

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

4 Telephone: (916) 227-0781

FILED
APR 13 2006

DEPARTMENT OF REAL ESTATE

By Anne Hoover

7 BEFORE THE DEPARTMENT OF REAL ESTATE

8 STATE OF CALIFORNIA

9 * * *

10
11 In the Matter of the Accusation of) No. H-1859 FR
12)
12 AMERICAN STAR FINANCIAL GROUP) STIPULATION AND
12 INC.,) AGREEMENT
13 GLENN EDWARD PORTER, and)
13 DONALD KEVIN HOOVER,)
14)
14 Respondents.)

15
16 It is hereby stipulated by and between AMERICAN STAR
17 FINANCIAL GROUP INC., GLENN EDWARD PORTER, and DONALD KEVIN
18 HOOVER (hereinafter Respondents), represented by Jon Jaffe and
19 the Complainant, acting by and through Truly Sughrue, Counsel
20 for the Department of Real Estate, as follows for the purpose
21 of settling and disposing the Accusation filed on December 1,
22 2005 in this matter:

23 1. All issues which were to be contested and all
24 evidence which was to be presented by Complainant and Respondents
25 at a formal hearing on the Accusation, which hearing was to be
26 held in accordance with the provisions of the Administrative
27 Procedure Act (APA), shall instead and in place thereof be

1 submitted solely on the basis of the provisions of this
2 Stipulation and Agreement.

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

6 3. On December 16, 2005, Respondents filed a Notice of
7 Defense pursuant to Section 11505 of the Government Code for the
8 purpose of requesting a hearing on the allegations in the
9 Accusation. Respondents hereby freely and voluntarily withdraw
10 said Notice of Defense. Respondents acknowledge that they
11 understand that by withdrawing said Notice of Defense they will
12 thereby waive their rights to require the Commissioner to prove
13 the allegations in the Accusation at a contested hearing held in
14 accordance with the provisions of the APA, and that they will
15 waive other rights afforded to them in connection with the
16 hearing such as the right to present evidence in defense of the
17 allegations in the Accusation and the right to cross-examine
18 witnesses.

19 4. Respondents, pursuant to the limitations set forth
20 below, hereby admit that the factual allegations pertaining to
21 them in Paragraphs I through VII, inclusive, of the Accusation
22 filed in this proceeding are true and correct; that as alleged in
23 Paragraph XXV of the Accusation, the acts and omissions of
24 Respondents described in Paragraphs XIV through XXIV, inclusive
25 of the Accusation constitute the substantial misrepresentation of
26 a material fact; and that the Real Estate Commissioner shall not
27

1 be required to provide further evidence to prove such
2 allegations.

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

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

20 * * *

21 DETERMINATION OF ISSUES

22 By reason of the foregoing stipulations and waivers and
23 solely for the purpose of settlement of the pending Accusation
24 without a hearing, it is stipulated and agreed that the following
25 determination of issues shall be made:
26
27

I

1 The acts and omissions of Respondents AMERICAN STAR
2 FINANCIAL GROUP INC., GLENN EDWARD PORTER, and DONALD KEVIN
3 HOOVER as described in the Accusation are grounds for the
4 suspension or revocation of Respondents licenses and license
5 rights under the following sections of the Code and Regulations:
6

7 (a) As to Paragraphs VIII through XII, inclusive, and
8 AMERICAN STAR FINANCIAL GROUP INC. and GLENN EDWARD PORTER under
9 Sections 10137 and 10130 of the Code in conjunction with Section
10 10177(d) of the Code; and

11 (b) As to Paragraphs XI and XII, and DONALD KEVIN
12 HOOVER under Section 10130 of the Code in conjunction with
13 Section 10177(d) of the Code.

14 II

15 The acts and omissions of Respondents AMERICAN STAR
16 FINANCIAL GROUP INC., and GLENN EDWARD PORTER, as described in
17 the Accusation are grounds for the suspension or revocation of
18 Respondents licenses and license rights as to Paragraphs XXIV
19 through XXV under Sections 10176(a) of the Code.

20 III

21 The acts and omissions of Respondent GLENN EDWARD
22 PORTER, as described in the Accusation are grounds for the
23 suspension or revocation of Respondents licenses and license
24 rights under Sections Section 10177(d) of the Code in
25 conjunction with Section 10159.2 of the Code.

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27 \\\

* * *

ORDER

I

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2
3
4 All licenses and licensing rights of Respondent AMERICAN
5 STAR FINANCIAL GROUP INC. (hereinafter "AMERICAN") under the Real
6 Estate Law are suspended for a period of two hundred (200) days
7 from the effective date of this Order; provided, however, that:

8 1) One hundred (100) days of said suspension shall be stayed,
9 upon the condition that AMERICAN petition pursuant to Section
10 10175.2 of the Business and Professions Code and pays a
11 monetary penalty pursuant to Section 10175.2 of the Business
12 and Professions Code at a rate of \$100 for each day of the
13 suspension for a total monetary penalty of \$10,000.

