

*SAH*

1 Department of Real Estate  
2 320 West 4th Street, Ste. 350'  
3 Los Angeles, California 90013-1105

4 Telephone: (213) 576-6982 (office)

**FILED**

FEB 22 2010

DEPARTMENT OF REAL ESTATE  
BY: *Healy*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

12 DINORAH INC. doing business as the )  
13 Financial Funding Network, )  
14 Properties by Dinorah, and )  
15 Foreclosure Help Center Inc.; )  
16 DINORAH ANNETTE CARMENATE, )  
17 individually and as designated )  
18 officer of Dinorah Inc.; LISA T. )  
19 MAYERS and MIGUEL MARDUENO, )

20 Respondents. )

No. H-35643 LA  
L-2009020908

STIPULATION

AND

AGREEMENT

18 It is hereby stipulated by and between Respondents  
19 DINORAH INC. and DINORAH ANNETTE CARMENATE, individually and as  
20 designated officer of Dinorah Inc., (sometimes collectively  
21 referred to as "Respondents"), represented by Joshua A.  
22 Rosenthal, Esq. of the Law Firm of Medlin & Hargrave, and the  
23 Complainant, acting by and through Elliott Mac Lennan, Counsel  
24 for the Department of Real Estate, as follows for the purpose of  
25 settling and disposing of the First Amended Accusation  
26 ("Accusation") filed on June 23, 2009, in this matter:  
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1           1. All issues which were to be contested and all  
2 evidence which was to be presented by Complainant and Respondents  
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. Respondents have received, read and understand 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. Respondents 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 Respondents hereby freely and voluntarily withdraw said Notice of  
16 Defense. Respondents acknowledge that they understand that by  
17 withdrawing said Notice of Defense they thereby waive their 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 they will waive other rights  
21 afforded to them in connection with the hearing such as the right  
22 to present evidence in their defense and the right to cross-  
23 examine witnesses.

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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, Respondents choose not to contest these  
4 allegations, but to remain silent and understand 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 is made for the purpose of  
11 reaching an agreed disposition of this proceeding and is  
12 expressly limited to this proceeding and any other proceeding or  
13 case in which the Department of Real Estate ("Department"), the  
14 state or federal government, or any agency of this state, another  
15 state or federal government is involved.

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

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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           8. Respondents understand that by agreeing to this  
10 Stipulation, Respondents agree to pay, pursuant to Business and  
11 Professions Code Section 10148, the cost of the audit. The  
12 amount of said cost for the audit is \$7,301.72.

13           9. Respondents have received, read, and understand the  
14 "Notice Concerning Costs of Subsequent Audit". Respondents  
15 further understand that by agreeing to this Stipulation, the  
16 findings set forth below in the Determination of Issues become  
17 final, and the Commissioner may charge Respondents for the cost  
18 of any subsequent audit conducted pursuant to Business and  
19 Professions Code Section 10148 to determine if the violations  
20 have been corrected. The maximum cost of the subsequent audit  
21 will not exceed \$7,301.72.

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DETERMINATION OF ISSUES

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

I.

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5 The conduct, acts or omissions of DINORAH INC., as  
6 described in Paragraph 4, above, are in violation of Sections  
7 10085, 10137, and 10145 and 10146, of the Business and  
8 Professions Code ("Code") and Sections 2731, 2831.1, 2831.2,  
9 2832.1, 2970 and 2972 of Title 10, Chapter 6 of the California  
10 Code of Regulations ("Regulations") and constitute a basis for  
11 discipline of Respondents' license and license rights as  
12 violation of the Real Estate Law pursuant to Code Section  
13 10177(d) and 10177(g).

II.

14  
15 The conduct, acts or omissions of DINORAH ANNETTE  
16 CARMENATE as described in Paragraph 4, above, are in violation of  
17 Code Section 10159.2 and Regulation 2725 and constitute a basis  
18 for discipline of Respondent's license and license rights as  
19 violation of the Real Estate Law pursuant to Code Section  
20 10177(h).

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

The license and licensing rights of Respondents DINORAH INC. and DINORAH ANNETTE CARMENATE, under the Real Estate Law, are suspended for a period of one hundred twenty (120) days from the effective date of this Decision.

A. Provided, however, that if Respondents request, the initial sixty (60) days of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Each Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$66.66 per day for each day of the suspension for a monetary penalty of \$4,000 or \$8,000 total.

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

3. No further cause for disciplinary action against the real estate license of Respondents occur within two (2) years from the effective date of the Decision in this matter.

4. If Respondents fail to pay the monetary penalty in accordance with the terms of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event the Respondent

1 shall not be entitled to any repayment nor credit, prorated or  
2 otherwise, for money paid to the Department under the terms of  
3 this Decision.

4 5. If Respondents pay the monetary penalty and if no  
5 further cause for disciplinary action against the real estate  
6 license of Respondent occurs within two (2) years from the  
7 effective date of the Decision, the stay hereby granted shall  
8 become permanent.

9 B. The remaining sixty (60) days of the one hundred  
10 twenty (120) day suspension shall be stayed for two (2) years  
11 upon the following terms and conditions:

12 1. Respondents shall obey all laws, rules and  
13 regulations governing the rights, duties and responsibilities of  
14 a real estate licensee in the State of California; and

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

1  
2 Pursuant to Section 10148 of the Business and  
3 Professions Code, Respondents DINORAH INC. and DINORAH ANNETTE  
4 CARMENATE shall pay the Commissioner's reasonable cost for (a)  
5 the audit which led to this disciplinary action (b) a subsequent  
6 audit to determine if Respondents are now in compliance with the  
7 Real Estate Law. The cost of the audit which led to this  
8 disciplinary action is \$7,301.72. In calculating the amount of  
9 the Commissioner's reasonable cost, the Commissioner may use the  
10 estimated average hourly salary for all persons performing audits  
11 of real estate brokers, and shall include an allocation for  
12 travel time to and from the auditor's place of work. Said amount  
13 for the prior and subsequent audits shall not exceed \$14,603.44.

14  
15 Respondents shall pay such cost within 60 days of  
16 receiving an invoice from the Commissioner detailing the  
17 activities performed during the audit and the amount of time  
18 spent performing those activities.

19 The Commissioner may suspend the license of Respondents  
20 pending a hearing held in accordance with Section 11500, et seq.,  
21 of the Government Code, if payment is not timely made as provided  
22 for herein, or as provided for in a subsequent agreement between  
23 the Respondent and the Commissioner. The suspension shall remain  
24 in effect until payment is made in full or until Respondents  
25 enter into an agreement satisfactory to the Commissioner to  
26 provide for payment, or until a decision providing otherwise is  
27 adopted following a hearing held pursuant to this condition.



1 III.

2 Prior to the effective of the Decision herein,  
3 Respondents shall first provide evidence satisfactory to the  
4 Commissioner that the trust fund deficit set forth in the  
5 Accusation in the amount of \$12,314.32 representing the combined  
6 shortages of \$8,271.02 (Dinorah Inc.) and \$4,043.30 (~~Foreclosure~~  
7 ~~Help Center Inc.~~), have been restored, including the  
8 identification of the source of funds used to cure the deficit.  
9 If Respondents fail to satisfy this condition, all licenses and  
10 licensing rights or Respondents shall be indefinitely suspended,  
11 unless or until such proof is provided.

