FILED

DEC 19 2011

DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of ALL STAR HOME LOANS INC.; and CAROLINA GIARGIA, individually and as designated officer of All Star Home Loans Inc., Respondents,	)	No. H-37134 LA

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on September 22, 2011, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent ALL STAR HOME LOANS INC. express admissions; (2) affidavits; and (3) other evidence.

FACTUAL FINDINGS

1.

On February 24, 2011, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent and Notice of Defense were mailed by certified

mail, to Respondent's last known mailing addresses on file with the Department on March 14, 2011. All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

2.

On September 22, 2011, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent ALL STAR HOME LOANS INC.'s default was entered herein.

3.

A. ALL STAR HOME LOANS INC. ("ASHLI"). At all times mentioned, Respondent ASHLI was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On August 29, 2007, ASHLI was originally licensed as a corporate real estate broker. Respondent ASHLI was authorized to act by and through Respondent CAROLINA GIARGIA as ASHLI's broker designated pursuant to Business and Professions Code (hereinafter "Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

B. CAROLINA GIARGIA ("CAROLINA GIARGIA"). At all times mentioned, Respondent GIARGIA was licensed or had license rights issued by the Department as a real estate broker. On July 19, 1990 GIARGIA was originally licensed as a real estate salesperson. On June 13, 2000 GIARGIA was originally licensed as a real estate broker. On October 4, 2003, GIARGIA became the designated officer of ASHLI.

C. ALL STAR HOME LOANS INC. is owned by Yamel Delgado, its president and secretary.

D. Yamel Delgado and "Mathilda" aka Mia are not now and have never been licensed by the Department as a salesperson or broker.

4.

At all times mentioned, in the City of Maywood, County of Los Angeles, ASHLI and GIARGIA acted as real estate brokers conducting licensed activities within the meaning of:

A. Code Section 10131(d). Respondents engaged in activities with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

During the final twelve months of the audit period, Respondents closed approximately twenty-four (40) mortgage loans totaling $5,376,456.

B. Code Section 10131(d) and 10131.2. Respondents advertised, solicited and offered to provide loss mitigation and loan modification services to economically distressed homeowners seeking adjustments to the terms and conditions of their home loans including, but not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or interest, extenuations, foreclosure prevention and short sales.

During the audit period, Respondents attempted unsuccessfully to process several loan modifications using the name "California's Loan Resolution" charging advance fees from economically distressed homeowner-borrowers, including Armando Moreno, and depositing his $500 advance fee for services to be rendered into ASHLI's general account, B/A #1 below.

FIRST CAUSE OF ACCUSATION
(Audit)

5.

On September 3, 2010, the Department completed an audit examination of the books and records of ASHLI pertaining to the mortgage loan brokerage, loan modification and advance fee activities only described in Finding 4, which require a real estate license. The audit examination covered a period of time beginning on July 1, 2007 to April 30, 2010. 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 090214 and the exhibits and work papers attached to said audit report.

6.

At all times mentioned, in connection with the activities described in Finding 4, above, ASHLI accepted or received funds including funds in trust (hereinafter "trust funds") in the form of advance fees on behalf of actual or prospective parties, including lenders, borrowers, homeowners for mortgage loans and loan modifications handled by ASHLI and ASHLI's dba California's Home Resolution. Thereafter ASHLI made deposits and or disbursements of such trust funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by ASHLI in the bank accounts as follows:

"All Star Home Loans Inc.
Account No. XXXXXXXX296-7

WaMu Bank
(AHSLI's general business account) (B/A #1)

"All Star Home Loans Inc.
Account No. XXXXXXXX295-9
WaMu Bank
(AHSLI's general business checking account) (B/A #2)

"All Star Home Loans Inc.
Account No. XXXXXXXX023-1
WaMu Bank
(AHSLI's general business interest-bearing account) (B/A #3)

"All Star Home Loans Inc.
Account No. XXXXXXXX4060
Cal National Bank
(AHSLI's general business operations account) (B/A #4)

7.

