FILED

DEC 31 2009

DEPARTMENT OF REAL ESTATE

By

Department of Real Estate
P.O. Box 187007
Sacramento, CA 95818-7007

Telephone: (916) 227-0781

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of VERDEO FUNDING INC. and DAVID MEREDITH WILLIAMS, Respondents.	No. H-5220 SAC STIPULATION AND AGREEMENT

It is hereby stipulated by and between VERDEO FUNDING INC. and DAVID MEREDITH WILLIAMS (hereafter "Respondents") and their attorney, Matthew C. Ming, and the Complainant, acting by and through Truly Sughrue, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing the Accusation filed on May 28, 2009 in this matter:

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

2. Respondents have received, read and understand the Statement to Respondent, and the Discovery Provisions of the APA filed by the Department of Real Estate in this proceeding.

3. Respondents filed a Notice of Defense pursuant to Section 11505 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents acknowledge that they understand that by withdrawing said Notice of Defense they will thereby waive their rights to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA, and that they will waive other rights afforded to them in connection with the hearing such as the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

4. This stipulation is based on the factual allegations contained in the Accusation. In the interest of expediency and economy, Respondents choose not to contest these factual allegations, but to remain silent and understands that, as a result thereof, these factual statements will serve as a prima facie basis for the "Determination of Issues" and "Order' set forth below. The Real Estate Commissioner shall not be required to provide further evidence to prove such allegations.

5. This Stipulation and Respondents decision not to contest the Accusation are made for the purpose of reaching an agreed disposition of this proceeding and are expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate (herein "the Department"), the state or federal government, an agency of this state, or an agency of another state is involved.

6. Respondents understand that by agreeing to this Stipulation and Agreement, Respondents agree to pay, pursuant to Section 10148 of the California Business and Professions Code, the cost of the audit which resulted in the determination that Respondent committed the trust fund violation(s) found in the Determination of Issues. The amount of said costs is $6095.

7. Respondents further understands that by agreeing to this Stipulation and Agreement in Settlement, the findings set forth below in the Determination Of Issues become final, and that the Commissioner may charge said Respondents for the costs of any audit conducted pursuant to Section 10148 of the California Business and Professions Code to determine if the violations have been corrected. The maximum costs of said audit shall not exceed $6095.

8. It is understood by the parties that the Real Estate Commissioner may adopt the Stipulation and Agreement as his decision in this matter thereby imposing the penalty and sanctions on the real estate licenses and license rights of Respondent as set forth in the below "Order". In the event that the Commissioner in his discretion does not adopt the Stipulation and Agreement, it shall be void and of no effect, and Respondents shall retain the right to a hearing and proceeding on the Accusation under all the provisions of the APA and shall not be bound by any admission or waiver made herein.

9. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further administrative or civil proceedings by the Department of Real Estate with respect to any matters which were not specifically alleged to be causes for accusation in this proceeding.

* * *

DETERMINATION OF ISSUES

By reason of the foregoing stipulations and waivers and solely for the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the following determination of issues shall be made:

I

The acts and omissions of VERDEO FUNDING INC. (hereinafter "VERDEO") as described in the First Cause of Action of the Accusation are grounds for the suspension or revocation of Respondents licenses and license rights under Section 10177(d) of the Code in conjunction with Sections 10085, and 10146 of the Code and Section 2970 of the Regulations.

II

The acts and omissions of VERDEO as described in the Second Cause of Action of the Accusation are grounds for the suspension or revocation of Respondents licenses and license rights under Section 10145 of the Code and Section 2832 of the Regulations in conjunction with Section 10177(d) of the Code.

III

The acts and/or omissions of Respondent DAVID MEREDITH WILLIAMS (hereinafter "WILLIAMS") described in the Third Cause of Action in the Accusation, constitute failure on the part of WILLIAMS, as designated broker-officer for VERDEO, to exercise

reasonable supervision and control over the licensed activities of VERDEO required by Section 10159.2 of the Code, and is cause for the suspension or revocation of WILLIAMS' license and/or license rights under Section 10177(h) of the Code.

* * *

ORDER

I

All licenses and licensing rights of Respondent VERDEO under the Real Estate Law are suspended for a period of forty-five (45) days from the effective date of this Order; provided, however, that:

1) Fifteen (15) days of said suspension shall be stayed, upon the condition that VERDEO petition pursuant to Section 10175.2 of the Business and Professions Code and pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at a rate of $100 for each day of the suspension for a total monetary penalty of $1500.

   a) 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 delivered to the Department prior to the effective date of the Order in this matter.

   b) No further cause for disciplinary action against the Real Estate licenses of Respondent occurs within two (2) years from the effective date of the decision in this matter.

   c) If Respondent fails to pay the monetary penalty as provided above prior to the effective date of this Order, the stay of the suspension shall be vacated as to that Respondent and the order of suspension shall be immediately executed, in which event the said Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for the money paid to the Department under the terms of this Order.

   d) If said Respondent pays the monetary penalty and any other moneys due under this Stipulation and Agreement and if no further cause for disciplinary action against the real estate license of said Respondent occurs within two (2) years from the effective date of this Order, the entire stay hereby granted, as to said Respondent only, shall become permanent.