12 IV.

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

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25  
26 DATED: 1-31-10

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ELLIOTT MAC LENNAN, Counsel for  
the Department of Real Estate

\* \* \*

EXECUTION OF THE STIPULATION

1  
2  
3 We have read the Stipulation and discussed it with our  
4 attorney. Its terms are understood by us and are agreeable and  
5 acceptable to us. We understand that we are waiving rights given  
6 to us by the California Administrative Procedure Act (including  
7 but not limited to Sections 11506, 11508, 11509 and 11513 of the  
8 Government Code), and we willingly, intelligently and voluntarily  
9 waive those rights, including the right of requiring the  
10 Commissioner to prove the allegations in the Accusation at a  
11 hearing at which we would have the right to cross-examine  
12 witnesses against us and to present evidence in defense and  
13 mitigation of the charges.


MAILING AND FACSIMILE

14  
15 Respondents shall (1) mail the original signed  
16 signature page of the stipulation to Elliott Mac Lennan:  
17 Attention: Legal Section, Department of Real Estate, 320 W. 4th  
18 St., Suite 350, Los Angeles, California 90013-1105. Respondents  
19 shall also (2) facsimile a copy of signed signature page, to the  
20 Department at (213) 576-6917, Attention: Elliott Mac Lennan.

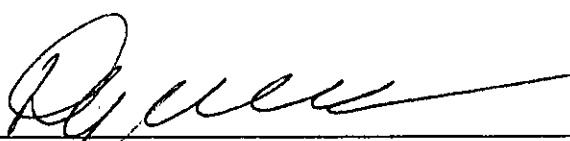
21 A facsimile constitutes acceptance and approval of the  
22 terms and conditions of this stipulation. Respondents agree,  
23 acknowledge and understand that by electronically sending to the  
24 Department a facsimile copy of Respondents' actual signature as  
25 it appears on the stipulation that receipt of the facsimile copy  
26 by the Department shall be as binding on Respondents as if the  
27 Department had received the original signed stipulation.

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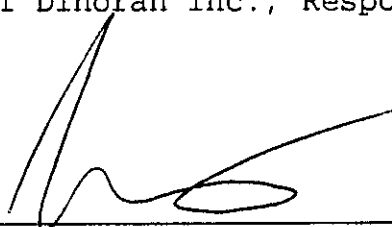
DATED: 1/12/10

  
DINORAH INC., a corporate real estate broker,  
BY: Dinorah Inc. D.O., Respondent

DATED: 1/12/10

  
DINORAH ANNETTE CARMENATE,  
individually and as designated officer of Dinorah Inc., Respondent

DATED: 1/19/10

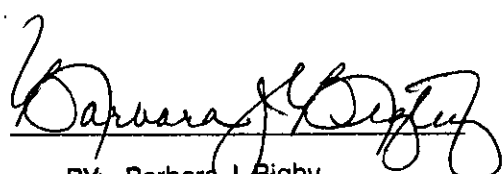
  
JOSHUA A. ROSENTHAL, ESQ.  
Attorney for Respondents

\* \* \*

The foregoing Stipulation and Agreement is hereby adopted as  
my Decision as to Respondents DINORAH INC. and DINORAH ANNETTE  
CARNEMATE, individually and as designated officer of Dinorah Inc.  
and shall become effective at 12 o'clock noon on  
March 24, 2010.

IT IS SO ORDERED 2/11, 2010.

JEFF DAVI  
Real Estate Commissioner

  
BY: Barbara J. Bigby  
Chief Deputy Commissioner

*Suits*

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**FILED**

FEB 22 2010

DEPARTMENT OF REAL ESTATE  
BY: *Helly*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of  
  
DINORAH INC. doing business as the  
Financial Funding Network,  
Properties by Dinorah, and  
Foreclosure Help Center Inc.;  
DINORAH ANNETTE CARMENATE,  
individually and as designated  
officer of Dinorah Inc.; LISA T.  
MAYERS and MIGUEL MARDUENO,  
  
Respondents.

No. H-35643 LA  
L-2009020908

DISMISSAL

The First Amended Accusation filed against LISA T.  
MAYERS and MIGUEL MARDUENO on June 23, 2009, is dismissed.  
IT IS SO ORDERED this 11<sup>th</sup> day of February, 2010.

JEFF DAVI  
Real Estate Commissioner

*Barbara J. Bigby*  
BY: Barbara J. Bigby  
Chief Deputy Commissioner

*Sack*

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

**FILED**

JUN 23 2009

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )  
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DINORAH INC. doing business as the )  
Financial Funding Network, )  
Properties by Dinorah, and )  
Foreclosure Help Center Inc.; )  
DINORAH ANNETTE CARMENATE, )  
individually and as designated )  
officer of Dinorah Inc.; LISA T. )  
MAYERS and MIGUEL MARDUENO, )  
 )  
Respondents. )

No. H-35643 LA  
L-2009020908

FIRST AMENDED  
ACCUSATION

The Accusation filed on January 22, 2009, is amended in its entirety as now set forth:

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against DINORAH INC. dba Financial Funding Network, Properties by Dinorah, and Foreclosure Help Center Inc. aka Foreclosure Help Center; DINORAH ANNETTE CARMENATE aka Dinorah A. Carmenate,

1 individually and as designated officer of Dinorah Inc., LISA T.  
2 MAYERS and MIGUEL MARDUENO, alleges as follows:

3 1.

4 The Complainant, Robin Trujillo, acting in her official  
5 capacity as a Deputy Real Estate Commissioner of the State of  
6 California, makes this Accusation against DINORAH INC. DINORAH  
7 ANNETTE CARMENATE, LISA T. MAYERS and MIGUEL MARDUENO.

8 2.

9 All references to the "Code" are to the California  
10 Business and Professions Code and all references to "Regulations"  
11 are to Title 10, Chapter 6, California Code of Regulations.  
12

13 3.

14 License History

15 A.1 DINORAH INC. At all times mentioned, Respondent  
16 DINORAH INC. was licensed or had license rights issued by the  
17 Department of Real Estate ("Department") as a real estate broker.  
18 On March 20, 2000, DINORAH INC. was originally licensed as a  
19 corporate real estate broker. At all times mentioned herein,  
20 Respondent DINORAH INC was authorized to act by and through  
21 Respondent DINORAH ANNETTE CARMENATE as its broker designated  
22 pursuant to Business and Professions Code (hereinafter "Code")  
23 Sections 10159.2 and 10211 to be responsible for ensuring  
24 compliance with the Real Estate Law.

25 A.2. CARMENATE is the corporate President and CEO of  
26 DINORAH INC. At all times mentioned herein, CARMENATE has owned  
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1 or controlled more than 10% of DINORAH INC.'s stock, to wit,  
2 CARMENATE is the sole shareholder of DINORAH INC.

3 B. DINORAH ANNETTE CARMENATE. At all times mentioned,  
4 Respondent DINORAH ANNETTE CARMENATE ("CARMENATE") was licensed  
5 or had license rights issued by the Department as a real estate  
6 broker. On December 12, 1991, CARMENATE was originally licensed  
7 as a real estate broker.

8 C.1 Foreclosure Help Center Inc. aka Foreclosure Help  
9 Center (collectively "FHC"). Foreclosure Help Center Inc. is an  
10 unlicensed California corporation. CARMENATE is the corporate  
11 President and CEO of FHC. At all times mentioned herein,  
12 CARMENATE has owned or controlled more than 10% of FHC's stock,  
13 to wit, CARMENATE is the sole shareholder of FHC. At no time  
14 mentioned, was FHC licensed or in possession of license rights  
15 issued by the Department as a real estate broker. FHC is the  
16 alter ego of Respondents DINORAH INC. and CARMENATE.