14 a) Said payment shall be in the form of a cashier's check or
15 certified check made payable to the Recovery Account of the
16 Real Estate Fund. Said check must be delivered to the
17 Department prior to the effective date of the Order in this
18 matter.

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

22 c) If AMERICAN fails to pay the monetary penalty as provided
23 above prior to the effective date of this Order, the stay of
24 the suspension shall be vacated as to that Respondent and
25 the order of suspension shall be immediately executed, under
26 this Order, in which event the said Respondent shall not be
27 entitled to any repayment nor credit, prorated or otherwise,

1 for the money paid to the Department under the terms of this
2 Order.

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

10 2) The remaining one hundred (100) days of said suspension shall
11 be stayed for two (2) years upon the following terms and
12 conditions:

- 13 a) AMERICAN shall obey all laws, rules and regulations
14 governing the rights, duties and responsibilities of a real
15 estate licensee in the State of California; and,
16 b) That no final subsequent determination be made, after
17 hearing or upon stipulation, that cause for disciplinary
18 action occurred within two (2) years from the effective date
19 of this Order. Should such a determination be made, the
20 Commissioner may, in his discretion, vacate and set aside
21 the stay order and reimpose all or a portion of the stayed
22 suspension. Should no such determination be made, the stay
23 imposed herein shall become permanent.

24 II

25 All licenses and licensing rights of Respondent GLENN EDWARD
26 PORTER (hereinafter "PORTER") under the Real Estate Law are
27 suspended for a period of two hundred (200) days from the

effective date of this Order; provided, however, that:

1
2 1) One hundred (100) days of said suspension shall be stayed,

3 upon the condition that PORTER petition pursuant to Section
4 10175.2 of the Business and Professions Code and pays a
5 monetary penalty pursuant to Section 10175.2 of the Business
6 and Professions Code at a rate of \$100 for each day of the
7 suspension for a total monetary penalty of \$10,000.

8 a) Said payment shall be in the form of a cashier's check or

9 certified check made payable to the Recovery Account of the
10 Real Estate Fund. Said check must be delivered to the
11 Department prior to the effective date of the Order in this
12 matter.

13 b) No further cause for disciplinary action against the Real

14 Estate licenses of said Respondent occurs within two (2)
15 years from the effective date of the decision in this
16 matter.

17 c) If PORTER fails to pay the monetary penalty as provided

18 above prior to the effective date of this Order, the stay of
19 the suspension shall be vacated as to that Respondent and
20 the order of suspension shall be immediately executed, under
21 this Order, in which event the said Respondent shall not be
22 entitled to any repayment nor credit, prorated or otherwise,
23 for the money paid to the Department under the terms of this
24 Order.

25 d) If PORTER pays the monetary penalty and any other moneys due

26 under this Stipulation and Agreement and if no further cause
27 for disciplinary action against the real estate license of

1 said Respondent occurs within two (2) years from the
2 effective date of this Order, the entire stay hereby granted
3 under this Order, as to said Respondent only, shall become
4 permanent.

5 2) The remaining on hundred (100) days of said suspension shall
6 be stayed for two (2) years upon the following terms and
7 conditions:

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

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

19 3) PORTER shall, within six (6) months from the effective date of
20 this Decision, take and pass the Professional Responsibility
21 Examination administered by the Department including the
22 payment of the appropriate examination fee. If PORTER fails
23 to satisfy this condition, the Commissioner may order
24 suspension of the license until Respondent passes the
25 examination.

26 III

27 All licenses and licensing rights of Respondent DONALD KEVIN

1 HOOVER (hereinafter "HOOVER") under the Real Estate Law are
2 suspended for a period of fifty (50) days from the effective date
3 of this Order; provided, however, that:

4 4) Thirty (30) days of said suspension shall be stayed, upon the
5 condition that HOOVER petition pursuant to Section 10175.2 of
6 the Business and Professions Code and pays a monetary penalty
7 pursuant to Section 10175.2 of the Business and Professions
8 Code at a rate of \$100 for each day of the suspension for a
9 total monetary penalty of \$3,000.

10 a) Said payment shall be in the form of a cashier's check or
11 certified check made payable to the Recovery Account of the
12 Real Estate Fund. Said check must be delivered to the
13 Department prior to the effective date of the Order in this
14 matter.

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

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

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

8 5) The remaining twenty (20) days of said suspension shall be
9 stayed for two (2) years upon the following terms and
10 conditions:

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

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

22
23 9-March-06
24 DATED

22
23 Truly S
24 TRULY SUGHRUE
25 Counsel for Complainant


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I have read the Stipulation and Agreement, 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.

