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FILED

MAY 25 2012

DEPARTMENT OF REAL ESTATE

BY: *C. Garcia*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-38166 LA
12	SOLARO FINANCIAL INCORPORATED,)	<u>A C C U S A T I O N</u>
13	JOHN MATTHEW SOLARO,)	
14	individually and as former)	
15	designated officer of Solaro)	
16	Financial Incorporated, and)	
17	JULIAN MARK GOMEZ,)	
18	Respondents.)	

19 The Complainant, Robin Trujillo, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against SOLARO FINANCIAL INCORPORATED, JOHN MATTHEW SOLARO,
22 individually and as former designated officer of Solaro
23 Financial Incorporated, and JULIAN MARK GOMEZ (collectively
24 "Respondents"), is informed and alleges as follows:

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27 ///

1. 1.

2 The Complainant, Robin Trujillo, a Deputy Real Estate
3 Commissioner of the State of California, makes this Accusation
4 in her official capacity.

2. 2.

6 Respondents are presently licensed and/or have license
7 rights under the Real Estate Law (Part 1 of Division 4 of the
8 California Business and Professions Code, "Code").

3. 3.

10 From October 28, 1991 through October 27, 2011,
11 Respondent SOLARO FINANCIAL INCORPORATED ("SFI") was licensed by
12 the Department of Real Estate ("Department") as a corporate real
13 estate broker, License No. 01121561. Respondent SFI's license
14 expired on October 28, 2011. Respondent has renewal rights
15 under Code Section 10201. The Department retains jurisdiction
16 pursuant to Code Section 10103.

4. 4.

19 From October 21, 1995 through the present, Respondent
20 JOHN MATTHEW SOLARO ("SOLARO") has been licensed by the
21 Department as a real estate broker, License No. 00949453.

5. 5.

23 At all times relevant herein, Respondent SFI was
24 authorized to act by and through Respondent SOLARO as its broker
25 designated pursuant to Code Section 10159.2 to be responsible
26 for ensuring compliance with the Real Estate Law.

1 6.

2 From July 15, 2005 through July 15, 2009, Respondent
3 JULIAN MARK GOMEZ ("GOMEZ") was licensed by the Department as a
4 real estate salesperson, License No. 01511740. From July 16,
5 2005 through February 22, 2009, Respondent GOMEZ was licensed
6 under the employment of Respondent SFI. Respondent GOMEZ'
7 license has expired. The Department retains jurisdiction
8 pursuant to Code Section 10103.

9
10 FIRST CAUSE OF ACCUSATION
11 (Audit LA 100148)

12 Brokerage

13 7.

14 At all times mentioned, in the State of California,
15 Respondents SFI and SOLARO engaged in the business of real
16 estate brokers conducting licensed activities within the meaning
17 of Code Section 10131. SFI and SOLARO engaged in operating a
18 mortgage loan brokerage dba Waterfront Funding and Waterfront
19 Mortgage.

20 Audit

21 8.

22 On August 12, 2011, the Department completed an audit
23 examination of the books and records of SFI pertaining to the
24 mortgage loan activities described in Paragraph 7, which require
25 a real estate license. The audit examination covered a period
26 of time beginning on January 1, 2008 to December 31, 2010. The
27 audit examination revealed violations of the Code and the
28 Regulations as set forth in the following paragraphs, and more
fully discussed in Audit Report LA 100148 and the exhibits and

1 work papers attached to said audit report.

2 9.

3 No trust account was kept during the audit period.

4 Violations

5 10.

6 In the course of activities described in Paragraph 7,
7 above, and during the examination period described in Paragraph
8 8, Respondents SFI and SOLARO, acted in violation of the Code
9 and the Regulations in that Respondents:

10 (a) Collected credit report fees along with their
11 commission earned at the close of escrow prior to paying credit
12 report fees to the credit reporting company and failed to
13 deposit said trust funds (credit report fees) into a trust
14 account, in violation of Code Section 10145 and Regulation 2832.

15 (b) Failed to maintain a control record in the form of
16 a columnar record in chronological order of all trust funds
17 including credit report and appraisal fees received from
18 borrowers in connection with its mortgage loan activity, in
19 violation of Code Section 10145 and Regulation 2831.

20 (c) Failed to maintain a separate record of trust
21 funds received and disbursed related to credit report and
22 appraisal fees for each beneficiary or transaction, in violation
23 of Code Section 10145 and Regulation 2831.1.

24 (d) Failed to maintain a monthly reconciliation of the
25 columnar records with the total balance of separate beneficiary
26 records for its bank accounts that were used to handle trust
27 funds, in violation of Code Section 10145 and Regulation 2831.2.

28

1 (e) Failed to provide and/or maintain an approved
2 Mortgage Loan Disclosure Statement disclosing to borrower John
3 Miller that the lender Bay Equity, LLC, was paying an additional
4 Yield Spread Premium compensation of \$3,567.30 to SFI, in
5 violation of Code Section 10240 and Regulation 2840.

6 Disciplinary Statutes

7 11.

