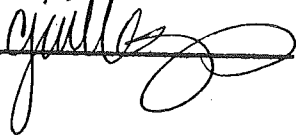


**FILED**

**MAR 26 2015**

**BUREAU OF REAL ESTATE**

By 

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2 Bureau of Real Estate  
3 320 West 4th Street, Ste. 350  
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7  
8 **BEFORE THE BUREAU OF REAL ESTATE**

9 **STATE OF CALIFORNIA**

10 \* \* \*

11 In the Matter of the Accusation of

No. H-04710 SD

12 MIRAMAR FINANCIAL GROUP,  
13 INC., and BRUCE GORDON  
14 MATYAS, individually and as  
15 Designated Officer of Miramar  
16 Financial Group, Inc.,

ACCUSATION

Respondents.

17  
18 The Complainant, Veronica Kilpatrick, a Deputy Real Estate Commissioner of the  
19 State of California, for cause of Accusation against MIRAMAR FINANCIAL GROUP, INC. and  
20 BRUCE GORDON MATYAS, individually and as Designated Officer of Miramar Financial  
21 Group, Inc., is informed and alleges as follows:

22 1.

23 The Complainant, Veronica Kilpatrick, a Deputy Real Estate Commissioner of the  
24 State of California, makes this Accusation in her official capacity.

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1 2.

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

4 3.

5 Respondent MIRAMAR FINANCIAL GROUP, INC. ("MFGI") is licensed by the  
6 Bureau of Real Estate ("Bureau") as a corporate real estate broker. Respondent MFGI was  
7 originally licensed as a corporate real estate broker on September 3, 2003, with real estate broker  
8 Edward Anthony Sibley as its designated officer until September 3, 2007. Beginning October 9,  
9 2007, and continuing to the present, Respondent BRUCE GORDON MATYAS has been the  
10 Designated Officer of MFGI. Since September 3, 2003, and continuing to the present, MFGI has  
11 maintained the licensed fictitious business name of Miramar Financial Group. MFGI's corporate  
12 real estate broker license is due to expire on October 8, 2015.

13 4.

14 Respondent BRUCE GORDON MATYAS ("MATYAS") is licensed by the  
15 Bureau as a real estate broker. Respondent MATYAS was originally licensed as a real estate  
16 salesperson on September 18, 1985, and as a real estate broker on August 10, 1987.  
17 Respondent's real estate broker license is due to expire on August 9, 2015.

18 5.

19 At all times mentioned, in the cities of Del Mar and San Diego, County of San  
20 Diego, California, Respondents engaged in the business of, acted in the capacity of, advertised,  
21 or assumed to act as real estate brokers within the meaning of Code Section 10131(d), including  
22 the solicitation of borrowers or lenders for and/or negotiating loans, collecting payments and/or  
23 performing services for borrowers or lenders in connection with loans secured by liens on real  
24 property as the agent of others. In addition, Respondents conducted broker-controlled escrow  
25 activities under the real estate broker license of Respondent MFGI pursuant to Financial Code  
26 Section 17006(a)(4).

6.

On August 4, 2014, the Bureau completed an audit examination of the books and records of Respondent MFGI, with regard to the real estate loan and broker-controlled escrow activities described in paragraph 5, above. The audit examination covered the period of time from May 1, 2012, to December 31, 2013. The primary purpose of the examination was to determine Respondents' compliance with the Real Estate Law. The audit examination revealed numerous violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Reports SD130014 and SD130020 and the exhibits and work papers attached to said audit reports.

Bank and Trust Accounts

7.

At all times herein relevant, in connection with the activities described in Paragraph 5, above, MFGI accepted or received funds including funds to be held in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties in connection with the lending and servicing of loans secured by real property. Thereafter MFGI made deposits and disbursements of such trust funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by MFGI in the following bank accounts:

Miramar Financial Group, Inc.  
CA Real Estate Trust Account  
Account No. 568XXXX (Redacted for security)  
Wells Fargo Bank  
San Diego, CA

(T/A #1 - MFGI's trust account used to deposit advance fees collected)

Miramar Financial Group, Inc.  
Real Estate Trust Account  
Account No. 761XXXX (Redacted for security)  
Wells Fargo Bank  
San Francisco, CA

(T/A #2 - MFGI's trust account used to deposit loan payments and payoffs collected)