3/7/06


DATED



AMERICAN STAR FINANCIAL GROUP
INC.
Respondent

3/7/06


DATED



GLENN EDWARD PORTER
Respondent

3/7/06

DATED



DONALD KEVIN HOOVER
Respondent

* * *

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

3/8/06

DATED



JON JAFFE
Attorney for Respondents

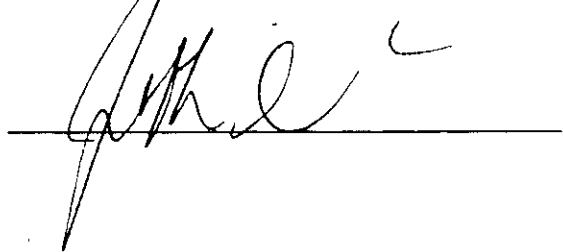
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The foregoing Stipulation and Agreement is hereby
adopted as my Decision and shall become effective at 12 o'clock
noon on MAY 03 2006

IT IS SO ORDERED 4-5, 2006.

JEFF DAVI
Real estate Commissioner



A handwritten signature in black ink, appearing to read 'Jeff Davi', is written over a horizontal line. The signature is stylized and cursive.

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 187007
5 Sacramento, CA 95818-7007
6
7 Telephone: (916) 227-0781

FILED
JAN 24 2006

DEPARTMENT OF REAL ESTATE

By Anne Shaver

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 AMERICAN STAR FINANCIAL GROUP) No. H- 1859 FR
13 INC.,) ACCUSATION
14 GLENN EDWARD PORTER, and)
15 DONALD KEVIN HOOVER,)
Respondents.)

16 The Complainant, JOHN W. SWEENEY, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against AMERICAN STAR FINANCIAL GROUP INC., GLENN EDWARD PORTER,
19 and DONALD KEVIN HOOVER, (hereinafter "Respondents"), are
20 informed and alleges as follows:

21 PRELIMINARY ALLEGATIONS

22 I

23 The Complainant, JOHN W. SWEENEY, a Deputy Real Estate
24 Commissioner of the State of California, makes this Accusation in
25 his official capacity.

26 \\\

27

II

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

III

5 At all times herein mentioned, AMERICAN STAR FINANCIAL
6 GROUP INC., (hereinafter "AMERICAN") was and is licensed by the
7 State of California Department of Real Estate (hereinafter
8 "Department") as a real estate broker corporation.
9

IV

10 At all times herein mentioned, Respondent GLENN EDWARD
11 PORTER, (hereinafter "PORTER") was and is licensed by the
12 Department individually and as the designated broker officer of
13 AMERICAN. As said designated officer-broker, PORTER was and now
14 is responsible pursuant to Section 10159.2 of the Code for the
15 supervision of the activities of the officers, agents, real
16 estate licensees and employees of AMERICAN for which a license is
17 required.
18

V

19 Respondent DONALD KEVIN HOOVER (hereinafter "HOOVER")
20 was not licensed by the Department either as a real estate
21 salesperson or as a real estate broker any time mention herein
22 prior to April 11, 2005. At all times mentioned herein from and
23 after April 11, 2005, HOOVER was and now is licensed by the
24 Department as a real estate salesperson.
25
26
27

VI

1 Eric Fuller (hereinafter "Fuller"), and Gracie Anderson
2 (hereinafter "Anderson") were not licensed by the Department
3 either as a real estate salesperson or as a real estate broker at
4 any time mentioned herein.
5

VII

6
7 At all times herein mentioned, Respondents engaged in
8 the business of, acted in the capacity of, advertised or assumed
9 to act as a real estate broker in the State of California within
10 the meaning of Section 10131(d) of the Code, including the
11 operation and conduct of a mortgage loan brokerage business with
12 the public wherein Respondents solicited lenders and borrowers
13 for loans secured directly or collaterally by liens on real
14 property or a business opportunity, and wherein such loans were
15 arranged, negotiated, processed, and consummated by Respondent on
16 behalf of others for compensation or in expectation of a
17 compensation.

18 FIRST CAUSE OF ACTION

19 VIII

20 At all times mentioned herein beginning on or about
21 July 2004, AMERICAN and PORTER employed and compensated HOOVER,
22 Fuller and Anderson, unlicensed individuals, to perform the acts
23 and conduct the activities described in Paragraph VII, above,
24 including but not limited to the activities described in
25 Paragraph IX, X, and XI, below.