8 The conduct of Respondents SFI and SOLARO described in
9 Paragraph 10, above, violated the Code and the Regulations as
10 set forth below:

11 PARAGRAPH	PROVISIONS VIOLATED
12 7(a)	Code Section 10145 and Regulation 2832
13 7(b)	Code Section 10145 and Regulation 2831
14 7(c)	Code Section 10145 and Regulation 2831.1
15 7(d)	Code Section 10145 and Regulation 2831.2
16 7(e)	Code Section 10240 and Regulation 2840

17
18 The foregoing violations constitutes cause for the
19 suspension or revocation of the real estate license and license
20 rights of SFI and SOLARO, as aforesaid, under the provisions of
21 Code Sections 10177(d) for violation of the Real Estate Law
22 and/or 10177(g) for negligence.

23 12.

24 The overall conduct of Respondents SFI and SOLARO
25 constitutes negligence. This conduct and violation are cause
26 for the suspension or revocation of the real estate license and
27 license rights of said Respondents SFI and SOLARO pursuant to
28 the provisions of Code Section 10177(g).

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13.

The overall conduct of Respondent SOLARO constitutes a failure on Respondent SOLARO's part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of SFI, as required by Code Section 10159.2, to keep SFI in compliance with the Real Estate Law and is cause for the suspension or revocation of the real estate license and license rights of SOLARO pursuant to the provisions of Code Sections 10177(h), 10177(d) and/or 10177(g).

SECOND CAUSE OF ACCUSATION
(Fraud/Dishonest Dealing)

14.

There is hereby incorporated in this Second, separate and distinct Cause of Accusation, all of the allegations contained in Paragraphs 1 through 13, with the same force and effect as if herein fully set forth.

15.

In or around January, 2009, Respondent GOMEZ induced lender Sal C. to make several loans to prospective purchasers of real property. Respondent GOMEZ provided Sal C. with falsified notes secured by a deed of trust on real property. Based on Respondent GOMEZ' misrepresentations and promises, Sal C. provided the following amounts to Respondent GOMEZ for loans to borrowers:

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Borrower	Amount	Date Note Due
Michael D.	\$15,000	Jan. 19, 2009
Evelyn C.	\$12,000	Jan. 28, 2009
David R and Lizette M.	\$30,000	June 25, 2009
Jose G.	\$35,000	August 28, 2009

16.

Respondent GOMEZ' representations to Sal C. were false and misleading and were known by Respondent GOMEZ to be false and misleading when made or were made by such Respondent with no reasonable grounds for believing said representations to be true, and/or said Respondent should have known at the time through the exercise of reasonable diligence that such representations were false and misleading. In truth and in fact: 1) Respondent GOMEZ forged the notes and deeds of trust that were provided to Sal C.; 2) Respondent GOMEZ absconded Sal C.'s funds and used the funds for his own personal benefit; and 3) Respondent GOMEZ stopped communicating with Sal C. after the notes became due.

17.

The conduct, acts and/or omissions of Respondent GOMEZ as set forth in Paragraphs 15 and 16 above constitute grounds for the suspension or revocation of the license and license rights of Respondent GOMEZ, pursuant to Code Sections 10176(a) (making any substantial misrepresentation) and 10176(b) (making any false promises of a character likely to influence, persuade

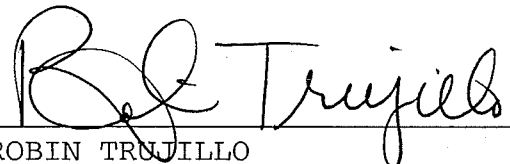
1 or induce), and 10176(i) (fraud or dishonest dealing).

2 18.

3 Code Section 10106 provides, in pertinent part, that
4 in any order issued in resolution of a disciplinary proceeding
5 before the Department of Real Estate, the Commissioner may
6 request the administrative law judge to direct a licensee found
7 to have committed a violation of this part to pay a sum not to
8 exceed the reasonable costs of the investigation and enforcement
9 of the case.

10 WHEREFORE, Complainant prays that a hearing be
11 conducted on the allegations of this Accusation and that upon
12 proof thereof, a decision be rendered imposing disciplinary
13 action against all licenses and/or license rights of Respondents
14 SOLARO FINANCIAL INCORPORATED, JOHN MATTHEW SOLARO, individually
15 and as former designated officer of Solaro Financial
16 Incorporated, and JULIAN MARK GOMEZ under the Real Estate Law
17 (Part 1 of Division 4 of the Business and Professions Code), for
18 the cost of investigation and enforcement as permitted by law,
19 and for such other and further relief as may be proper under
20 other provisions of law.

21 Dated at Los Angeles, California
22 this 23 day of May, 2012.

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26 ROBIN TRUJILLO
27 Deputy Real Estate Commissioner
28

1 cc: Solaro Financial Incorporated
2 John Matthew Solaro
3 Julian Mark Gomez
4 Robin Trujillo
5 Darryl M. Thomas - Audits
6 Sacto.
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