Department of Real Estate
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FILED
MAY 21 2012
DEPARTMENT OF REAL ESTATE
By K. Mar

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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| To:<br><br>EPIFANY PROPERTIES, INC. and RICHARD PATRICK ANTHONY ST. ROSE. | NO. H-4350 SD<br><br>ORDER TO DESIST AND REFRAIN<br>(B & P Code Section 10086) |

The Real Estate Commissioner ("the Commissioner") of the California Department of Real Estate ("the Department") caused an investigation to be made of the activities of RICHARD PATRICK ANTHONY ST. ROSE, ("ST. ROSE"), and EPIFANY PROPERTIES, INC., ("EPIFANY"), (collectively, "Respondents"). Based on that investigation, the Commissioner has determined that Respondents have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting violations of the California Business and Professions Code ("Code") and/or Title 10, Chapter 6, California Code of Regulations ("Regulations"), including acting in the capacity of, advertising or assuming to act as a real estate broker in the State of California within the meaning of Section 10131(d) (performing services for borrowers and/or lenders in connection with loans secured by real property), 10131.2 (collection of advance fees), 10085 (advance fee agreements and materials)

and 10137 (unlawful employment or payment of compensation) of the Code. Furthermore, based on the investigation, the Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086 of the Code.

FINDINGS OF FACT

1. At all times relevant herein, ST. ROSE was and is licensed by the Department as a real estate broker, and is licensed by the Department as the designated broker/officer of EPIFANY.

2. At all times relevant herein, EPIFANY was and is licensed by the Department as a corporate real estate broker.

3. Michele Hrivnak is licensed by and/or has license rights by the Department as a real estate salesperson.

4. At no time has Breanna Walulik been licensed in any capacity by the Department to conduct real estate activity in the State of California.

5. During the period of time set out below, Respondents performed services for one or more borrowers and negotiated to do one or more of the following acts for another or others, for or in expectation of compensation: negotiate one or more loans for, or perform services for, borrowers and/or lenders with respect to the collection of advance fees and loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services and/or those borrowers' lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charged, demanded or collected an advance fee for any of the services offered.

6. In connection with the collection and handling of advance fees as alleged above, Respondents failed to submit the advance fee contract and all materials used in obtaining those advance fees to the Department of Real Estate for approval prior to their use in obtaining advance fees.

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7. EPIFANY allowed non-licensee Michele Hrivnak to withdraw funds from its bank accounts into which funds related to its real estate activities were deposited after Michele Hrivnak's real estate salesperson license expired on January 8, 2010, and failed to provide adequate fidelity bond coverage for her.

8. EPIFANY and ST. ROSE allowed non-licensee Breanna Walulik to enter into at least three (3) lease/rental agreements on behalf of EPIFANY.

CONCLUSIONS OF LAW

9. Based on the Findings of Fact contained in Paragraphs 1 through 8, above, RICHARD PATRICK ANTHONY ST. ROSE and EPIFANY PROPERTIES, INC., solicited borrowers and/or performed services for those borrowers with respect to the collection of advance fees and loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services and/or those borrowers' lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charged, demanded or collected advance fees for the services to be provided, which acts require a real estate broker license under Sections 10131(d) and 10131.2 of the Code.

10. RICHARD PATRICK ANTHONY ST. ROSE and EPIFANY PROPERTIES, INC., used a form of advance fee agreement which had not been provided to the Department for its prior review and consideration, in violation of Section 10085 of the Code, and Section 2970 (submission of advance fee materials) of the Regulations.

11. RICHARD PATRICK ANTHONY ST. ROSE and EPIFANY PROPERTIES, INC., allowed non-licensee Michele Hrivnak to be listed as a signatory on their bank account in which trust funds related to real estate activities were deposited. Thereafter, Michele Hrivnak was allowed to withdraw funds from that bank account, including trust funds.

12. RICHARD PATRICK ANTHONY ST. ROSE and EPIFANY PROPERTIES, INC., employed and compensated Breanna Walulik for activities related to real estate while Breanna Walulik was not licensed by the Department to conduct real estate activities in the State of California.

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein, RICHARD PATRICK ANTHONY ST. ROSE and EPIFANY PROPERTIES, INC., whether doing business under your own names, or any other names or fictitious names, ARE HEREBY ORDERED to immediately desist and refrain from:

1. Charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any of the services you offer to others, unless and until you demonstrate and provide evidence satisfactory to the Commissioner that you:

(a) Have an advance fee agreement which has been submitted to the Department and which is in compliance with Sections 2970 and 2972 of the Regulations;

(b) Have placed all previously collected advance fees into a trust account for that purpose and are in compliance with Section 10146 (deposit of advance fees into trust account) of the Code;

(c) Have provided an accounting to trust fund owner-beneficiaries pursuant to Section 2972 of the Regulations;

2. Demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, in any form, and under any conditions, with respect to the performance of loan modification or any other form of mortgage loan forbearance services in connection with loans on residential property containing four or fewer dwelling units.

3. Employing or paying compensation to real estate salespersons which are not licensed under your corporate real estate broker license or real estate broker license.

4. Employing or paying compensation to persons without a California real estate license for activities related to real estate that requires a real estate license.

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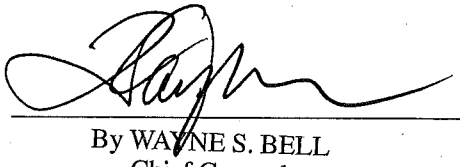
5. Allowing persons without a California real estate license to be signatories on any of your bank accounts which contain trust funds related to real estate activity.

DATED: 5/17/2012

REAL ESTATE COMMISSIONER



By WAYNE S. BELL
Chief Counsel

**Notice:** Business and Professions Code Section 10139 provides that, "Any person acting as a real estate broker or real estate salesperson without a license or who advertises using words indicating that he or she is a real estate broker without being so licensed shall be guilty of a public offense punishable by a fine not exceeding twenty thousand dollars ($20,000), or by imprisonment in the county jail for a term not to exceed six months, or by both fine and imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars ($60,000)...."

cc: RICHARD PATRICK ANTHONY ST. ROSE
1230 Columbia Street, Suite 850
San Diego, CA 92101

RICHARD PATRICK ANTHONY ST. ROSE
As Agent for Service of Process
EPIFANY PROPERTIES, INC.
1230 Columbia Street, Suite 850
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ATTY JWB/km