26 \\\

IX

1
2 In course of the activities and employment described
3 above, without first being licensed by the Department either as a
4 real estate salesperson or as a real estate broker, Fuller,
5 acting for and on behalf of another or others, for or in
6 expectation of compensation, solicited loans secured directly or
7 collaterally by liens on real property, including but not limited
8 to the real property located at: (1) 2116 Harrison Drive,
9 Bakersfield, California, and (2) 924 Mammoth Avenue, Bakersfield,
10 California.

X

11
12 In course of the activities and employment described
13 above, without first being licensed by the Department either as a
14 real estate salesperson or as a real estate broker, Anderson,
15 acting for and on behalf of another or others, for or in
16 expectation of compensation, solicited Luke Martin for a mortgage
17 loan refinance.

XI

18
19 In course of the activities and employment described
20 above, without first being licensed by the Department either as a
21 real estate salesperson or as a real estate broker, HOOVER,
22 acting for and on behalf of another or others, for or in
23 expectation of compensation, solicited loans secured directly or
24 collaterally by liens on real property, including but not limited
25 to the real property located at 25409 Judith Street, Arvin,
26 California.

27 \\\

XII

1 In acting as described above, AMERICAN and PORTER
2 violated and/or willfully failed to comply with Sections 10130
3 and 10137 of the Code, and HOOVER violated and/or willfully
4 failed to comply with Section 10130 of the Code.
5

XIII

6 The facts alleged above are grounds for the suspension
7 or revocation of the licenses and license rights of Respondents
8 under the following provisions of the Code:
9

10 (a) As to Paragraphs VIII through XII, inclusive, and
11 AMERICAN and PORTER under Sections 10137 and 10130 of the Code in
12 conjunction with Section 10177(d) of the Code; and

13 (b) As to Paragraphs XI and XII, and HOOVER under
14 Section 10130 of the Code in conjunction with Section 10177(d) of
15 the Code.

16 SECOND CAUSE OF ACTION

17 XIV

18 Between on or about October 13, 2004 and on or about
19 November 10, 2004, in course of the activities described in
20 Paragraph VII, above, AMERICAN solicited, obtained and processed
21 an application for a \$119,000 loan to Piggy Lyday secured by real
22 property at 25409 Judith Street, Arvin, California, by
23 representing to the borrowers that AMERICAN estimated in good
24 faith that AMERICAN would receive, as compensation for arranging
25 the loan, \$1,865 in commission and processing fees, but upon
26 close of the escrow consummating the loan, Respondents received,
27 as compensation for arranging the loan a total of \$3,493 from

1 escrow in commission and processing fees and a rebate from the
2 lender paid outside escrow.

3 XV

4 Between on or about October 8, 2004 and on or about
5 November 12, 2004, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$75,000 loan to Cynthia Dornan secured by
8 real property at 28102 McClaren Avenue, Taft, California, by
9 representing to the borrowers that AMERICAN estimated in good
10 faith that AMERICAN would receive, as compensation for arranging
11 the loan, \$1,670 in commission and processing fees, but upon
12 close of the escrow consummating the loan, Respondents received,
13 as compensation for arranging the loan a total of \$2,900 from
14 escrow in commission and processing fees and a rebate from the
15 lender paid outside escrow.

16 XVI

17 Between on or about October 27, 2004 and on or about
18 November 24, 2004, in course of the activities described in
19 Paragraph VII, above, AMERICAN solicited, obtained and processed
20 an application for a \$147,350 loan to Elizabeth Ott secured by
21 real property at 2453 Alder Street, Bakersfield, California, by
22 representing to the borrowers that AMERICAN estimated in good
23 faith that AMERICAN would receive, as compensation for arranging
24 the loan, \$3,555.63 in commission and processing fees, but upon
25 close of the escrow consummating the loan, Respondents received,
26 as compensation for arranging the loan a total of \$6,707.75 from
27

1 escrow in commission and processing fees and a rebate from the
2 lender paid outside escrow.

3 XVII

4 Between on or about July 20, 2004 and on or about
5 August 31, 2004, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$148,000 loan to Jeannie Hernandez secured
8 by real property at 924 Mammoth Avenue, Bakersfield, California,
9 by representing to the borrowers that AMERICAN estimated in good
10 faith that AMERICAN would receive, as compensation for arranging
11 the loan, \$4,170 in commission and processing fees, but upon
12 close of the escrow consummating the loan, Respondents received,
13 as compensation for arranging the loan a total of \$3,101 from
14 escrow in commission and processing fees and a rebate from the
15 lender paid outside escrow.

16 XVIII

17 Between on or about July 26, 2004 and on or about
18 November 19, 2004, in course of the activities described in
19 Paragraph VII, above, AMERICAN solicited, obtained and processed
20 an application for a \$148,500 loan to Patrick Sena secured by
21 real property at 3417 La Cresta Drive, Bakersfield, California,
22 by representing to the borrowers that AMERICAN estimated in good
23 faith that AMERICAN would receive, as compensation for arranging
24 the loan, \$3,745 in commission and processing fees, but upon
25 close of the escrow consummating the loan, Respondents received,
26 as compensation for arranging the loan a total of \$7,215 from
27

1 escrow in commission and processing fees and a rebate from the
2 lender paid outside escrow.