17 C.2 Loan modification services were conducted by  
18 DINORAH INC. from the beginning of the audit period on July 1,  
19 2007 to May 18, 2008. Thereafter, from May 19, 2008 through June  
20 30, 2008, the end of the audit period loan modification services  
21 were conducted by Foreclosure Help Center Inc.

22 D. LISA T. MAYERS. At all times mentioned, LISA T.  
23 MAYERS ("MAYERS") was licensed or had license rights issued by  
24 the Department as a real estate broker. On July 21, 2001, MAYERS  
25 was originally licensed as a real estate salesperson. On May 26,  
26  
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1 2009, MAYERS became licensed as a real estate broker. Between  
2 July 21, 2001 and May 26, 2009, MAYERS was a salesperson licensed  
3 employed by DINORAH INC. and employed as an agent for FHC  
4 performing loan modifications services therein.

5 E. MIGUEL MARDUENO. At all times mentioned, MIGUEL  
6 MARDUENO ("MARDUENO") was an expired licensee without license  
7 rights. On May 8, 1997 MARDUENO was originally licensed as a  
8 real estate salesperson. On May 7, 2001, MARDUENO real estate  
9 salesperson license expired. The Department retains jurisdiction  
10 over lapsed licenses pursuant to Code Section 10203.

11 Brokerage

12 4.

13 At all times mentioned, in the City of Costa Mesa,  
14 County of Orange, DINORAH INC. and CARMENATE acted as real estate  
15 brokers conducting licensed activities within the meaning of:

16 A. Code Section 10131(a). Respondents DINORAH INC.  
17 and CARMENATE engaged in the business of, acted in the capacity  
18 of, advertised or assumed to act as real estate brokers,  
19 including the solicitation for listings of and the negotiation of  
20 the sale of real property as the agent of others. Respondents  
21 DINORAH INC. and CARMENATE operated a residential resale  
22 brokerage dba Properties by Dinorah.

23 B. Code Section 10131(d). Respondents DINORAH INC.  
24 and CARMENATE engaged in activities with the public wherein  
25 lenders and borrowers were solicited for loans secured directly  
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1 or collaterally by liens on real property, wherein such loans  
2 were arranged, negotiated, processed and consummated on behalf of  
3 others for compensation or in expectation of compensation and for  
4 fees often collected in advance. Respondents DINORAH INC. and  
5 CARMENATE operated a mortgage and loan brokerage dba Financial  
6 Funding Network; and

7 C. Code Section 10131(d). Respondents DINORAH INC.,  
8 CARMENATE, MAYERS and MARDUENO engaged in loan modification  
9 service activities dba Foreclosure Help Center. For compensation  
10 or in expectation of compensation and for fees often collected in  
11 advance, Respondents contacted lenders on behalf of distressed  
12 homeowner/borrowers seeking favorable modification of the terms  
13 of their home loans, offered loan modification services including  
14 forbearance agreements, principal and interest reduction,  
15 foreclosure abatement, loan restructuring, and/or short sale  
16 services.

17 FIRST CAUSE OF ACTION  
18 (Audit Examination)

19 5.

20 On September 17, 2008, the Department completed an  
21 audit examination of the books and records of DINORAH INC.  
22 pertaining to the loan modification service activities described  
23 in Paragraph 4, which require a real estate license. The audit  
24 examination covered a period of time beginning on July 1, 2007 to  
25 June 30, 2008. The audit examination revealed violations of the  
26 Code and the Regulations as set forth in the following  
27

1 paragraphs, and more fully discussed in Audit Report LA 070410  
2 and the exhibits and work papers attached to said audit report.

3 Bank and Trust Accounts

4 6.

5 At all times mentioned, in connection with the  
6 activities described in Paragraph 4, above, DINORAH INC. accepted  
7 or received funds including funds in trust (hereinafter "trust  
8 funds") from or on behalf of actual or prospective parties,  
9 including lenders, borrowers and homeowners, to mortgage loan  
10 modification transactions handled by DINORAH INC. itself and by  
11 and through FHC. Thereafter DINORAH INC. made deposits and or  
12 disbursements of such trust funds. From time to time herein  
13 mentioned during the audit period, said trust funds were  
14 deposited and/or maintained by DINORAH INC. in the bank and trust  
15 accounts as follows:

16 "Dinorah Inc.  
17 Account No. 374-340038-9"  
18 Washington Mutual Bank  
19 Tustin, California (B/A #1)

20 "Foreclosure Help Center Inc. Trust Account  
21 Account No. 492-413327-8"  
22 Washington Mutual Bank  
23 Tustin, California (T/A #1)

24 "Foreclosure Help Center Inc.  
25 Account No. 492-413326-0"  
26 Washington Mutual Bank  
27 Tustin, California (B/A #2)

Audit Violations

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period described in Paragraph 5, Respondents DINORAH INC. acting through FHC, and CARMENATE, acted in violation of the Code and the Regulations in that Respondents:

(a) (1) DINORAH INC. Permitted, allowed or caused the disbursement of trust funds from DINORAH INC.'s general bank account, B/A #1, where the disbursement of funds reduced the total of aggregate funds in B/A #1, to an amount which, on June 30, 2008, was \$8,271.02, less than the existing aggregate trust fund liability of DINORAH INC. to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Code Section 10145 and Regulation 2832.1.

(a) (2) FHC. Permitted, allowed or caused the disbursement of trust funds from Foreclosure Help Center Inc.'s trust account, T/A #1, where the disbursement of funds reduced the total of aggregate funds in T/A #1, to an amount which, on June 30, 2008, was \$4,043.30, less than the existing aggregate trust fund liability of FHC to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Code Section 10145 and Regulation 2832.1.

1 (b) Mixed and commingled trust funds and personal funds  
2 by depositing advance fees for loan modification services to be  
3 rendered for borrowers, including but not limited to Juan Galvan,  
4 Ignacio/Fernando Ruiz, Raul Davila, Mario/Laura Lopes, Yolanda  
5 Garcia and Antonio Lopez, received via credit card payments, cash  
6 and check from said borrowers and deposited into DINORAH INC.'s  
7 general operating account, B/A #1, instead of depositing said  
8 trust funds into a trust account in the name of the broker, in  
9 violation of Code Sections 10145 and 10176(e) and Regulation  
10 2832(a).

11 (c) (1) DINORAH INC. failed to maintain a separate  
12 record for each beneficiary or transaction, thereby failing to  
13 account for all advance fees collected from the borrowers June  
14 Galvan, Ignacio/Fernando Ruiz, Raul Davila, Mario/Laura Lopes,  
15 Yolanda Garcia ad Antonio Lopez for loan modification services,  
16 in violation of Code Section 10145 and Regulation 2831.1.

17 (c) (2) FHC failed to maintain a separate record for  
18 each beneficiary or transaction, thereby failing to account for  
19 all advance fees collected from the borrowers Cesar Ponce, Victor  
20 Lopez, Feliciano Mena, Jorge Partida, Jeronimo Merida and Carol  
21 Russell for loan modification services, in violation of Code  
22 Section 10145 and Regulation 2831.1.

23 (d) (1) DINORAH INC. failed to perform a monthly  
24 reconciliation of the balance of all separate beneficiary or  
25 transaction records maintained pursuant to Regulation 2831.1 with  
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1 the record of all trust funds received and disbursed by B/#1 for  
2 loan modification services, in violation of Code Section 10145  
3 and Regulation 2831.2.