1 Miramar Financial Group, Inc.  
2 Construction Impound Account  
3 G Invest LLC 13-1584  
4 Account No. 515XXXX (Redacted for security)  
5 Wells Fargo Bank  
6 San Diego, CA

7 (T/A #3 - MFGI's trust account used for a single loan transaction for G Invest LLC)

8 Miramar Financial Group, Inc.  
9 Construction Impound Account  
10 ADY Property LLC, Loan #12-1558  
11 Account No. 798XXXX (Redacted for security)  
12 Wells Fargo Bank  
13 San Diego, CA

14 (T/A #4 - MFGI's trust account used for a single loan transaction for ADY Property LLC)

15 Miramar Financial Group, Inc.  
16 Real Estate Trust Account  
17 Account No. 761XXXX2 (Redacted for security)  
18 Wells Fargo Bank  
19 San Francisco, CA

20 (T/A #5 - MFGI's trust account for broker-controlled escrows)

21 Miramar Financial Group, Inc.  
22 Account No. 558XXXX (Redacted for security)  
23 Wells Fargo Bank  
24 San Diego, CA

25 (T/A #6 - MFGI's trust account used for a single loan transaction for Borrower  
26 Greenbuild Home LLC)

27 Miramar Financial Group, Inc.  
MFG Corp Checking  
Account No. 798XXXX9 (Redacted for security)  
Wells Fargo Bank  
Unknown City

(B/A #1 - MFGI's general bank account used to deposit commissions and fees, including  
some trust funds)

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1 Miramar Financial Group, Inc.  
2 MFG Corp Checking  
3 Account No. 313XXXX (Redacted for security)  
4 Wells Fargo Bank  
5 Portland, OR

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7 (B/A #2 - MFGI's general bank account used to deposit loan servicing fees, including  
8 some trust funds)

9 Violations

10 8.

11 With respect to the licensed activities referred to in Paragraph 5, and the audit  
12 examination including the exhibits and work papers referenced in Paragraph 6, it is alleged that

13 Respondents:

14 (a) Permitted, allowed or caused the disbursement of trust funds from bank  
15 accounts T/A #1, T/A #2, T/A #4, and T/A #5 to fall to an amount which, as of December 31,  
16 2013, was \$157.00 (T/A #1), \$989.33 (T/A #2), \$61.00 (T/A #4) and \$8,115.27 (T/A #5) less  
17 than the existing aggregate trust fund liability to the owners of said funds, without first obtaining  
18 the prior written consent of the owners of said funds in violation of Code Section 10145 and  
19 Regulations 2832.1 and 2951;

20 (b) Until April 30, 2013, collected advance fees within the meaning of Code  
21 Section 10026 from borrowers seeking loans and loan services without having first submitted  
22 Respondents' advance fee agreement to the Bureau for review and authorization, in violation of  
23 Code Sections 10085, 10085.5, 10146, and Regulations 2970 and 2972;

24 (c) Failed to maintain a complete and accurate control record of trust funds  
25 received in violation of Code Section 10145 and Regulations 2831, 2950(d), and 2951;

26 (d) Failed to maintain a separate record for each beneficiary of trust funds in  
27 violation of Code Section 10145 and Regulations 2831.1, 2950(d), and 2951;

(e) Failed to perform a monthly reconciliation of the separate record to the

1 control record of trust funds handled through all bank accounts in violation of Code Section  
2 10145 and Regulations 2831.2, 2950(d), and 2951;

3 (f) Before January 7, 2014, Respondent MATYAS was not a signor on T/A  
4 #1, T/A #3, and T/A #4 in violation of Code Section 10145 and Regulations 2834 and 2951;

5 (g) Failed to retain books, accounts, and records regarding real estate  
6 transactions and refused to make such records available to the Real Estate Commissioner's  
7 representative, to wit: the auditor, in violation of Code Section 10148;

8 (h) Mixed and commingled trust funds with MFGI's general funds by  
9 transferring trust funds from T/A #5 into B/A #1 or B/A #2 without written authorization from  
10 the owner of such funds in violation of Code Sections 10145 and 10176(e);

11 (i) Misrepresented that loans were fully funded when, in fact, the loans were  
12 only partially funded, while Respondents collected loan points, loan servicing fees, and interest  
13 on fully-funded loan amounts in violation of Code Sections 10145 and 10176(a);