3 XIX

4 Between on or about October 12, 2004 and on or about
5 November 18, 2004, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$160,000 loan to Gary and Heidi Marsh
8 secured by real property at 3417 La Cresta Drive, Bakersfield,
9 California, by representing to the borrowers that AMERICAN
10 estimated in good faith that AMERICAN would receive, as
11 compensation for arranging the loan, \$3,745 in commission and
12 processing fees, but upon close of the escrow consummating the
13 loan, Respondents received, as compensation for arranging the
14 loan a total of \$6,301.56 from escrow in commission and
15 processing fees and a rebate from the lender paid outside escrow.

16 XX

17 Between on or about May 17, 2004 and on or about August
18 5, 2004, in course of the activities described in Paragraph VII,
19 above, AMERICAN solicited, obtained and processed an application
20 for a \$105,000 loan to Charles and Paulette Treat secured by real
21 property at 2116 Harrison Drive, Bakersfield, California, by
22 representing to the borrowers that AMERICAN estimated in good
23 faith that AMERICAN would receive, as compensation for arranging
24 the loan, \$3,225 in commission and processing fees, but upon
25 close of the escrow consummating the loan, Respondents received,
26 as compensation for arranging the loan a total of \$4,140 from
27

1 escrow in commission and processing fees and a rebate from the
2 lender paid outside escrow.

3 XXI

4 Between on or about December 8, 2004 and on or about
5 January 21, 2005, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$128,000 loan to Carrie Messerole secured by
8 real property at 2512 Barnette Street, Bakersfield, California,
9 by representing to the borrowers that AMERICAN estimated in good
10 faith that AMERICAN would receive, as compensation for arranging
11 the loan, \$2,616.60 in commission and processing fees, but upon
12 close of the escrow consummating the loan, Respondents received,
13 as compensation for arranging the loan a total of \$3,510 from
14 escrow in commission and processing fees and a rebate from the
15 lender paid outside escrow.

16 XXII

17 Between on or about January 10, 2005 and on or about
18 January 31, 2005, in course of the activities described in
19 Paragraph VII, above, AMERICAN solicited, obtained and processed
20 an application for a \$176,000 loan to Joshua and Jennifer
21 Hatfield secured by real property at 6709 Saint Lawrence Drive,
22 Bakersfield, California, by representing to the borrowers that
23 AMERICAN estimated in good faith that AMERICAN would receive, as
24 compensation for arranging the loan, \$1,760 in commission and
25 processing fees, but upon close of the escrow consummating the
26 loan, Respondents received, as compensation for arranging the
27

1 loan a total of \$1,980 from escrow in commission and processing
2 fees and a rebate from the lender paid outside escrow.

3 XXIII

4 Between on or about June 30, 2004 and on or about
5 August 2, 2004, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$163,500 loan to Alex Torres secured by real
8 property at 1819 Shamrock Way, Bakersfield, California, by
9 representing to the borrowers that AMERICAN estimated in good
10 faith that AMERICAN would receive, as compensation for arranging
11 the loan, \$4036 in commission and processing fees, but upon close
12 of the escrow consummating the loan, Respondents received, as
13 compensation for arranging the loan a total of \$6,457 from escrow
14 in commission and processing fees and a rebate from the lender
15 paid outside escrow.

16 XXIV

17 In each of the transactions described in Paragraphs XIV
18 through XIII, inclusive, the representation was false, as
19 AMERICAN well and truly knew at the time the representation was
20 made. In truth, AMERICAN expected to receive a rebate from the
21 lender paid outside escrow in addition to the estimated
22 commission, a fact that AMERICAN concealed and failed to disclose
23 to the borrower throughout the time AMERICAN were arranging,
24 negotiating and processing the loans at least until at or
25 immediately prior to the close of the escrow consummating the
26 loan.

XXV

1 The acts and omissions of AMERICAN described above
2 constitute the substantial misrepresentation of a material fact
3 and fraud and dishonest dealing.
4

XXVI

5 The facts alleged above are grounds for the suspension
6 or revocation of the licenses and license rights of AMERICAN
7 under the following provisions of the Code as to Paragraphs XXIV
8 through XXV under Sections 10176(a) and/or 10176(i) of the Code.
9

10 THIRD CAUSE OF ACTION

XXVII

11 PORTER failed to exercise reasonable supervision over
12 the acts of AMERICAN in such a manner as to allow the acts and
13 events described above to occur.
14

XXVIII

15 The acts and/or omissions of PORTER described in
16 Paragraph XXVII, constitute failure on the part of PORTER, as
17 designated broker-officer for AMERICAN, to exercise reasonable
18 supervision and control over the licensed activities of AMERICAN
19 required by Section 10159.2 of the Code.
20

XXIX

21 The facts alleged in Paragraphs XXVII and XXVIII, are
22 grounds from the suspension or revocation of the licenses and
23 license rights of Respondent PORTER under Sections 10177(g)
24 and/or 10177(h) of the Code, and Section 10177(d) of the Code in
25 conjunction with Section 10159.2 of the Code.
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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.