4 (d) (2) FHC failed to perform a monthly reconciliation  
5 of the balance of all separate beneficiary or transaction records  
6 maintained pursuant to Regulation 2831.1 with the record of all  
7 trust funds received and disbursed by T/#1 and B/#2, in violation  
8 of Code Section 10145 and Regulation 2831.2

9 (e) DINORAH INC. and FHC collected advance fees within  
10 the meaning of Code Section 10026 from homeowners seeking loan  
11 modification services wherein DINORAH INC. and FHC failed to  
12 provide homeowners Juan Galvan, Ignacio/Fernando Ruiz, Raul  
13 Davila, Mario/Laura Lopes, Yolanda Garcia and Antonio Lopez a  
14 pre-approved advance fee agreement in the form of a No Objection  
15 Letter provided by the Department. The failure of DINORAH INC.  
16 acting through FHC to submit an advance fee agreement to the  
17 Department prior to its use as required by Code Sections 10085  
18 and Regulation 2970, is in violation of Code Section 10177(d).

19 (f) DINORAH INC. and FHC failed to establish and  
20 maintain a trust account at a bank or other recognized financial  
21 institution in the name of the broker for deposit of advance fees  
22 collected by DINORAH INC. and FHC, as required by and in  
23 violation of Code Section 10146.

24 (g) With reference to the lack of an advance fee  
25 agreement, DINORAH INC. acting through FHC, failed to provide a  
26  
27

1 complete description of services to be rendered provided to each  
2 prospective tenant an allocation and disbursement of the amount  
3 collected as the advance fee, as required by Code Section 10085  
4 and Regulation 2972, and in violation of Code Section 10177(d);  
5 and

6 (h) Used the fictitious name of "Foreclosure Help  
7 Center", to conduct licensed activities including loan  
8 modification services without holding a license bearing said  
9 fictitious business name until August 4, 2008, after the close of  
10 the audit examination, in violation of Code Section 10159.5 and  
11 Regulation 2731..

12 Discipline Statutes and Regulations

13 8.

14 The conduct of Respondents DINORAH INC. and CARMENATE,  
15 acting through itself and FHC described in Paragraph 7, above,  
16 violated the Code and the Regulations as set forth below:  
17

18 PARAGRAPH

PROVISIONS VIOLATED

19 7(a)

Code Section 10145 and Regulation  
20 2832.1  
21

22 7(b)

Code Sections 10145 and 10176(e)  
23 and Regulation 2832(a)  
24

25 7(c)

Code Section 10145 and Regulation  
26 2831.1  
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7(d) Code Section 10145 and Regulation  
2831.2

7(e) Code Sections 10085 and 10177(d)  
and Regulation 2970

7(f) Code Section 10146

7(g) Code Sections 10085 and 10177(d)  
and Regulation 2972

7(h) Code Section 10159.5 and Regulation  
2731

The foregoing violations constitutes cause for the suspension or  
revocation of the real estate license and license rights of  
DINORAH INC. and CARMENATE, including DINORAH INC. providing loan  
modification services through unlicensed FHC, under the  
provisions of Code Sections 10177(d) for willful disregard of the  
Real Estate Law, for violation of the Real Estate Law and/or  
10177(g) for negligence or incompetence.

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///

1 SECOND CAUSE OF ACTION  
2 (Loan Modification and Advanced Fee Brokerage)

3 9.

4 At all times mentioned Respondents DINORAH INC.,  
5 CARMENATE, MAYERS and MARDUENO acted as real estate brokers  
6 conducting licensed activities within the meaning of California  
7 Business and Professions Code Sections 10131(d) and 10131.2. As  
8 aforesaid in Paragraph 4C, all Respondents engaged in the  
9 business of providing a loan modification service as well as an  
10 advance fee brokerage, FHC, an unlicensed corporation and a dba  
11 of DINORAH INC.

12 General Allegations

13 10.

14 During March 2008 and continuing thereafter to date,  
15 DINORAH INC. and CARMENATE, operating by and through FHC, placed  
16 infomercials soliciting loan modification and foreclosure rescue  
17 services on various media including Spanish language radio,  
18 television and newspaper advertisements intending to solicit an  
19 audience of homeowners facing financial distress, foreclosure and  
20 eviction from their homes. DINORAH INC. and CARMENATE offered  
21 these services through licensed and unlicensed agents predicated  
22 upon payment of advance fees for promised services to be  
23 rendered.

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Maria Alvarez

11.

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2  
3 On or about December 29, 2007, Maria Alvarez entered  
4 into a Loan Modification Program via an Engagement Agreement  
5 with FHC for Alvarez' residence located at 2401 W. Lincoln Ave.,  
6 Long Beach, California. Alvarez paid \$995 to FHC for promised  
7 loan modification services to be rendered. Alvarez had contacted  
8 FHC after seeing an ad in a Spanish language newspaper and by  
9 watching an infomercial on Spanish language television. FHC  
10 failed to perform the promised loan modification services  
11 contracted for. Instead Respondents sold Alvarez' house via  
12 short-sale without notice to Alvarez.

13  
14 12.

15 Maria Alvarez' Engagement Agreement was entered into  
16 prior to the Department's issuance of an advance fee agreement to  
17 DINORAH INC. in the form of a 'No Objection' letter dated October  
18 15, 2008.

19 Iris Elba Chang

20 13.

21 On or around February 23, 2008, in arrears in her  
22 mortgage payments, Iris Elba Chang (Chang) sought a reduction of  
23 her monthly payments. Chang entered into a loan modification  
24 program with FHC. Pursuant to FHC's Engagement Agreement, Chang  
25 paid a total of \$995 in two payments: \$700 then \$295. After  
26 Chang signed the Engagement Agreement authorizing FHC to conduct  
27

1 loan modification services on her behalf for her residence  
2 located at 11330 Homestead St., Santa Fe Springs, California,  
3 Chang received a Notice of Default and pending trustee sale of  
4 her home. Chang was assured by FHC that FHC would stop the  
5 impending trustee's sale. Subsequently, Chang learned that her  
6 home sold in a short sale by Respondents DINORAH INC. and  
7 CARMENATE and FHC. Ultimately, Chang was summarily dispossessed  
8 from her home.

9 14.

10 Iris Elba Chang's Engagement Agreement was entered into  
11 prior to the Department's issuance of a 'No Objection' letter  
12 from the Department dated October 15, 2008.

13 Arturo M. Moreno

14 15.

15 On or about February 26, 2008, Arturo Moreno entered  
16 into a Loan Modification Program via an Engagement Agreement,  
17 with FHC for Moreno's residence located at 44122 Raysack St.,  
18 Lancaster, California. Moreno paid FHC \$1,990 for promised loan  
19 modification services.  
20

21 16.

22 Arturo Moreno's Engagement Agreement was entered into  
23 prior to the Department's issuance of a 'No Objection' letter.

24 ///

25 ///

26 ///

27

Johnny De Jesus

17.

During April 2008, Johnny De Jesus entered into a Loan Modification Agreement with FHC for De Jesus' residence located at 2276 Easy St. Long Beach, CA 90810. 2401 W. Lincoln Ave., Long Beach, California. De Jesus paid FHC \$1,990 for promised loan modification.

18.

Johnny De Jesus' Loan Modification Agreement was entered into prior to DRE's issuance of a 'No Objection' letter.

Guillermo Sanchez Dias

19.

