

1 LISSETE GARCIA, Counsel (SBN 211552)  
2 Department of Real Estate  
3 320 West 4th Street, Suite 350  
4 Los Angeles, California 90013-1105  
5 Telephone: (213) 576-6982  
6 Direct: (213) 576-6914  
7 Fax: (213) 576-6917  
8 *Attorney for Complainant*

**FILED**

**FEB 06 2019**

**DEPT. OF REAL ESTATE**

By *John C. Garcia*

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation against ) DRE Case No. H-05047 SD  
MIRAMAR FINANCIAL GROUP, INC., ) ACCUSATION  
BRUCE GORDON MATYAS, individually )  
and as designated officer for Miramar )  
Financial Group, Inc., and STEVEN LEE SALAS, )  
Respondents. )

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the Department of Real Estate<sup>1</sup> (“Department”) of the State of California, acting in her official capacity for cause of Accusation against MIRAMAR FINANCIAL GROUP, INC., BRUCE GORDON MATYAS, individually and as designated officer for Miramar Financial Group, Inc., and STEVEN LEE SALAS (collectively “Respondents”), is informed and alleges as follows:

///

///

///

///

<sup>1</sup> Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

1 1.

2 All references to the "Code" are to the California Business and Professions Code, all  
3 references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all references to  
4 "Regulations" are to California Code of Regulations Title 10, Chapter 6.

5 2.

6 Respondents are presently licensed and/or have license rights under the Real Estate Law  
7 (Part 1 of Division 4 of the Code).

8 3.

9 On September 2, 2003, MIRAMAR FINANCIAL GROUP, INC. ("MFGI") was  
10 originally licensed as a corporate real estate broker, License ID 01396493.

11 4.

12 On August 10, 1987, BRUCE GORDON MATYAS ("MATYAS") was originally  
13 licensed as a real estate broker, License ID 00824654. MATYAS was previously licensed as a  
14 real estate salesperson from approximately September 18, 1981 through August 9, 1987.

15 5.

16 From October 9, 2007, through the present, MFGI has acted as a corporate real estate  
17 broker by and through MATYAS as the designated officer and broker responsible, pursuant to  
18 Code section 10159.2, for supervising the activities requiring a real estate license conducted on  
19 behalf of MFGI by MFGI's officers, agents and employees.

20 6.

21 On or about January 20, 1981, STEVEN LEE SALAS ("SALAS") was licensed as a real  
22 estate salesperson, License ID 00805440. The salesperson license of Respondent SALAS was  
23 expired from March 7, 2017 through February 19, 2018. Respondent SALAS was not licensed  
24 to engage in activities that required a real estate license during the aforementioned period.  
25 Respondent SALAS's real estate license was renewed effective February 20, 2018 and is  
26 scheduled to expire on February 19, 2022, unless renewed. SALAS is currently licensed as a  
27 salesperson under the employment of broker, MFGI.

1 7.

2 MFGI is a California corporation. SALAS is the founder, President, sole officer and  
3 director of MFGI.

4 PRIOR DEPARTMENT ACTIONS

5 8.

6 On April 30, 2013, in Case No. H-04494 SD, an Order to Desist and Refrain was filed  
7 against Respondents MFGI and SALAS for violations of Code sections 10085, 10085.5, and  
8 Regulation 2970. The Order to Desist and Refrain was acknowledged by Respondents MFGI  
9 and SALAS on or about May 21, 2013.

10 9.

11 On March 26, 2015, in Case No. H-04710 SD, an Accusation was filed against  
12 Respondents MFGI and MATYAS. The Accusation was based on violations of the Code and  
13 Regulations found during a Department audit of Respondent MFGI's real estate loan and broker-  
14 controlled escrow activities in Audit Nos. SD130014 and SD130020. A Stipulation and  
15 Agreement ("Stipulation") between the Department and Respondents MFGI and MATYAS  
16 became effective on January 5, 2016. The Stipulation resulted in discipline against Respondents  
17 MFGI and MATYAS by one hundred twenty (120) days' suspension with thirty (90) days stayed  
18 on terms and conditions for two years and the initial thirty (30) days stayed by payment of a  
19 \$1,500.00 fine for each Respondent for violations of Code sections 10145, 10177(d), and  
20 10177(g). The terms and conditions of the Stipulation included payment of a follow-up audit to  
21 determine if Respondents MFGI and MATYAS have corrected the violations found in the  
22 Determination of Issues of the Stipulation.