JOHN W. SWEENEY
Deputy Real Estate Commissioner

Dated at Fresno, California,
this 23rd day of January, 2006

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 187007
5 Sacramento, CA 95818-7007
6
7 Telephone: (916) 227-0781

FILED
DEC 01 2005

DEPARTMENT OF REAL ESTATE

By *Carey Sharrow*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12) No. H-1859 FR
13 AMERICAN STAR FINANCIAL GROUP) ACCUSATION
14 INC.,)
15 GLENN EDWARD PORTER, and)
KEVIN HOOVER,)
Respondents.)

16 The Complainant, JOHN W. SWEENEY, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against AMERICAN STAR FINANCIAL GROUP INC., GLENN EDWARD PORTER,
19 and KEVIN HOOVER, (hereinafter "Respondents"), are informed and
20 alleges as follows:

21 PRELIMINARY ALLEGATIONS

22 I.

23 The Complainant, JOHN W. SWEENEY, a Deputy Real Estate
24 Commissioner of the State of California, makes this Accusation in
25 his official capacity.

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*↑
name is incorrect
See Acc filed
1-24-06*

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II

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

III

At all times herein mentioned, AMERICAN STAR FINANCIAL GROUP INC., (hereinafter "AMERICAN") was and is licensed by the State of California Department of Real Estate (hereinafter "Department") as a real estate broker corporation.

IV

At all times herein mentioned, Respondent GLENN EDWARD PORTER, (hereinafter "PORTER") was and is licensed by the Department individually and as the designated broker officer of AMERICAN. As said designated officer-broker, PORTER was and now is 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 AMERICAN for which a license is required.

V

Respondent KEVIN HOOVER (hereinafter "HOOVER") was not licensed by the Department either as a real estate salesperson or as a real estate broker any time mention herein prior to April 11, 2005. At all times mentioned herein from and after April 11, 2005, HOOVER was and now is licensed by the Department as a real estate salesperson.

VI

1 Eric Fuller (hereinafter "Fuller"), and Gracie Anderson
2 (hereinafter "Anderson") were not licensed by the Department
3 either as a real estate salesperson or as a real estate broker at
4 any time mentioned herein.
5

VII

6
7 At all times herein mentioned, Respondents engaged in
8 the business of, acted in the capacity of, advertised or assumed
9 to act as a real estate broker in the State of California within
10 the meaning of Section 10131(d) of the Code, including the
11 operation and conduct of a mortgage loan brokerage business with
12 the public wherein Respondents solicited lenders and borrowers
13 for loans secured directly or collaterally by liens on real
14 property or a business opportunity, and wherein such loans were
15 arranged, negotiated, processed, and consummated by Respondent on
16 behalf of others for compensation or in expectation of a
17 compensation.

18 FIRST CAUSE OF ACTION

19 VIII

20 At all times mentioned herein beginning on or about
21 July 2004, AMERICAN and PORTER employed and compensated HOOVER,
22 Fuller and Anderson, unlicensed individuals, to perform the acts
23 and conduct the activities described in Paragraph VII, above,
24 including but not limited to the activities described in
25 Paragraph IX, X, and XI, below.

26 \\\

IX

1
2 In course of the activities and employment described
3 above, without first being licensed by the Department either as a
4 real estate salesperson or as a real estate broker, Fuller,
5 acting for and on behalf of another or others, for or in
6 expectation of compensation, solicited loans secured directly or
7 collaterally by liens on real property, including but not limited
8 to the real property located at: (1) 2116 Harrison Drive,
9 Bakersfield, California, and (2) 924 Mammoth Avenue, Bakersfield,
10 California.

X

11
12 In course of the activities and employment described
13 above, without first being licensed by the Department either as a
14 real estate salesperson or as a real estate broker, Anderson,
15 acting for and on behalf of another or others, for or in
16 expectation of compensation, solicited Luke Martin for a mortgage
17 loan refinance.

XI

18
19 In course of the activities and employment described
20 above, without first being licensed by the Department either as a
21 real estate salesperson or as a real estate broker, HOOVER,
22 acting for and on behalf of another or others, for or in
23 expectation of compensation, solicited loans secured directly or
24 collaterally by liens on real property, including but not limited
25 to the real property located at 25409 Judith Street, Arvin,
26 California.