During 2008, Guillermo Sanchez Dias (Dias) entered into a loan modification program with FHC for Diaz' residence located at 14801 Pacific Ave. 27, Baldwin Park, California. Pursuant to FHC's Engagement Agreement, Dias paid FHC a total of \$995 in two payments: \$595 and \$400 for promised loan modification services.

20.

Guillermo Sanchez Diaz' Engagement Agreement was entered into prior to the Department's issuance of a 'No Objection' letter.

21.

Oscar Gump Livingston

During 2008, Oscar Gump Livingston (Livingston) entered into a loan modification program with FHC for Livingston's

1 residence located at 2654 Faust Court, San Jose, California.

2 Pursuant to FHC's Retention Agreement, Livingston paid \$995 to  
3 FHC for promised loan modification services.

4 22.

5 Oscar Gump Livingston's Retention Agreement was entered  
6 into prior to the Department's issuance of an advance fee 'No  
7 Objection' letter dated October 15, 2008.

8 Sammer Younis

9 23.

10 On or around December 3, 2008, Sammer Younis (Younis)  
11 entered into a loan modification program with FHC through Theresa  
12 Struckmeyer, an unlicensed agent representing FHC, for promised  
13 loan modification services. Younis went to DINORAH's office to  
14 discuss the loan modification process with an unlicensed  
15 individual "David", also an agent for FHC. Younis sought to  
16 modify the terms of the loan on his residence located at 13104  
17 Glen Ct #21 Chino Hills, California. Younis made an initial \$500  
18 deposit and took the loan modification contract home to review  
19 with his wife Chantal Johnson. After reviewing the contract,  
20 Younis called DINORAH the following day requesting a refund as  
21 stated in paragraph two on the first page of the Mortgage Loan  
22 Modification Agreement. Pursuant to the Mortgage Loan  
23 Modification Agreement, Younis was scheduled to pay the initial  
24 deposit, paid December 3, 2008, another \$500 payment the next  
25 day, December 4, 2008, and a final payment on January 14, 2009.  
26  
27

24.

1 This method of collecting fees and modifying terms of  
2 Sammer Younis' was not part of the Department's 'No Objection'  
3 letter dated October 15, 2008.  
4

5 Alfred Haro

6 25.

7 On or around December 10, 2008, Alfred Haro (Haro)  
8 entered into a loan modification program with FHC for loan  
9 modification services to be rendered. Haro went to DINORAH's  
10 office and discussed the loan modification process with Elizabeth  
11 Moriel, an unlicensed agent representing FHC. Haro sought to  
12 modify the terms of the loan on his residence located at 12319  
13 Wicker Drive Whittier, California. Haro's accounting statement  
14 dated December 10, 2008 evidenced that he paid FHC \$1,000.  
15 DINORAH INC., however, reports Haro paid \$3,000 in two payments  
16 of \$1,500 each.  
17

18 26.

19 This method of collecting fees and modifying terms for  
20 Alfred Haro was not part of the Department's 'No Objection'  
21 letter of October 15, 2008.

22 Raquel Diaz

23 27.

24 On or around January 16, 2009, Raquel Diaz (Diaz)  
25 entered into a loan modification program with FHC for promised  
26 loan modification services to be rendered. Diaz sought to modify  
27

1 the terms of the loan on her residence located at 14551 Alder Dr.  
2 Corona, California. Diaz entered into two agreements with FHC  
3 for the first and second loans on her residence with the same  
4 lender. The trust account information reflects that \$1,000 was  
5 received and \$1,000 paid to DINORAH, then \$1,500 was received and  
6 \$1,500 was paid to DINORAH for submission of the second loan to  
7 the lender. This indicates DINORAH disbursed \$1,500 for  
8 submission of a file to the lender, though the loan modification  
9 agreement states only \$1,000 will be disbursed to the broker upon  
10 submission of a file to the lender.

11 28.

12 This method of collecting fees and modifying terms from  
13 Raquel Diaz was not part of the Department's 'No Objection'  
14 letter of October 15, 2008.

15 Ruben Arellano

16 29.

17 On or around January 21, 2009, Ruben Arellano  
18 (Arellano) entered into a loan modification program with FHC for  
19 promised loan modification services. Arellano sought to modify  
20 the terms of the loan on his residence located at 1000 W.  
21 MacArthur Blvd. #80 Santa Ana, California. The FHC loan  
22 modification agreement recites that \$300 will be collected from  
23 Arellano within 10 days. The trust account information provided  
24 by DINORAH shows Arellano paid \$1,500 on two separate occasions.  
25 A second entry was added to the loan modification agreement for  
26  
27

1 the advance fee amount and the dates due. The accounting  
2 statements provided by DINORAH INC. inaccurately reflects that  
3 the total of the advance fee received and the balance.

4 30.

5 Ruben Arellano's loan modification agreement was  
6 entered into by Arellano and Lisa T. Mayers and paid to her, not  
7 the DINORAH. Lisa T. Mayers is real estate broker associate of  
8 DINORAH and/or affiliated with DINORAH,

9 31.

10 Ruben Arellano's loan modification agreement was  
11 entered after Department's 'No Objection' letter dated October  
12 15, 2008.

13 32.

14 The unilateral changes to Ruben Arellano's loan  
15 modification agreement were not submitted to the Department for  
16 review or approved by the Department.

17 Carmen Magana

18 33.

19 On or around January 22, 2009, Carmen Magana (Magana)  
20 entered into a loan modification program with FHC for loan  
21 modification services to be rendered. Magana sought to modify  
22 the terms of the loan on her residence located at 819 S. Ross St.  
23 Santa Ana, California. Two loan modification agreements each  
24 state Magana will pay \$3,000. The agreements do not adequately  
25 disclose that two fees will be required form Magana.  
26  
27

1 One for the first loan and another fee for the second loan on  
2 Magana's residence with the same lender. Both agreements fail to  
3 enter the lender's name and address. The accounting information  
4 provided reflects \$2,000 total was collected from Magana and  
5 \$1,000 was disbursed to DINORAH. The accounting information also  
6 reflects that another \$1,000 was withdrawn, but it is not clear  
7 why it was withdrawn.

8 34.

9 These agreements were entered after Department's 'No  
10 Objection' letter dated October 15, 2008

11 35.

12 This method of collecting fees and modifying terms was  
13 not part of the DRE approved agreement. Magana's advance fee  
14 balance is reported to be zero.

15 Jesus P. Garcia

16 36.

17 On or around January 22, 2009, Jesus P. Garcia (Garcia)  
18 entered into a loan modification program with FHC for loan  
19 modification services to be rendered. Garcia sought to modify  
20 the terms of the loan on his residence located at 919 E. Buffalo  
21 Santa Ana, CA 92706. Both of two loan modification agreements  
22 state that Garcia will pay FHC \$2,500. Neither agreement  
23 adequately discloses that a \$2,500 fee will be required for the  
24 first loan and then an additional \$2,500 fee for the second loan  
25 respectively, on Garcia's residence with the same lender.  
26  
27



1 Garcia deposited \$2500 and the DINORAH disbursed \$2000 when the  
2 file was submitted to the lender. The agreement states the  
3 broker will disburse \$1000 when the file is submitted to the  
4 lender.

5 37.

6 Jesus P. Garcia's agreements were entered after  
7 Department's 'No Objection' letter dated October 15, 2008.

8 38.

9 FHC's method of collecting fees and modifying terms of  
10 Jesus P. Garcia's loan modification agreements were not part of  
11 the Department's 'No Objection' letter dated October 15, 2008.

12 Fredrico Aguirre

13 39.