In the course of activities described in Findings 4 and 6, above, and during the examination period described in Finding 5, Respondents ASHLI acted in violation of the Code and the Regulations in which Respondent:

(a) Used the fictitious name of "All Stars Home Loans", to conduct licensed activities including a mortgage loan brokerage, without first obtaining from the Department a license bearing said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731.

(b)(1) Failed to retain a true and complete copy of a Department of Real Estate approved Mortgage Loan Disclosure Statements which were:

(1) Signed by ASHLI for borrowers Somsanith, Bounleuth, Maria Pzano and Sergio Pivaral;

(2) Not provided to the aforesaid borrowers within three (3) business days of submission of aforesaid borrowers loan applications;

(3) Not disclosed, to wit, the Yield Spread Premium rebate from the lender for borrower Jareerat Saensawas in the amount of $350.00 was not disclosed; all in violation of Code Sections 10240(a) and (c) and Regulation 2840.

(b)(2) Failed to retain a true and complete copy of a Department of Real Estate approved Good Faith Estimate signed by the broker for borrowers Jareerat Saensawas, Amara Tuncharoen, Nattawach Phoonsawat, Sandra Ballesteros, Chweewan Janjareanand Ahmad Daouk, in violation of Code Sections 10240(c) and Regulation 2840. Respondents failed to disclose ASHLI's:

(1) Good Faith Estimate did not constitute a loan commitment;

(2) Corporate broker license number; and

(3) Yield Spread Premium rebate from lenders.

(c) After notice and subpoena on May 11, 2010, failed to retain all records of ASHLI's activity during the audit period requiring a real estate broker license, in violation of Code Section 10148.

SECOND CAUSE OF ACCUSATION
(Negligence)

8.

The overall conduct of Respondent ASHLI constitutes negligence and is cause for the suspension or revocation of the real estate license and license rights of said Respondent pursuant to the provisions of Code Section 10177(g).

THIRD CAUSE OF ACCUSATION
(Fiduciary Duty)

9.

The conduct, acts and omissions of Respondent ASHLI constitutes a breach of fiduciary duty, in violation of Code Sections 10176(i) and/or 10177(g).

DETERMINATION OF ISSUES

1.

The conduct, acts and/or omissions of Respondent ALL STAR HOME LOANS INC., as described in Findings 5 through 7, herein above, is in violation of Code Sections 10148, 10159.5 and 10240, and is cause for disciplinary action pursuant to Code Sections 10177(d) and 10177(g).

2.

The conduct, acts and/or omissions of Respondent ALL STAR HOME LOANS INC., as described in Finding 8, herein above, is in violation of Code Section 10177(g) and is cause for disciplinary action pursuant to Code Section 10177(g).

3.

The conduct, acts and/or omissions of Respondent ALL STAR HOME LOANS INC., as described in Finding 9, herein above, is in violation of Code Sections 10177(g) and is cause for disciplinary action pursuant to Code Sections 10177(g) and 10176(i).

4.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

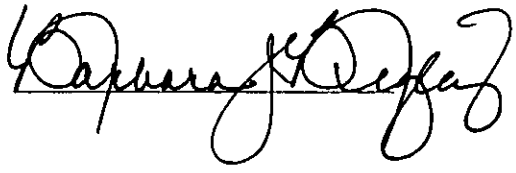
ORDER

The real estate broker license and license rights of Respondent ALL STAR HOME LOANS INC., under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on January 9, 2012.

DATED: 12/13, 2011

BARBARA J. BIGBY
Acting Real Estate Commissioner



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

(213) 576-6982

FILED

SEP 22 2011

DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of ALL STAR HOME LOANS INC.; and CAROLINA GIARGIA, individually and as designated officer of All Star Home Loans Inc., Respondents,	No. H-37134 LA

DEFAULT ORDER

Respondent ALL STAR HOME LOANS INC., having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED September 21, 2011

BARBARA J. BIGBY
Acting Real Estate Commissioner

Dolores Weeks

By: DOLORES WEEKS
Regional Manager

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

Telephone: (213) 576-6982

FILED

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DEPARTMENT OF REAL ESTATE
BY: [signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of ALL STAR HOME LOANS INC.; and CAROLINA GIARGIA, individually and as designated officer of All Star Home Loans Inc., Respondent.	No. H-37134 LA STIPULATION AND AGREEMENT

It is hereby stipulated by and between Respondent CAROLINA GIARGIA (sometimes referred to as "Respondent"), and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation ("Accusation") filed on March 14, 2011, in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondent 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 ("Stipulation").