27 \\\

XII

1 In acting as described above, AMERICAN and PORTER
2 violated and/or willfully failed to comply with Sections 10130
3 and 10137 of the Code, and HOOVER violated and/or willfully
4 failed to comply with Section 10130 of the Code.
5

XIII

6 The facts alleged above are grounds for the suspension
7 or revocation of the licenses and license rights of Respondents
8 under the following provisions of the Code:
9

10 (a) As to Paragraphs VIII through XII, inclusive, and
11 AMERICAN and PORTER under Sections 10137 and 10130 of the Code in
12 conjunction with Section 10177(d) of the Code; and

13 (b) As to Paragraphs XI and XII, and HOOVER under
14 Section 10130 of the Code in conjunction with Section 10177(d) of
15 the Code.

16 SECOND CAUSE OF ACTION

17 XIV

18 Between on or about October 13, 2004 and on or about
19 November 10, 2004, in course of the activities described in
20 Paragraph VII, above, AMERICAN solicited, obtained and processed
21 an application for a \$119,000 loan to Piggy Lyday secured by real
22 property at 25409 Judith Street, Arvin, California, by
23 representing to the borrowers that AMERICAN estimated in good
24 faith that AMERICAN would receive, as compensation for arranging
25 the loan, \$1,865 in commission and processing fees, but upon
26 close of the escrow consummating the loan, Respondents received,
27 as compensation for arranging the loan a total of \$3,493 from

1 escrow in commission and processing fees and a rebate from the
2 lender paid outside escrow.

3 XV

4 Between on or about October 8, 2004 and on or about
5 November 12, 2004, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$75,000 loan to Cynthia Dornan secured by
8 real property at 28102 McClaren Avenue, Taft, California, by
9 representing to the borrowers that AMERICAN estimated in good
10 faith that AMERICAN would receive, as compensation for arranging
11 the loan, \$1,670 in commission and processing fees, but upon
12 close of the escrow consummating the loan, Respondents received,
13 as compensation for arranging the loan a total of \$2,900 from
14 escrow in commission and processing fees and a rebate from the
15 lender paid outside escrow.

16 XVI

17 Between on or about October 27, 2004 and on or about
18 November 24, 2004, in course of the activities described in
19 Paragraph VII, above, AMERICAN solicited, obtained and processed
20 an application for a \$147,350 loan to Elizabeth Ott secured by
21 real property at 2453 Alder Street, Bakersfield, California, by
22 representing to the borrowers that AMERICAN estimated in good
23 faith that AMERICAN would receive, as compensation for arranging
24 the loan, \$3,555.63 in commission and processing fees, but upon
25 close of the escrow consummating the loan, Respondents received,
26 as compensation for arranging the loan a total of \$6,707.75 from
27

1 escrow in commission and processing fees and a rebate from the
2 lender paid outside escrow.

3 XVII

4 Between on or about July 20, 2004 and on or about
5 August 31, 2004, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$148,000 loan to Jeannie Hernandez secured
8 by real property at 924 Mammoth Avenue, Bakersfield, California,
9 by representing to the borrowers that AMERICAN estimated in good
10 faith that AMERICAN would receive, as compensation for arranging
11 the loan, \$4,170 in commission and processing fees, but upon
12 close of the escrow consummating the loan, Respondents received,
13 as compensation for arranging the loan a total of \$3,101 from
14 escrow in commission and processing fees and a rebate from the
15 lender paid outside escrow.

16 XVIII

17 Between on or about July 26, 2004 and on or about
18 November 19, 2004, in course of the activities described in
19 Paragraph VII, above, AMERICAN solicited, obtained and processed
20 an application for a \$148,500 loan to Patrick Sena secured by
21 real property at 3417 La Cresta Drive, Bakersfield, California,
22 by representing to the borrowers that AMERICAN estimated in good
23 faith that AMERICAN would receive, as compensation for arranging
24 the loan, \$3,745 in commission and processing fees, but upon
25 close of the escrow consummating the loan, Respondents received,
26 as compensation for arranging the loan a total of \$7,215 from
27

1 escrow in commission and processing fees and a rebate from the
2 lender paid outside escrow.

3 XIX

4 Between on or about October 12, 2004 and on or about
5 November 18, 2004, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$160,000 loan to Gary and Heidi Marsh
8 secured by real property at 3417 La Cresta Drive, Bakersfield,
9 California, by representing to the borrowers that AMERICAN
10 estimated in good faith that AMERICAN would receive, as
11 compensation for arranging the loan, \$3,745 in commission and
12 processing fees, but upon close of the escrow consummating the
13 loan, Respondents received, as compensation for arranging the
14 loan a total of \$6,301.56 from escrow in commission and
15 processing fees and a rebate from the lender paid outside escrow.