23 CAUSE OF ACCUSATION

24 FOLLOW-UP AUDIT NO. SD170036 / SD170054

25 10.

26 At all times herein relevant, in the County of San Diego, State of California, Respondent  
27 MFGI engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real

1 estate broker within the meaning of Code Section 10131(d), including the solicitation of  
2 borrowers or lenders for and/or negotiating loans, collecting payments and/or performing  
3 services for borrowers or lender in connection with loans secured by liens on real property as the  
4 agent of others. In addition, Respondent MFGI conducted broker-controlled escrow activities  
5 under its real estate broker license pursuant to Financial Code section 17006(a)(4).

6 11.

7 On June 29, 2018, the Department completed a follow-up audit examination to  
8 H-04710 SD, based on Audit Report SD170036 / SD170054, of the books and records of  
9 Respondent MFGI pertaining to MFGI's mortgage loan activities (SD170036) and broker-  
10 controlled escrow activities (SD170054). The focus of the follow-up audit was to determine  
11 whether MFGI conducted its real estate activities, handled, and accounted for trust funds in  
12 accordance with the Real Estate Law and Regulations. The audit examination period covered the  
13 period of time between January 5, 2016 through March 31, 2018 ("audit period"). The audit  
14 examination revealed violations of the Code and the Regulations as set forth below, and more  
15 fully discussed in Audit Report SD170036 / SD170054 and the exhibits and work papers  
16 attached to that audit report.

17 12.

18 Business Activities

19 According to Respondents, during the audit period, MFGI solicited borrowers and  
20 lenders, negotiated, escrowed, and serviced business loans secured by real property for  
21 compensation. MFGI did not negotiate consumer loans; therefore, it did not have a mortgage  
22 loan originator ("MLO") endorsement. According to documents provided by Respondents,  
23 MFGI negotiates, originates, and services loans for private investor, non-consumer loans for  
24 compensation. MFGI closed 14 loans between April 1, 2017 and March 31, 2018. MFGI  
25 serviced 48 loans between April 1, 2017 and March 31, 2018. MFGI provided escrow services  
26 for 8 loans between April 1, 2017 and March 31, 2018.

27 ///

13.

Trust Accounts

During the audit period, in connection with the activities described in Paragraph 12, above, Respondent 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 disbursement of such trust funds. From time to time during the audit period, said trust funds were deposited and/or maintained by MFGI in the following bank accounts:

Miramar Financial Group Inc. Real Estate Trust Account  
Account No. XXXXXX027 (Redacted for security)  
Wells Fargo Bank  
Portland, OR  
(TA1 – Bank account used for broker-controlled escrows)

Miramar Financial Group Inc. Real Estate Trust Account  
Account No. XXXXXX236 (Redacted for security)  
Wells Fargo Bank  
Portland, OR  
(TA2 – Bank account for receipt and disbursal of loan payments)

14.

Compliance with previous audit findings

Based on an examination of the records provided for the follow-up audit, MFGI was in compliance with Code sections 10148, 10176(a), 10176(e), 10232.2(a), 10232.4, 10233(a), 10234, 10238(b), 10238(f), 10238(g), 10238(h)(4), and 10238(k) and Regulations 2831, 2831.1, and 2841.5 which were cited in Audits SD130014 and SD130020. Code sections 10085, 10085.5, 10146, and Regulations 2970 and 2972 were not applicable during the audit period of the follow-up audit.

///

///

///

1  
2 Violations found in follow-up audit

3 In the course of MFGI's activities during the audit period for the follow-up audit  
4 described above in Paragraph 11, Respondents acted in violation of the Code and the Regulations  
5 as follows:

6 A. Issue Two<sup>2</sup>. Code sections 10130 and 10137. License required. Unlawful  
7 employment or compensation.

8 Respondent SALAS' real estate salesperson license was expired from March 7, 2017  
9 through February 19, 2018. During the audit period, SALAS solicited and/or conducted  
10 activities that required a real estate license and received compensation through MFGI. The  
11 activities included, without limitation, negotiating loans with potential borrowers or investors  
12 (including without limitation loan nos. 17-1676 and 17-1672), signing Lender/Purchase  
13 Disclosure Statements, Mortgage Loan Disclosure Statements, and trust account checks for TA1  
14 and TA2, without fidelity bond coverage, in violation of Code section 10130 and 10137.