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

3. Respondent timely filed a Notice of Defense pursuant to Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that he understands that by withdrawing said Notice of Defense he thereby waives his right 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 he will waive other rights afforded to him in connection with the hearing such as the right to present evidence in his defense the right to cross-examine witnesses.

4. This Stipulation is based on the factual allegations contained in the Accusation. In the interest of expedience and economy, Respondent chooses not to contest these allegations, but to remain silent and understands that, as a result thereof, these factual allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary

action stipulated to herein. The Real Estate Commissioner shall not be required to provide further evidence to prove said factual allegations.

5. This Stipulation is made for the purpose of reaching an agreed disposition of this proceeding and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate ("Department"), the state or federal government, or any agency of this state, another state or federal government is involved, and otherwise shall not be admissible in any other criminal or civil proceedings.

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

7. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to this Stipulation 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 but do

constitute a bar, estoppel and merger as to any allegations actually contained in the Accusations against Respondent herein.

DETERMINATION OF ISSUES

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

The conduct, acts and omissions of CAROLINA GIARGIA, as described in Paragraph 4, hereinabove, is in violation of Business and Professions Code Section1 10159.2 and 10240 and Section 2840 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for discipline of Respondent's license and license rights as a violation of the Real Estate Law pursuant to Code Sections 10177(d), 10177(g) and 10177(h).

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

The real estate broker license of Respondent CAROLINA GIARGIA, under the Real Estate Law is revoked; provided, however, a restricted real estate broker license shall be issued to said Respondent, pursuant to Section 10156.5 of the Business and Professions Code if Respondent:

(A) Make application thereof and pays to the Department of Real Estate the appropriate fee for the restricted license within ninety (90) days from the effective date of this Decision.

(B) Respondent shall, prior to and as a condition of the issuance of the restricted license, submit proof satisfactory

///

to the Commissioner of having taken and successfully completed the continuing education course on trust fund accounting and handling specified in paragraph (3) of 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 date of issuance of the restricted license.

The restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the followings limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code.

1. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction or plea of nolo contendere to a crime which is substantially related to a Respondent's fitness or capacity as a real estate licensee.

2. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of

a restricted license until two (2) years have elapsed from the date of issuance of the restricted license.

4. Respondent shall within six (6) months from the date of issuance of the restricted license, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of the restricted license until respondent passes the examination.

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

6. During the restricted period, Respondent shall not serve as the designated broker at any corporate real estate broker unless and until Respondent is the sole owner of record of the shares of the corporation.

///

///

DATED: 6-26-11

ELLIOTT MAC LENNAN, Counsel for the Department of Real Estate

* * *

I have read the Stipulation. 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 (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), 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.

Respondent (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Additionally, Respondent shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan. A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation.

DATED: 07/05/2011

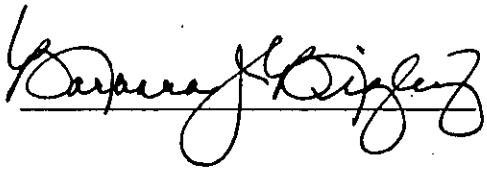
CAROLINA GIARGIA, Respondent

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent CAROLINA GIARGIA and shall become effective at 12 o'clock noon on September 7, 2011.

IT IS SO ORDERED 8/1, 2011.

BARBARA J. BIGBY
Acting Real Estate Commissioner



ELLIOTT MACLENNAN, 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

MAR 14 2011

DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of ALL STAR HOME LOANS INC.; and CAROLINA GIARGIA, individually and as designated officer of All Star Home Loans Inc., Respondents.	No. H-37134 LA A C C U S A T I O N

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against ALL STAR HOME LOANS INC. and CAROLINA GIARGIA, individually and as designated officer of Noury Corporation, alleges as follows:

1.