16 XX

17 Between on or about May 17, 2004 and on or about August
18 5, 2004, in course of the activities described in Paragraph VII,
19 above, AMERICAN solicited, obtained and processed an application
20 for a \$105,000 loan to Charles and Paulette Treat secured by real
21 property at 2116 Harrison Drive, Bakersfield, California, by
22 representing to the borrowers that AMERICAN estimated in good
23 faith that AMERICAN would receive, as compensation for arranging
24 the loan, \$3,225 in commission and processing fees, but upon
25 close of the escrow consummating the loan, Respondents received,
26 as compensation for arranging the loan a total of \$4,140 from
27

1 escrow in commission and processing fees and a rebate from the
2 lender paid outside escrow.

3 XXI

4 Between on or about December 8, 2004 and on or about
5 January 21, 2005, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$128,000 loan to Carrie Messerole secured by
8 real property at 2512 Barnette Street, Bakersfield, California,
9 by representing to the borrowers that AMERICAN estimated in good
10 faith that AMERICAN would receive, as compensation for arranging
11 the loan, \$2,616.60 in commission and processing fees, but upon
12 close of the escrow consummating the loan, Respondents received,
13 as compensation for arranging the loan a total of \$3,510 from
14 escrow in commission and processing fees and a rebate from the
15 lender paid outside escrow.

16 XXII

17 Between on or about January 10, 2005 and on or about
18 January 31, 2005, in course of the activities described in
19 Paragraph VII, above, AMERICAN solicited, obtained and processed
20 an application for a \$176,000 loan to Joshua and Jennifer
21 Hatfield secured by real property at 6709 Saint Lawrence Drive,
22 Bakersfield, California, by representing to the borrowers that
23 AMERICAN estimated in good faith that AMERICAN would receive, as
24 compensation for arranging the loan, \$1,760 in commission and
25 processing fees, but upon close of the escrow consummating the
26 loan, Respondents received, as compensation for arranging the
27

1 loan a total of \$1,980 from escrow in commission and processing
2 fees and a rebate from the lender paid outside escrow.

3 XXIII

4 Between on or about June 30, 2004 and on or about
5 August 2, 2004, in course of the activities described in
6 Paragraph VII, above, AMERICAN solicited, obtained and processed
7 an application for a \$163,500 loan to Alex Torres secured by real
8 property at 1819 Shamrock Way, Bakersfield, California, by
9 representing to the borrowers that AMERICAN estimated in good
10 faith that AMERICAN would receive, as compensation for arranging
11 the loan, \$4036 in commission and processing fees, but upon close
12 of the escrow consummating the loan, Respondents received, as
13 compensation for arranging the loan a total of \$6,457 from escrow
14 in commission and processing fees and a rebate from the lender
15 paid outside escrow.

16 XXIV

17 In each of the transactions described in Paragraphs XIV
18 through XIII, inclusive, the representation was false, as
19 AMERICAN well and truly knew at the time the representation was
20 made. In truth, AMERICAN expected to receive a rebate from the
21 lender paid outside escrow in addition to the estimated
22 commission, a fact that AMERICAN concealed and failed to disclose
23 to the borrower throughout the time AMERICAN were arranging,
24 negotiating and processing the loans at least until at or
25 immediately prior to the close of the escrow consummating the
26 loan.

XXV

1 The acts and omissions of AMERICAN described above
2 constitute the substantial misrepresentation of a material fact
3 and fraud and dishonest dealing.
4

XXVI

5 The facts alleged above are grounds for the suspension
6 or revocation of the licenses and license rights of AMERICAN
7 under the following provisions of the Code as to Paragraphs XXIV
8 through XXV under Sections 10176(a) and/or 10176(i) of the Code.
9

10 THIRD CAUSE OF ACTION

11 XXVII

12 PORTER failed to exercise reasonable supervision over
13 the acts of AMERICAN in such a manner as to allow the acts and
14 events described above to occur.

15 XXVIII

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

21 XXIX

22 The facts alleged in Paragraphs XXVII and XXVIII, are
23 grounds from the suspension or revocation of the licenses and
24 license rights of Respondent PORTER under Sections 10177(g)
25 and/or 10177(h) of the Code, and Section 10177(d) of the Code in
26 conjunction with Section 10159.2 of the Code.
27

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 all licenses and license rights of Respondents
5 under the Real Estate Law (Part 1 of Division 4 of the Business
6 and Professions Code), and for such other and further relief as
7 may be proper under other provisions of law.

8 
9
10 JOHN W. SWEENEY
Deputy Real Estate Commissioner

11 Dated at Fresno, California,
12 this 28th day of November, 2005