14 On or around May 4, 2008, Fredrico Aguirre (Aguirre)  
15 entered into a loan modification program with FHC for promised  
16 loan modification services. Aguirre sought modification of the  
17 mortgage loan terms on his residence located at 523 S. Lemon St.  
18 Anaheim, California. Aguirre paid \$1990 and was promised that  
19 his loan would be modified by Miguel Mardueno an expired licensee  
20 and "Representative of FHC" with whom Aguirre dealt. Aguirre  
21 also dealt with forenamed Lisa T. Mayer. Aguirre paid \$1990 from  
22 his ATM card to Miguel Mardueno.  
23

24 40.

25 Aguirre's payment to Miguel Mardueno was not deposited  
26 into an advance fee trust account. Aguirre discovered from his  
27

1 lender that for the past nine months DINORAH had not contacted  
2 the lender to modify his loan. Seeking refund of advance fees  
3 paid for DINORAH's failure to perform, Aguirre contacted DINORAH.  
4 DINORAH responded by providing Aguirre a fax number to an  
5 attorney's office. To date, Aguirre has not received a refund.

6 41.

7 After DINORAH's failure to attempt a loan modification,  
8 DINORAH listed Aguirre's residence listed at various prices  
9 seemingly non relational to then prevailing marketing conditions.  
10 Moreover, the picture of Aguirre's residence provided for the  
11 Multiple Listing Service (MLS) was not that of Aguirre's  
12 residence. Ultimately, Aguirre terminated the listing agreement  
13 yet DINORAH failed to cancel the MLS.

14 42.

15 Fredrico Aguirre's loan modification agreement was  
16 entered before the Department's issuance of the 'No Objection'  
17 letter dated October 15, 2008.

18 43.

19 The conduct, acts or omissions of Respondents DINORAH  
20 INC., CARMENATE, LISA T. MAYER, and MIGUEL MARDUENO, as set forth  
21 above in Paragraph 4, subjects their real estate licenses and  
22 license rights to discipline including suspension, restriction or  
23 revocation under the following California Business and  
24 Professions Code Sections:  
25  
26  
27

1 (a) Section 10137 as to Respondents DINORAH INC. and  
2 CARMENATE for compensating Respondents LISA T. MAYERS, for  
3 homeowners Ruben Adelanto and homeowner and MIGUEL MARDUENO for  
4 loan modification services to Rueben Arellano and Frederico  
5 Aguirre.

6 (b) Code Section 10137 as to Respondents DINORAH INC.  
7 and CARMENATE for compensating unlicensed loan modification  
8 agents and other unknown agents, as set forth in Paragraphs 9  
9 through 42 above. In relation to FHC's loan modification  
10 program, Respondents DINORAH INC. and CARMENATE utilized  
11 employees and/or representatives in soliciting and modifying  
12 loans and in soliciting and handling trust funds in the form of  
13 advance fees from who were not licensed by the Department as real  
14 estate brokers or as salesperson operating under either  
15 Respondent DINORAH INC.'s real estate broker license or  
16 Respondent CARMENATE's individual broker license. Among the  
17 unlicensed representatives performing activities requiring a real  
18 estate license were Elizabeth Moriel (Alfredo Haro) (Ruben  
19 Arellano) and Miguel Mardueno (Fredrico Aguirre), Theresa  
20 Struckmeyer (Sammer Younis), and "David" (Sammer Younis).

22 (c) Code Section 10176(a) as to Respondents DINORAH  
23 INC. and CARMENATE for making false and/or misleading  
24 representations in order to induce the forenamed homeowners to  
25 induce them to enter into FHC's loan modification program, as set  
26 forth in Paragraphs 9 through 42.  
27

1 (d) Code Section 10176(a) as to Respondents DINORAH  
2 INC. and CARMENATE for making negligent representations in order  
3 to induce the forenamed homeowners to induce them to enter into  
4 FHC's loan modification program, as set forth in Paragraphs 9  
5 through 42.

6 (e) Code Section 10176(b) as to Respondents DINORAH  
7 INC. and CARMENATE for making false promises of a character  
8 likely to influence, persuade or induce the forenamed homeowners,  
9 as set forth in Paragraphs 9 through 42, to enter into FHC's loan  
10 modification agreement.

11 (f) Code Section 10176(c) as to Respondents DINORAH  
12 INC. and CARMENATE for a continued and flagrant course of  
13 misrepresentation or making of false promises through real estate  
14 agents or salespersons, including but not limited to LISA T.  
15 MAYERS, real estate broker, and MIGUEL MARDUENO, an unlicensed  
16 person and expired real estate salesperson, as set forth in  
17 Paragraphs 9 through 42.  
18

19 (g) Code Section 10176(i) for all Respondents for  
20 conversion of trust funds, to wit, the advanced fees collected by  
21 DINORAH by and through FHC from the forenamed homeowners, in the  
22 amount of \$20,960, in connection with loan modification services  
23 as set forth in the following table:

24 ///

25 ///

26 ///

27

Homeowner	Property Address	Date of Agreement	Amount of Payment
Maria Alvarez	2401 W. Lincoln Ave., Long Beach,	12/29/07	\$995
Iris Elba Chang	11330 Homestead St., Santa Fe Springs	08/22/08	\$995
Arturo Moreno	44122 Raysack St., Lancaster	02/26/08	\$1,990
Johnny De Jesus	2276 Easy St. Long Beach	April 2008	\$1,990
Guillermo Sanchez Dias	14801 Pacific Ave. 27, Baldwin Park	During 2008	\$995
Oscar Gump Livingston	12654 Faust Court, San Jose	During 2008	\$995
Sammer Younis	13104 Glen Ct #21 Chino Hills	12/3/08	- 0 -
Alfred Haro	12319 Wicker Drive Whittier	12/10/08	\$3,000
Raquel Diaz	303 Percheron Ct. San Jacinto, CA 92582	12/16/09	\$2,500
Ruben Arellano	1822 Paradise St. Escondido, CA 92026	01/21/09	\$3,000
Carmen Magana	819 S. Ross St. Santa Ana	01/22/09	\$2,000
Jesus P. Garcia	919 E. Buffalo Santa Ana	01/22/09	\$2,500

(h) Code Section 10177(d) for all Respondents for willful disregard of the Real Estate Law in connection with FHC's loan modification program.

(i) Code Section 10177(d) for all Respondents for violation of the Real Estate Law in connection with FHC's loan modification program.

(j) Code Section 10177(g) for all Respondents for negligence in connection with FHC's loan modification scheme.

1 (k) Code Section 10177(j) for all Respondents for fraud  
2 and dishonest dealing.

3 (l) Code Section 10176(i) for all Respondents for  
4 failing to act in a fiduciary capacity with respect to the  
5 forenamed homeowners.

6 (m) Code Section 10176(i) for all Respondents for  
7 entering loan modification agreements prior to the issue of the  
8 No Objection Letter provided by the Department on October 15,  
9 2008 for homeowners Maria Alvarez, Iris Elba Chang, Arturo  
10 Moreno, Johnny De Jesus, Guillermo Sanchez Dias, Oscar Gump  
11 Livingston, and Fredrico Aguirre.

12 (n) Code Section 10176(i) for all Respondents for  
13 unilaterally modifying the No Objection Letter provided by the  
14 Department on October 15, 2008 for homeowners Sammer Younis,  
15 Alfred Haro, Raquel Diaz, Ruben Arellano, Carmen Magana, and  
16 Jesus P. Garcia.

17  
18 Negligence

19 44.