The Complainant, Maria Suarez, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation.

///

2.

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

3.

License History

A. ALL STAR HOME LOANS INC. ("ASHLI"). At all times mentioned, Respondent ASHLI was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On August 29, 2007, ASHLI was originally licensed as a corporate real estate broker. Respondent ASHLI was authorized to act by and through Respondent CAROLINA GIARGIA as ASHLI's broker designated pursuant to Business and Professions Code (hereinafter "Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

B. CAROLINA GIARGIA ("CAROLINA GIARGIA"). At all times mentioned, Respondent GIARGIA was licensed or had license rights issued by the Department as a real estate broker. On July 19, 1990 GIARGIA was originally licensed as a real estate salesperson. On July 19, 1990 GIARGIA was originally licensed as a real estate salesperson. On June 13, 2000 GIARGIA was originally licensed as a real estate broker. On October 4, 2003, GIARGIA became the designated officer of ASHLI.

C. ALL STAR HOME LOANS INC. is owned by Yamel Delgado, its president and secretary.

D. Yamel Delgado and "Mathilda" aka Mia are not now and have never been licensed by the Department as a salesperson

or broker.

Brokerage

4.

At all times mentioned, in the City of Maywood, County of Los Angeles, ASHLI and GIARGIA acted as real estate brokers conducting licensed activities within the meaning of:

B. Code Section 10131(d). Respondents engaged in activities with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

During the final twelve months of the audit period, Respondents closed approximately twenty-four (40) mortgage loans totaling $5,376,456.

C. Code Section 10131(d) and 10131.2. Respondents advertised, solicited and offered to provide loss mitigation and loan modification services to economically distressed homeowners seeking adjustments to the terms and conditions of their home loans including, but not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or interest, extenuations, foreclosure prevention and short sales.

During the audit period, Respondents attempted unsuccessfully to process several loan modifications using the name "California's Loan Resolution" charging advance fees from economically distressed homeowner-borrowers, including Armando

Moreno, and depositing his $500 advance fee for services to be rendered into ASHLI's general account, B/A #!, below.

FIRST CAUSE OF ACCUSATION
(Audit Examination)

5.

On September 3, 2010, the Department completed an audit examination of the books and records of ASHLI pertaining to the mortgage loan brokerage, loan modification and advance fee activities only described in Paragraph 4, which require a real estate license. The audit examination covered a period of time beginning on July 1, 2007 to April 30, 2010. 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 090214 and the exhibits and work papers attached to said audit report.

Bank Accounts

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, ASHLI accepted or received funds including funds in trust (hereinafter "trust funds") in the form of advance fees on behalf of actual or prospective parties, including lenders, borrowers, homeowners for mortgage loans and loan modifications handled by ASHLI and ASHLI's dba California's Home Resolution. Thereafter ASHLI made deposits and or disbursements of such trust funds. From time to time herein mentioned during the audit period, said trust funds

were deposited and/or maintained by ASHLI in the bank accounts as follows:

"All Star Home Loans Inc.
Account No. XXXXXXXX296-7
WaMu Bank
(AHSLI's general business account) (B/A #1)

"All Star Home Loans Inc.
Account No. XXXXXXXX295-9
WaMu Bank
(AHSLI's general business checking account) (B/A #2)

"All Star Home Loans Inc.
Account No. XXXXXXXX023-1
WaMu Bank
(AHSLI's general business interest-bearing account) (B/A #3)

"All Star Home Loans Inc.
Account No. XXXXXXXX4060
Cal National Bank
(AHSLI's general business operations account) (B/A #4)

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 ASHLI and GIARGIA acted in violation of the Code and the Regulations in which Respondents:

(a) Used the fictitious name of "All Stars Home Loans", to conduct licensed activities including a mortgage loan

brokerage, without first obtaining from the Department a license bearing said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731.

