
24 bonded, and Quentin Caruana, vice-president, Lillian Delgado,  
25 escrow manager and Kenola Toney, escrow officer, unlicensed  
26  
27



1 persons who were not bonded, to be authorized signatories on the  
2 escrow trust account in violation of Code Section 10145 and  
3 Regulation 2834.

4 (e) Used the fictitious name "Esteem Escrow Inc." to  
5 conduct in-house broker-controlled escrow activities without  
6 holding a license bearing these fictitious business names, in  
7 violation of Code Section 10159.5 and Regulation 2731.

8 (f) Failed to notify the Department of the  
9 termination of salespersons David Royal Hood, in violation of  
10 Code Section 10161.8 and Regulation 2752.

11 11.

12 The conduct of Respondents DCGI and FARIAS, described  
13 in Paragraph 10, violated the Code and the Regulations as set  
14 forth below:

15  
16 PARAGRAPH

PROVISIONS VIOLATED

17 10(a)

Code Section 10145 and  
18 Regulations 2832.1, 2950(d),  
19 2950(g) and 2951

20  
21 10(b)

Code Section 10145 and  
22 Regulations 2831, 2950(d) and  
23 2951  
24



SECOND CAUSE OF ACCUSATION

RUTH GEORGENNE FARIAS

12.

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

A. Code Section 10131(a) of the Code. FARIAS operated as a residential resale broker including soliciting buyers and sellers for purchase and sales of real property; and

B. Code Section 10131(d) of the Code. FARIAS operated as a mortgage and loan broker including soliciting borrowers and lenders and negotiating and servicing loans on real property operating under the fictitious business name of Coastview Financial; and

C. Conducted broker-controlled escrows through its escrow operation using the fictitious business name of Esteem Escrow Inc. under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate license is required.

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1 RUTH GEORGENNE FARIAS  
2 AUDIT REPORT LA 020256

3 13.

4 On May 7, 2003, the Department completed an audit  
5 examination of the books and records of RUTH GEORGENNE FARIAS  
6 pertaining only to the broker-controlled escrow activities  
7 described in Paragraph 12 that require a real estate license.  
8 The audit examination covered a period of time beginning on  
9 February 1, 2002 through January 31, 2003. The audit  
10 examination revealed violations of the Code and the Regulations  
11 as set forth in the following paragraphs, and more fully  
12 discussed in Audit Report LA 020256 and the exhibits and  
13 workpapers attached to said audit report.  
14

15 14.

16 Respondent FARIAS did not maintain a trust account  
17 during the audit period.

18 15.

19 In the course of activities described in Paragraph 7,  
20 above, and during the examination period described in Paragraph  
21 13, Respondent FARIAS:

22 (a) Failed to provide and/or maintain a statement in  
23 writing, a Mortgage Loan Disclosure Statement ("MLDS")  
24 containing all the information required by Code Section 10241 to  
25 various borrowers including but not limited to Jesse T. Quastse,  
26 Luis & Maria Morales, and John & Susan Lund before these  
27

1 borrowers became obligated to perform under the terms of their  
2 respective loans, as required by Code Section 10240, in  
3 violation of Code Sections 10240, 10241 and Regulation 2840.

4 (b) Used the fictitious name "Coastview Financial  
5 Inc." to conduct real estate activities without holding a  
6 license bearing this fictitious business name, in violation of  
7 Code Section 10159.5 and Regulation 2731; and

8 (c) Failed to disclose in writing to all parties her  
9 financial interest and ownership of her escrow company,  
10 Coastview Financial, as required by Code Section 10145 and  
11 Regulation 2950(h).

12 16.

13 The conduct of Respondent FARIAS, described in  
14 Paragraph 15, violated the Code and the Regulations as set forth  
15 below:  
16

17 PARAGRAPH

PROVISIONS VIOLATED

18 15(a)

Code Section 10240, 10241 and  
19 Regulations 2840  
20

21 15(b)

Code Section 10159.5 and  
22 Regulation 2731  
23

24 15(c)

Code Section 10145  
25 Regulation 2950(h)  
26  
27

1 Each of the foregoing violations separately constitutes cause  
2 for the suspension or revocation of the real estate license and  
3 license rights of FARIAS under the provisions of Code Sections  
4 10177(d) and/or 10177(g).

5 PRIOR DEPARTMENT ACTION

6 RUTH GEORGENNE FARIAS

7 17.

8 On August 28, 2001, in Case No. H-28982 LA, a  
9 Stipulation and Agreement became effective against RUTH GEORGENNE  
10 FARIAS for violations of Code Sections 10145, 10232, 10232.25 and  
11 10229.8 of the Business and Professions and Section 2832 of Title  
12 10, Chapter 6, California Code of Regulations based on an  
13 Accusation filed on March 2, 2001. Respondent FARIAS's real  
14 estate broker license was suspended for ninety  
15 (90) days on terms and conditions.

16 THIRD CAUSE OF ACCUSATION


17 19.

18 The overall conduct of Respondent FARIAS constitutes a  
19 failure on her part, as officer designated by a corporate broker  
20 licensee, to exercise the reasonable supervision and control  
21 over the licensed activities of DCGI as required by Code Section  
22 10159.2, and to keep it in compliance with the Real Estate Law,  
23 is cause for the suspension or revocation of the real estate  
24 license and license rights of FARIAS pursuant to the provisions  
25 of Code Sections 10159.2 and/or 10177(d), 10177(g) and 10177(h).  
26  
27

1 WHEREFORE, complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and, that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against all licenses and licensing rights of Respondents  
5 DANA CAPITAL GROUP INC., and RUTH GEORGENNE FARIAS, individually  
6 and as designated officer of DANA CAPITAL GROUP INC., under the  
7 Real Estate Law (Part 1 of Division 4 of the Business and  
8 Professions Code) and for such other and further relief as may  
9 be proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this *10th* *February*, 2005.

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13   
14 Deputy Real Estate Commissioner  
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21  
22

23 cc: Dana Capital Group Inc.  
24 Ruth Georgenne Farias  
25 Maria Suarez  
26 Sacto  
27 LWA  
Audits - Dianna Bautista  
Audits - Rolly Acuna