2) The remaining thirty (30) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

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

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

3) Pursuant to Section 10148 of the Business and Professions Code, VERDEO shall jointly and severally with WILLIAMS pay the sum of $6095 for the Commissioner's cost of the audit which led to this disciplinary action. Respondents shall pay such cost within sixty (60) days of receiving an invoice therefor from the Commissioner. The Commissioner may suspend the Respondent's license pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

4) Pursuant to Section 10148 of the Business and Professions Code, VERDEO shall jointly and severally with WILLIAMS pay the Commissioner's reasonable cost, not to exceed $6095, for an audit to determine if Respondents have corrected the trust fund violation(s) found the Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Respondent shall pay such cost within sixty (60) days of receiving an invoice therefor from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may suspend Respondent's license pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between Respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondent enters into an agreement

satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

II

All licenses and licensing rights of Respondent WILLIAMS under the Real Estate Law are suspended for a period of forty-five (45) days from the effective date of this Order; provided, however, that:

1) Fifteen (15) days of said suspension shall be stayed, upon the condition that WILLIAMS petition pursuant to Section 10175.2 of the Business and Professions Code and pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at a rate of $100 for each day of the suspension for a total monetary penalty of $1500.

   a) 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 delivered to the Department prior to the effective date of the Order in this matter.

   b) No further cause for disciplinary action against the Real Estate licenses of said Respondent occurs within two (2) years from the effective date of the decision in this matter.

   c) If Respondent fails to pay the monetary penalty as provided above prior to the effective date of this Order, the stay of the suspension shall be vacated as to that Respondent and the order of suspension shall be immediately executed, in which event the said Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for the money paid to the Department under the terms of this Order.

   d) If Respondent pays the monetary penalty and any other moneys due under this Stipulation and Agreement and if no further cause for disciplinary action against the real estate license of said Respondent occurs within two (2) years from the effective date of this Order, the entire stay hereby granted, as to said Respondent only, shall become permanent.

2) The remaining thirty (30) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

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

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

3) WILLIAMS shall, prior to the effective date of this Decision, submit proof satisfactory to the Commissioner of having taken and successfully completed the continuing education course on trust fund accounting and handling specified in subdivision (a) of Section 10170.5 of the Business and Professions Code. Proof of satisfaction of this requirement includes evidence that Respondent has successfully completed the trust fund account and handling continuing education course within 120 days prior to the effective date of the Decision in this matter. If Respondent fails to satisfy this condition, the Commissioner may order the suspension of Respondent's license until Respondent presents proof that he has successfully completed the trust fund course.

4) Pursuant to Section 10148 of the Business and Professions Code, WILLIAMS shall jointly and severally with VERDEO pay the sum of $6095 for the Commissioner's cost of the audit which led to this disciplinary action. Respondents shall pay such cost within sixty (60) days of receiving an invoice therefor from the Commissioner. The Commissioner may suspend Responent's license pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

5) Pursuant to Section 10148 of the Business and Professions Code, WILLIAMS shall jointly and severally with VERDEO pay the Commissioner's reasonable cost, not to exceed $6095, for an audit to determine if Respondents have corrected the trust fund violation(s) found in the Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the

auditor's place of work. Respondent shall pay such cost within sixty (60) days of receiving an invoice therefor from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may suspend Respondent's license pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between Respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

9-Dec-09
DATED

TRULY SUGHRUE
Counsel for Complainant

* * *

I have read the Stipulation and Agreement, discussed it with my counsel, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act, and I willingly, intelligently and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

11/24/09
DATED

VERDEO FUNDING INC.
Respondent

11/24/09
DATED

DAVID MEREDITH WILLIAMS
Respondent

I have reviewed the Stipulation and Agreement as to form and content and have advised my client accordingly.

12/1/09
DATED

MATTHEW C. MINGI
Attorney for Respondents

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision and shall become effective at 12 o'clock noon on JAN 21 2010

IT IS SO ORDERED 12-29-09

JEFF DAVI
Real estate Commissioner

TRULY SUGHRUE, Counsel
State Bar No. 223266
Department of Real Estate
P.O. Box 187007
Sacramento, CA 95818-7007

Telephone: (916) 227-0781

FILED

MAY 28 2009

DEPARTMENT OF REAL ESTATE

By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of VERDEO FUNDING INC. and DAVID MEREDITH WILLIAMS, Respondents.	No. H-5220 SAC ACCUSATION

The Complainant, Joe M. Carrillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against VERDEO FUNDING INC. and DAVID MEREDITH WILLIAMS, (hereinafter "Respondents"), is informed and alleges as follows:

PRELIMINARY ALLEGATIONS

1

The Complainant, Joe M. Carrillo, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

2

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

///

3

At all times mentioned, Respondent VERDEO FUNDING INC., (hereinafter "VERDEO") was and is licensed by the State of California Department of Real Estate (hereinafter "Department") as a real estate broker corporation.