(b)(1) Failed to retain a true and complete copy of a Department of Real Estate approved Mortgage Loan Disclosure Statements which were:

(1) Signed by ASHLI for borrowers Somsanith, Bounleuth, Maria Pzano and Sergio Pivaral;

(2) Not provided to the aforesaid borrowers within three (3) business days of submission of aforesaid borrowers loan applications;

(3) Not disclosed, to wit, the Yield Spread Premium rebate from the lender for borrower Jareerat Saensawas in the amount of $350.00 was not disclosed; all in violation of Code Sections 10240(a) and (c) and Regulation 2840.

(b)(2) Failed to retain a true and complete copy of a Department of Real Estate approved Good Faith Estimate signed by the broker for borrowers Jareerat Saensawas, Amara Tuncharoen, Nattawach Phoonsawat, Sandra Ballesteros, Chweewan Janjareanand Ahmad Daouk, in violation of Code Sections 10240(c) and Regulation 2840.

Respondents failed to disclose ASHLI's:

(1) Good Faith Estimate did not constitute a loan commitment;

(2) Corporate broker license number; and

(3) Yield Spread Premium rebate from lenders.

(c) GIARGIA had no system in place for regularly monitoring ASHLI's compliance with the Real Estate Law especially in regard to establishing, systems, policies and procedures to review trust fund handling, in violation of Code Sections 10159.2, 10177(h) and Regulation 2725. GIARGIA failed to appropriate policies, rules or procedures in place to review, oversee, inspect and manage and especially to prevent the deposit of trust funds into ASHLI's general operating accounts which were not designated as trust accounts, or to maintain any trust fund handling records, in the form of advance fees, which were improperly deposited into a general bank account; and

(d) After notice and subpoena on May 11, 2010, failed to retain all records of ASHLI's activity during the audit period requiring a real estate broker license, in violation of Code Section 10148.

8.

The conduct of Respondents ASHLI and GIARGIA described in Paragraph 7, violated the Code and the Regulations below:

PARAGRAPH	PROVISIONS VIOLATED
7(a)	Code Section 10159.5 and Regulation 2731
7(b)	Code Section 10240 and Regulation 2840
7(c)	Code Sections 10159.2 and 10177(h) and Regulation 2725 (GIARGIA)

7(d) Code Section 10148

The foregoing violations constitutes cause for discipline of the real estate license and license rights of ASHLI and GIARGIA, as aforesaid, under the provisions of Code Sections 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

SECOND CAUSE OF ACCUSATION
(Loan Modification Services)

9.

At all times mentioned herein, Respondents ASHLI and GIARGIA engaged in the business of a loan modification and advance fee brokerage requiring a real estate license to operate, within the definition of Code Sections 10131(d) and 10131.2.

General Allegations

10.

During 2009 and continuing thereafter to date, ASHLI and GIARGIA, solicited economically distressed homeowners facing foreclosure and eviction from their homes, offered loss mitigation and loan modification services, and charged and collected advance fees.

Specific Allegations

11.

Using the name "California Loan Resolution", a unlicensed loan modification company owned by Yamel Delgado, ASHLI's owner and president Respondents ASHLI and GIARGIA offered loss mitigation and loan modification services to homeowner-borrowers, including but not limited to, Armando Moreno, seeking

downward adjustments or payment extenuations to their home mortgages. Respondents collected advanced fees from said homeowner-borrowers without possessing a pre-approved advance fee agreement from the Department. Selectively thereafter, Respondents obtained or failed to obtain the loan modification services to the borrowers tabled below:

Table: Loan Modification Services

Homeowner	Date	Status	Advance Fee
Armando Moreno	April 1, 2009	Not obtained	$500 Not refunded

Loan Modification Violations and Disciplinary Statutes

12.

The conduct of Respondents ASHLI and GIARGIA violated the Code and the Regulations as set forth below with respect to the Armando Moreno:

13.

13(a) Code Section 10176(a) for substantial misrepresentation.