15 B. Issue Three. Code section 10145 and Regulations 2834 and 2951. Trust Account  
16 Withdrawals/Broker-Controlled Escrows

17 During the time that Respondent SALAS' real estate salesperson license was expired  
18 between March 7, 2017 through February 19, 2018, Respondent SALAS was allowed to make  
19 trust account withdrawals from TA1 and TA 2, without fidelity bond coverage, in violation of  
20 Code section 10145 and Regulations 2834 and 2951.

21 C. Issue Four. Code section 10141.6. Notification of Broker Escrow Activity.

22 During the audit period, and between April 1, 2017 through March 31, 2018,  
23 MFGI closed eight (8) escrows with a total loan amount of \$4,230,000. As of May 15, 2018,  
24 MFGI had not notified the Department of MFGI's escrow activities, in violation of Code section  
25 10141.6.

26 On May 24, 2018, MFGI provided the Department's auditor with a printout of the 2017  
27

---

<sup>2</sup> Issue One skipped intentionally.

1 Escrow Activity Report, which indicated that MFGI handled eight escrows totaling \$3,845,000.

2 D. Issue Five. Code sections 10159.2, 10177(h), and Regulation 2725.

3 Respondent MATYAS failed to exercise reasonable supervision over the activities of  
4 MFGI and its employees and officers (including Respondent SALAS) to ensure compliance with  
5 the Real Estate Law and Regulations, in violation of Code sections 10159.2, 10177(h), and  
6 Regulation 2725.

7 16.

8 The conduct of Respondents described in Paragraph 15, above, violated the Code and the  
9 Regulations as set forth below:

<u>PARAGRAPH</u>	<u>RESPONDENT</u>	<u>PROVISIONS VIOLATED</u>
11 15A	MFGI and SALAS	Code section 10130 and 10137
12 15B	MFGI	Code section 10145 and Regulations 2834 and 2951
13 15C	MFGI	Code section 10141.6
14 15D	MATYAS	Code sections 10159.2, 10177(h), and 15 Regulation 2725

16 Respondent MFGI – Audit Violations

17 17.

18 The conduct, acts and/or omissions alleged above in Paragraphs 15A, 15B, and 15C  
19 constitute cause for the suspension or revocation of the real estate licenses and license rights of  
20 Respondent MFGI under the provisions of Code sections 10177(d) and/or 10177(g), for violation  
21 of Code sections 10130, 10137, 10145, 10141.6, and Regulations 2834, and 2951.

22 Respondent SALAS – Unlicensed Activities

23 18.

24 The conduct, acts and/or omissions alleged above in Paragraph 15A constitute cause for  
25 the suspension or revocation of the real estate licenses and license rights of Respondent SALAS  
26 under the provisions of Code sections 10177(d) and/or 10177(g), for violation of Code sections  
27 10130 and 10137.

1 Respondent MATYAS - Broker Supervision

2 19.

3 The conduct, acts and/or omissions of Respondent MATYAS constitutes a failure to  
4 exercise the supervision and control over the activities of MFGI and SALAS to ensure  
5 compliance with the Real Estate Law and Regulations, as is required by Code section 10159.2  
6 and Regulation 2725. Said conduct, acts, or omissions constitute cause to suspend or revoke the  
7 real estate license and license rights of Respondent MATYAS pursuant to Code sections  
8 10177(h), 10177(d) and/or 10177(g).

9 Audit Costs

10 20.

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

15 Investigation/Enforcement Costs

16 21.

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

21 ///

22 ///

23 ///

24 ///

25 ///


26 ///

27 ///



1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this  
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
3 action against the license and license rights of Respondents under the Real Estate Law, for the  
4 costs of investigation and enforcement as provided by law, for costs of the audit, and for such  
5 other and further relief as may be proper under other applicable provisions of law.

6 Dated at San Diego, California this 22 day of January, 2019.

7  
8   
9 \_\_\_\_\_  
10 Veronica Kilpatrick  
Supervising Special Investigator  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

21 cc: Miramar Financial Group, Inc.  
22 Bruce Gordon Matyas  
23 Steven Lee Salas  
24 Veronica Kilpatrick  
Sacto  
Audits – Jennifer Borromeo  
25  
26  
27