4

At all times mentioned, Respondent DAVID MEREDITH WILLIAMS, (hereinafter "WILLIAMS") was and is licensed by the Department individually as a real estate broker, and as the designated broker officer of VERDEO. As said designated officer-broker, WILLIAMS was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees and employees of VERDEO for which a license is required.

5

Whenever reference is made in an allegation in this Accusation to an act or omission of VERDEO, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with VERDEO committed such acts or omissions while engaged in furtherance of the business or operation of VERDEO and while acting within the course and scope of their corporate authority and employment.

6

At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California within the meaning of Section 10131(d) of the Code, including the operation and conduct of a mortgage loan brokerage business with the public wherein you, for or in expectation of compensation, for another or others, solicited borrowers or lenders or negotiated loans or collected payments or performed services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

///

///

FIRST CAUSE OF ACTION

7

Each and every allegation in Paragraphs 1 through 6, inclusive, above are incorporated by this reference as if fully set forth herein.

8

In connection with the operation and conduct of the real estate activities described in Paragraph 6, VERDEO engaged in the business of claiming, demanding, charging, receiving, collecting or contracting for the collection of advance fees within the meaning of Sections 10026 and 10131.2 (hereinafter "advance fee") of the Code including but not limited to the following:

HOMEOWNER	DATE	AMOUNT
Alex Sacay	8/8/08	$1,000
Matthew Arvay	8/13/08	$1,000
Gary Wagner	9/22/08	$1,000
Rene McCarter	9/22/08	$1,000
Baudilio Rodriguez	9/18/08	$2,995
Carlos Perez	8/18/08	$1,000

9

In connection with the collection and handling of said advance fee, VERDEO:

(a) Failed to cause the advance fee contract and all materials used in obtaining the advance fee agreement to be submitted to the Department of Real Estate prior to use as required by Section 10085 of the Code and Section 2970 of Title 10 of the California Code of Regulations (hereinafter "the Regulations").

(b) Failed to immediately deliver said trust funds into a neutral escrow depository, or into a trust fund account in violation of Section 10146 of the Code.

(c) Failed to furnish the principal borrower the verified accounting required by Section 10146 of the Code and Section 2972 of the Regulations.

///

///

10

The acts and/or omissions of VERDEO described in the First Cause of Action, constitute violation of Section 10177(d) of the Code in conjunction with Sections 10085, and 10146 of the Code and Sections 2970 and 2972 of the Regulations, and are cause for the suspension or revocation of VERDEO license and license rights.

SECOND CAUSE OF ACTION

11

Each and every allegation in Paragraphs 1 through 10, inclusive, above, are incorporated by this reference as if fully set forth herein.

12

In acting as a real estate broker, as described in Paragraph 6, VERDEO accepted or received funds in trust (hereinafter "trust funds") from or on behalf of lenders, investors, note purchasers, borrowers, and others in connection with the servicing, solicitation, negotiation, processing, and consummation of mortgage loan investments by VERDEO.

13

The aforesaid trust funds accepted or received by VERDEO were deposited or caused to be deposited by VERDEO into one or more bank accounts (hereinafter "trust funds accounts") maintained by VERDEO for the handling of trust funds, including but not limited to the following:

TITLE AND ACCOUNT NUMBERS	BANK
Verdeo Funding Inc. The Mortgage Modification Center Account No. 830-2427284 (hereinafter "Account #1")	Wells Fargo Bank P.O. Box 6995 Portland, OR 97228-6995

///

///

///

14

In the course of activities described in Paragraph 6 and for each of the trust funds accounts identified in Paragraph 13, in connection with the collection and disbursement of said trust funds, VERDEO failed to deposit trust funds into one or more trust funds accounts in the name of VERDEO as trustee at a bank or other financial institution, in conformance with Section 10145 of the Code and Section 2832 of the Regulations.

15

The acts and/or omissions of VERDEO as alleged in the Second Cause of Action constitute grounds for disciplinary action under Section 10145 of the Code and Section 2832 of the Regulations in conjunction with Section 10177(d) of the Code.

THIRD CAUSE OF ACTION

16

Each and every allegation in Paragraphs 1 through 15, inclusive, above, are incorporated by this reference as if fully set forth herein.

17

Respondent WILLIAMS failed to exercise reasonable supervision over the acts of VERDEO in such a manner as to allow the acts and events described in Paragraphs 7 through 15 to occur.

18

The acts and/or omissions of WILLIAMS described in Paragraph 17, constitute failure on the part of WILLIAMS, as designated broker-officer for VERDEO, to exercise reasonable supervision and control over the licensed activities of VERDEO as required by Section 10159.2 of the Code.

///

///

///

///

19

The facts described above as to the Third Cause of Accusation constitute cause for the suspension or revocation of the licenses and license rights of Respondent WILLIAMS under Section 10177(g) and/or Section 10177(h) of the Code and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

PRIOR PROCEEDINGS

20

On or about February 10, 2009, in Case No. H-5153 SAC before the Department of Real Estate, the Real Estate Commissioner issued an Order to Desist and Refrain against VERDEO and WILLIAMS for violation of Section 10085 of the Code, and Section 2970 of the Regulations.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law.

JOE M. CARRILLO
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 21 day of May, 2009