13(b) Code Section 10176(b) for making false promises of a character likely to influence, persuade or induce the tabled homeowner-borrowers.

13(c) Code Section 10137 for employing and/or compensating Yamel Delgado and Mat Hilda aka Mia, of California's Home Resolution, to perform loan modification services requiring

a real estate license.

13(d) Code Section 10177(d) for violation of the Real Estate Law.

13(e) Code Section 10177(g) for negligence.

13(f) Code Section 10176(i) for, by collecting a $500 advance fee from Armando Moreno for loan modification services (Check #289) and depositing it into ASHLI'S general business account, B/A #1, on January 30, 2009, without refund. To date, said $500 remains due and owing.

13(g) Code Section 10176(i) for fraud and dishonest dealing by receiving payment from Armando Moreno for loan modification services, promising to process a loan modification within forty (40) days, abandoning California's Loan Resolution office without notice to Mr. Moreno, and for refusing to refund Mr. Moreno's $500 upon wholesale failure to perform services.

Additional Loan Modification Violations and Disciplinary Statutes

14.

In the course of activities described in Paragraphs 4 and 6, 9, 10 and 11 above, and during the examination period described in Paragraph 5, Respondents ASHLI and GIARGIA acted in violation of the Code and the Regulations in which Respondents:

(a) Collected advance fees within the meaning of Code Section 10026 from homeowners seeking loan modification services wherein ASHLI dba California's Home Resolution, did not have and thus failed to provide a pre-approved advance fee agreement from

the Department, in violation of Code Section 10085 and Regulation 2970, for the homeowner-borrower Armando Moreno.

(b) ASHLI failed to provide a complete description of services to be rendered provided to each prospective tenant in 10 point type font and failed to provide an allocation and disbursement of the amount collected as the advance fee to Armando Moreno, in violation of Code Section 10146 and Regulation 2972.

(c) Mixed and commingled trust funds and personal funds by depositing Armando Moreno's advance fee check of $500 for loan modification services into, ASHLI's non trust fund general operating account B/A #1, in violation of Code Sections 10145 and 10176(e) and Regulation 2832.

15.

The conduct of Respondents ASHLI and GIARGIA described in Paragraph 14, above, violated the Code and the Regulations as set forth below:

PARAGRAPHS	PROVISIONS VIOLATED
14(a)	Code Section 10085 and Regulation 2970
14(b)	Code Section 10146 and Regulation 2972
14(c)	Code Sections 10145 and 10176(e) and Regulation 2832

The foregoing violations constitutes cause for discipline of the real estate license and license rights of ASHLI and GIARGIA, as aforesaid, under the provisions of Code Sections 10176(e) for commingling, 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

THIRD CAUSE OF ACCUSATION
(Negligence)

16.

The overall conduct of Respondents ASHLI and GIARGIA constitutes negligence and is 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).

THIRD CAUSE OF ACCUSATION
(Fiduciary Duty)

17.

The conduct, acts and omissions of Respondents ASHLI and GIARGIA constitute a breach of fiduciary duty, in violation of Code Sections 10176(i) and/or 10177(g).

FOURTH CAUSE OF ACCUSATION
(Lack of Supervision)

18.

The overall conduct of Respondent CAROLINA GIARGIA constitutes a failure on said Respondent's part, as officer and former officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of ASHLI as required by Code Section 10159.2 and Regulation 2725, and to keep ASHLI in compliance with the Real Estate Law, with specific regard to trust fund and credit report

fee handling, mortgage and loan brokering and unlicensed loan modification services, and is cause for discipline of the real estate license and license rights of all Respondents pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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 the license and license rights of Respondents ALL STAR HOME LOANS INC. and CAROLINA GIARGIA, under the Real Estate Law (Part 1 of vision 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law including restitution of advanced fees paid for unearned loan modification services, and for costs of audit.

Dated at Los Angeles, California
this 24 February 2011.

Deputy Real Estate Commissioner

cc: All Star Home Loans Inc.
c/o Carolina Giargia D.O.
Maria Suarez
Sacto
Amelia Nunez
Audits - Anna Hartoonian