20 The overall conduct of Respondents DINORAH INC.,  
21 CARMENATE, MAYERS and MARDUENO constitutes negligence or  
22 incompetence and is cause for the suspension or revocation of the  
23 real estate license and license rights of said Respondents  
24 pursuant to the provisions of Code Section 10177(g).

25 ///

26 ///

27

Supervision and Compliance

45.

1  
2  
3 The overall conduct of Respondent CARMENATE constitutes  
4 a failure on Respondent's part, as officer designated by a  
5 corporate broker licensee, to exercise the reasonable supervision  
6 and control over the licensed activities of DINORAH INC. as  
7 required by Code Section 10159.2 and Regulation 2725, and to keep  
8 DINORAH INC. in compliance with the Real Estate Law, with  
9 specific regard to trust fund handling, advance fee handling, and  
10 acting through FHC, an unlicensed corporation conducting loan  
11 modification services for homeowners requiring a real estate  
12 license and is cause for the suspension or revocation of the real  
13 estate license and license rights of DINORAH pursuant to the  
14 provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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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 the license and license rights of Respondents  
5 DINORAH INC. and DINORAH ANNETTE CARMENATE dba Financial Funding  
6 Network, Properties by Dinorah, and Foreclosure Help Center Inc.  
7 aka Foreclosure Help Center, under the Real Estate Law (Part 1 of  
8 vision 4 of the Business and Professions Code) and for such other  
9 and further relief as may be proper under other applicable  
10 provisions of law.

11 Dated at Los Angeles, California

12 this 22nd day of June 2009.

13   
14 Deputy Real Estate Commissioner

15  
16  
17  
18  
19  
20  
21  
22  
23 cc: Dinorah Inc.  
24 c/o Dinorah Annette Carmenate D.O.  
25 Lisa T. Mayers  
26 Miguel Mardueno  
27 Robin Trujillo  
Sacto  
Audits - Lisa Kwong



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**

JAN 22 2009

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11	In the Matter of the Accusation of	)	No. H-35643 LA
12	DINORAH INC. doing business as the	)	<u>A C C U S A T I O N</u>
13	Financial Funding Network,	)	
14	Properties by Dinorah, and	)	
15	Foreclosure Help Center Inc.; and	)	
16	DINORAH ANNETTE CARMENATE,	)	
17	individually and as designated	)	
	officer of Dinorah Inc.,	)	
	Respondents.	)	

18 The Complainant, Robin Trujillo, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of Accusation  
20 against DINORAH INC. dba Financial Funding Network, Properties by  
21 Dinorah, and Foreclosure Help Center Inc. aka Foreclosure Help  
22 Center; and CARMENATE ANNETTE DINORAH, individually and as  
23 designated officer of Dinorah Inc., alleges as follows:

24 1.

25 The Complainant, Robin Trujillo, acting in her official  
26 capacity as a Deputy Real Estate Commissioner of the State of  
27

1 California, makes this Accusation against DINORAH INC. and  
2 CARMENATE ANNETTE DINORAH.

3 2.

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

7 3.

8 LICENSE HISTORY

9 A. DINORAH INC. At all times mentioned, DINORAH INC.  
10 was licensed or had license rights issued by the Department of  
11 Real Estate ("Department") as a real estate broker. On March 20,  
12 2000, DINORAH INC. was originally licensed as a corporate real  
13 estate broker by and through DINORAH ANNETTE CARMENATE.

14 B. DINORAH ANNETTE CARMENATE. At all times mentioned,  
15 DINORAH ANNETTE CARMENATE ("CARMENATE") was licensed or had  
16 license rights issued by the Department as a real estate broker.  
17 On December 12, 1991, CARMENATE was originally licensed as a real  
18 estate broker; and

19 C. Foreclosure Help Center Inc. aka Foreclosure Help  
20 Center. Foreclosure Help Center Inc. is an unlicensed  
21 corporation owned by CARMENATE. Foreclosure Help Center is a  
22 fictitious business name of DINORAH INC., as of August 4, 2008.  
23 These two are unlicensed entities are included herein as  
24 convenience of reference only. At all times mentioned, DINORAH  
25 INC. and CARMENATE are the sole Respondents herein. At no time  
26  
27

1 mentioned, was Foreclosure Help Center Inc. aka Foreclosure Help  
2 Center licensed or in possession of license rights issued by the  
3 Department as a real estate broker.

4 Loan modification services were conducted by DINORAH  
5 INC. from the beginning of the audit period on July 1, 2007 to  
6 May 18, 2008. Thereafter, from May 19, 2008 through June 30,  
7 2008, the end of the audit period loan modification services were  
8 conducted by Foreclosure Help Center Inc.

9 BROKERAGE

10 4.

11 At all times mentioned, in the City of Costa Mesa,  
12 County of Orange, DINORAH INC. and CARMENATE acted as real estate  
13 brokers conducting licensed activities within the meaning of:

14 A. Code Section 10131(a). DINORAH INC. and CARMENATE  
15 operated a residential resale brokerage dba Properties by  
16 Dinorah.

17 B. Code Section 10131(d). DINORAH INC. and CARMENATE  
18 operated a mortgage and loan brokerage dba Financial funding  
19 Network; and  
20

21 C. Code Section 10131(d). DINORAH INC. and CARMENATE  
22 operated loan modification service dba Foreclosure Help Center.  
23 For compensation or in expectation of compensation and for fees  
24 often collected in advance, Respondents contacted lenders on  
25 behalf of distressed homeowners seeking modification of the terms  
26 of their home loans.  
27

AUDIT EXAMINATION

5.

On September 17, 2008, the Department completed an audit examination of the books and records of DINORAH INC. pertaining to the loan modification service activities described in Paragraph 4, which require a real estate license. The audit examination covered a period of time beginning on July 1, 2007 to June 30, 2008. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 070410 and the exhibits and work papers attached to said audit report.

BANK AND TRUST ACCOUNTS

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, DINORAH INC. accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties, including lenders, borrowers, homeowners and escrow holders, to mortgage loan modification transactions handled by DINORAH INC. by and through Foreclosure Help Center Inc. aka Foreclosure Help Center, and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by DINORAH INC. in the bank and trust accounts as follows:

///

1 "Dinorah Inc.  
Account No. 374-340038-9"  
2 Washington Mutual Bank  
Tustin, California

(B/A #1)

3  
4 "Foreclosure Help Center Inc. Trust Account  
5 Account No. 492-413327-8"  
Washington Mutual Bank  
6 Tustin, California

(T/A #1)

7  
8 "Foreclosure Help Center Inc.  
Account No. 492-413326-0"  
9 Washington Mutual Bank  
10 Tustin, California

(B/A #2)

11 VIOLATIONS OF THE REAL ESTATE LAW

12 7.

13 In the course of activities described in Paragraphs 4  
14 and 6, above, and during the examination period described in  
15 Paragraph 5, Respondents DINORAH INC. acting through Foreclosure  
16 Help Center Inc. aka Foreclosure Help Center, and CARMENATE,  
17 acted in violation of the Code and the Regulations in that they:

18 (a) (1) DINORAH INC. Permitted, allowed or caused the  
19 disbursement of trust funds from the DINORAH INC.'s general bank  
20 account, B/A #1, where the disbursement of funds reduced the  
21 total of aggregate funds in B/A #1, to an amount which, on June  
22 30, 2008, was \$8,271.02, less than the existing aggregate trust  
23 fund liability of DINORAH INC. to every principal who was an  
24 owner of said funds, without first obtaining the prior written  
25  
26  
27

1 consent of the owners of said funds, as required by Code Section  
2 10145 and Regulation 2832.1.