14 (j) Failed to record deeds of trust in the name of the lenders as beneficiaries  
15 prior to loan funds being given to the borrower in violation of Code Sections 10234 and 10238(g)  
16 and Regulation 2841.5;

17 (k) Failed to place complete and accurate copies of the Lender/Purchaser  
18 Disclosure Statement in the loan file in violation of Code Section 10232.4;

19 (l) Failed to maintain loan servicing agreements with private lenders in  
20 violation of Code Sections 10233(a) and 10238(k);

21 (m) Conducted multi-lender loans with more ten (10) private individuals on a  
22 single loan in violation of Code Section 10238(f);

23 (n) Failed to obtain signed statements from private lenders certifying their net  
24 worth requirements for multi-lender loans in violation of Code Section 10238(f);

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26 ///

1 (o) Failed to comply with private money, multi-lender safeguards in violation  
2 of Code Section 10238(h)(4), specifically:

- 3 i. Failure to use neutral third-party escrow holder;  
4 ii. Failure to fully fund loan at the time of closing;  
5 iii. Failure to use an independent, qualified person to certify construction  
6 was completed according to applicable codes and workmanship  
7 standards;  
8 iv. Failed to provide a detailed description of actions to be taken in the  
9 event of failure the construction project.

10 (p) Failed to notify the Bureau within thirty (30) days after becoming the  
11 servicing agent for the collection of loan payments which exceeded \$125,000.00 for any three-  
12 month period in violation of Code Section 10238(b);

13 (q) Failed to submit the Trust Account Review Report for the calendar year  
14 2012 to the Bureau on or before its due date of May 31, 2013, in violation of Code Section  
15 10232.2(a); and

16 (r) As to Respondent MATYAS, failed to exercise reasonable supervision  
17 over the activities of MFGI, and over its employees, to ensure compliance with the Real Estate  
18 Laws and the Commissioner's Regulations in violation of Code Sections 10159.2 and 10177(h)  
19 and Regulation 2725.

20 9.

21 The conduct of Respondents described in Paragraph 8, above, violated the Code  
22 and the Regulations as set forth below:

23 PARAGRAPH

PROVISIONS VIOLATED

24 8(a)

Code Section 10145

25 Regulations 2832.1 and 2951  
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8(b) Code Sections 10085, 10085.5 and 10146  
Regulations 2970 and 2972

8(c) Code Section 10145  
Regulations 2831, 2950(d), and 2951

8(d) Code Section 10145  
Regulations 2831.1, 2950(d), and 2951

8(e) Code Section 10145  
Regulations 2831.2, 2950(d), and 2951

8(f) Code Section 10145  
Regulations 2834 and 2951

8(g) Code Section 10148

8(h) Code Sections 10145 and 10176(e)

8(i) Code Sections 10145 and 10176(a)

8(j) Code Sections 10234 and 10238(g)  
Regulation 2841.5

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- 8(k) Code Section 10232.4
- 8(l) Code Sections 10233(a) and 10238(k)
- 8(m) Code Sections 10238(f)
- 8(n) Code Sections 10238(f)
- 8(o) Code Section 10238(h)(4)
- 8(p) Code Sections 10238(b)
- 8(q) Code Sections 10232.2(a)
- 8(r) Code Sections 10159.2 and 10177(h)  
Regulation 2725

Each of the foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondents under the provisions of Code Sections 10176(a), 10176(e), 10177(d), 10177(g), and/or 10177(h).

10.


Code Section 10148(b) provides, in pertinent part, that the Real Estate Commissioner shall charge a real estate broker for the cost of any audit if the Commissioner has found in a final decision, following a disciplinary hearing, that the broker has violated Code Section 10145 or a Regulation or rule of the Commissioner interpreting said Code section.

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California Business and Professions Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

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 MIRAMAR FINANCIAL GROUP, INC. and BRUCE GORDON MATYAS, individually and as Designated Officer of Miramar Financial Group, Inc., under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the costs of investigation and enforcement as provided by law, for costs of the audit, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California: March 17, 2015.

  
Veronica Kilpatrick  
Deputy Real Estate Commissioner

cc: Miramar Financial Group, Inc.  
Bruce Gordon Matyas  
Veronica Kilpatrick  
Sacto  
Audits – Jennifer Borromeo