3 (a) (2) Foreclosure Help Center Inc. Permitted, allowed  
4 or caused the disbursement of trust funds from Foreclosure Help  
5 Center Inc.'s trust account, T/A #1, where the disbursement of  
6 funds reduced the total of aggregate funds in T/A #1, to an  
7 amount which, on June 30, 2008, was \$4,043.30, less than the  
8 existing aggregate trust fund liability of Foreclosure Help  
9 Center Inc. to every principal who was an owner of said funds,  
10 without first obtaining the prior written consent of the owners  
11 of said funds, as required by Code Section 10145 and Regulation  
12 2832.1.

13 (b) Mixed and commingled trust funds and personal funds  
14 by depositing advance fees for loan modification services to be  
15 rendered for borrowers, including but not limited to Juan Galvan,  
16 Ignacio/Fernando Ruiz, Raul Davila, Mario/Laura Lopes, Yolanda  
17 Garcia and Antonio Lopez, received via credit card payments, cash  
18 and check from said borrowers and deposited into DINORAH INC.'s  
19 general operating account, B/A #1, instead of depositing said  
20 trust funds into a trust account in the name of the broker, in  
21 violation of Code Sections 10145 and 10176(e) and Regulation  
22 2832(a).  
23

24 (c) (1) DINORAH INC. failed to maintain a separate  
25 record for each beneficiary or transaction, thereby failing to  
26 account for all advance fees collected from the borrowers June  
27

1 Galvan, Ignacio/Fernando Ruiz, Raul Davila, Mario/Laura Lopes,  
2 Yolanda Garcia ad Antonio Lopez for loan modification services,  
3 as required by Code Section 10145 and Regulation 2831.1.

4 (c) (2) Foreclosure Help Center Inc. failed to maintain  
5 a separate record for each beneficiary or transaction, thereby  
6 failing to account for all advance fees collected from the  
7 borrowers Cesar Ponce, Victor Lopez, Feliciano Mena, Jorge  
8 Partida, Jeronimo Merida and Carol Russell for loan modification  
9 services, as required by Code Section 10145 and Regulation  
10 2831.1.

11 (d) (1) DINORAH INC. failed to perform a monthly  
12 reconciliation of the balance of all separate beneficiary or  
13 transaction records maintained pursuant to Regulation 2831.1 with  
14 the record of all trust funds received and disbursed by B/#1 for  
15 loan modification services, as required by Code Section 10145 and  
16 Regulation 2831.2.

17 (d) (2) Foreclosure Help Center Inc. failed to perform a  
18 monthly reconciliation of the balance of all separate beneficiary  
19 or transaction records maintained pursuant to Regulation 2831.1  
20 with the record of all trust funds received and disbursed by T/#1  
21 and B/#2, as required by Code Section 10145 and Regulation 2831.2

22 (e) DINORAH INC. and Foreclosure Help Center Inc.  
23 collected advance fees within the meaning of Code Section 10026  
24 from homeowners seeking loan modification services wherein  
25 DINORAH INC. and Foreclosure Help Center Inc. failed to provide  
26  
27

1 homeowners Juan Galvan, Ignacio/Fernando Ruiz, Raul Davila,  
2 Mario/Laura Lopes, Yolanda Garcia and Antonio Lopez a pre-  
3 approved advance fee agreement by the Department. The failure of  
4 DINORAH INC. acting through Foreclosure Help Center Inc. to  
5 submit an advance fee agreement to the Department five days prior  
6 to its use as required by Code Section 10085 and Regulation 2970,  
7 as required by and in violation of Code Section 10177(d).

8 (f) DINORAH INC. and Foreclosure Help Center Inc.  
9 failed to establish and maintain a trust account at a bank or  
10 other recognized financial institution in the name of the broker  
11 for deposit of advance fees collected by DINORAH INC. and  
12 Foreclosure Help Center Inc., as required by and in violation of  
13 Code Section 10146.

14 (g) With reference to the lack of an advance fee  
15 agreement, DINORAH INC. acting through Foreclosure Help Center  
16 Inc., failed to provide a complete description of services to be  
17 rendered provided to each prospective tenant; 10 point type font;  
18 and, an allocation and disbursement of the amount collected as  
19 the advance fee, as required by Code Section 10085 and Regulation  
20 2972, and in violation of Code Section 10177(d); and

21 (h) Used the fictitious name of "Foreclosure Help  
22 Center", to conduct licensed activities including loan  
23 modification services without holding a license bearing said  
24 fictitious business name until August 4, 2008, after the close of  
25  
26  
27



1 the audit examination, in violation of Code Section 10159.5 and  
2 Regulation 2731.

3 DISCIPLINE STATUTES AND REGULATIONS

4 8.

5 The conduct of Respondents DINORAH INC. and CARMENATE,  
6 including DINORAH INC. acting through Foreclosure Help Center  
7 Inc. dba Foreclosure Help Center, described in Paragraph 7,  
8 above, violated the Code and the Regulations as set forth below:

9 PARAGRAPH

PROVISIONS VIOLATED

10  
11 7(a)

Code Section 10145 and Regulation  
12 2832.1

13  
14 7(b)

Code Sections 10145 and 10176(e)  
15 and Regulation 2832(a)

16  
17 7(c)

Code Section 10145 and Regulation  
18 2831.1

19  
20 7(d)

Code Section 10145 and Regulation  
21 2831.2

22  
23 7(e)

Code Sections 10085 and 10177(d)  
24 and Regulation 2970

25  
26  
27 7(f)

Code Section 10146

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7(g)  
  
7(h)

Code Sections 10085 and 10177(d)  
and Regulation 2972  
  
Code Section 10159.5 and Regulation  
2731

The foregoing violations constitutes cause for the suspension or revocation of the real estate license and license rights of DINORAH INC. and CARMENATE, including DINORAH INC. acting through unlicensed Foreclosure Help Center Inc. as aforesaid, under the provisions of Code Sections 10177(d) for willful disregard or for violation of the Real Estate Law and/or 10177(g) for negligence or incompetence.

NEGLIGENCE

9.

The overall conduct of Respondents DINORAH INC. and CARMENATE constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

SUPERVISION AND COMPLIANCE

10.

The overall conduct of Respondent CARMENATE constitutes a failure on Respondent's part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision

1 and control over the licensed activities of DINORAH INC. as  
2 required by Code Section 10159.2 and Regulation 2725, and to keep  
3 DINORAH INC. in compliance with the Real Estate Law, with  
4 specific regard to trust fund handling, advance fee handling, and  
5 acting through Foreclosure Help Center Inc., an unlicensed  
6 corporation conducting loan modification services for homeowners  
7 requiring a real estate license and is cause for the suspension  
8 or revocation of the real estate license and license rights of  
9 DINORAH pursuant to the provisions of Code Sections 10177(d),  
10 10177(g) and 10177(h).

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 Respondents  
15 DINORAH INC. and DINORAH ANNETTE CARMENATE, under the Real Estate  
16 Law (Part 1 of vision 4 of the Business and Professions Code) and  
17 for such other and further relief as may be proper under other  
18 applicable provisions of law.

19 Dated at Los Angeles, California

20 this 22 day of January 2009   
21 Deputy Real Estate Commissioner

22  
23  
24 cc: Dinorah Inc.  
25 c/o Dinorah Annette Carmenate D.O.  
26 Robin Trujillo  
27 Sacto  
Audits - Lisa Kwong