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1 Department of Real Estate
107 South Broadway, Room 8107
2 Los Angeles, California, 90012

3 (213) 897-3937

FILED
SEP 24 1996

DEPARTMENT OF REAL ESTATE

By 

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11	In the Matter of the Accusation of)	No. H-26530 LA
12	MARINA FUNDING CORP., a)	<u>STIPULATION AND AGREEMENT</u>
13	California corporate broker,)	
14	and NELSON CARABALLO,)	<u>IN SETTLEMENT AND ORDER</u>
15	Respondent.)	

16 It is hereby stipulated by and between MARINA FUNDING
17 CORP. and NELSON CARABALLO (referred to as Respondents) and the
18 Complainant, acting by and through Sean Crahan, Counsel for the
19 Department of Real Estate, as follows for the purpose of settling
20 and disposing of the Accusation filed on March 15, 1996, and
21 amended March 29, 1996 in this matter:

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

1 Settlement And Order (hereafter Stipulation).

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

6 3. On or about March 22, 1996, Respondent CARABALLO
7 filed a Notice of Defense pursuant to Section 11505 of the
8 Government Code for the purpose of requesting a hearing on the
9 allegations in the Accusation. Respondent MARINA FUNDING CORP. did
10 not file a Notice of Defense. Respondent hereby freely and
11 voluntarily withdraws said Notice of Defense. Respondent CARABALLO
12 acknowledges that he understands that by withdrawing said Notice of
13 Defense, he will thereby waive his right to require the
14 Commissioner to prove the allegations in the Accusation at a
15 contested hearing held in accordance with the provisions of the APA
16 and that he will waive other rights afforded to him in connection
17 with the hearing such as the right to present evidence in defense
18 of the allegations in the Accusation and the right to cross-examine
19 witnesses.

20 4. This Stipulation and Agreement in Settlement and
21 Order relates to the factual allegations contained in paragraphs
22 one (1) through six (6) in the accusation filed in this proceeding.
23 Respondent chooses not to contest these factual allegations and to
24 remain silent and understand that, as a result thereof, these
25 factual allegations, without being admitted or denied, will serve
26 as a basis for the discipline stipulated to herein. This
27 Stipulation and Agreement in Settlement and Order and the findings

1 based on Respondent's decision not to contest the Accusation is
2 hereby expressly limited to this proceeding and made for the sole
3 purpose of reaching an agreed disposition of this proceeding, only.
4 Respondent's decision not to contest the factual allegations is
5 made solely for the purpose of effectuating this Stipulation and is
6 intended by Complainant and Respondent to be non-binding upon him
7 in any actions against Respondent by third parties and shall not be
8 deemed, used, or accepted as an acknowledgment or admission.
9 However, the results of this Stipulation may provide the basis for
10 establishing prior discipline, and the basis thereof, in any
11 subsequent proceeding by Complainant. The Real Estate Commissioner
12 shall not be required to provide further evidence to prove such
13 allegations.

14 5. It is understood by the parties that the Real Estate
15 Commissioner may adopt the Order in this Stipulation as his
16 decision and order in this matter thereby imposing the penalty and
17 sanctions on Respondent's real estate licenses and/or license
18 rights as set forth in the below Order. In the event that the
19 Commissioner in his discretion does not adopt the Stipulation, the
20 Stipulation And Agreement In Settlement shall be void and of no
21 effect, and Respondent shall retain the right to a hearing and
22 proceeding on the Accusation under all the provisions of the APA
23 and shall not be bound by any admission or waiver made herein.

24 6. The Order or any subsequent Order of the Real Estate
25 Commissioner made pursuant to this Stipulation shall not constitute
26 an estoppel, merger or bar to any further administrative or civil
27 proceedings by the Department of Real Estate with respect to any

1 matters which were not specifically alleged to be causes for
2 accusation in this proceeding.

3 DETERMINATION OF ISSUES

4 By reason of the foregoing stipulations and waivers, made
5 solely for the purpose of settlement of the pending Accusation
6 without a hearing, it is stipulated and agreed that the following
7 Determination of Issues shall be made:

8 1. The conduct or omissions of Respondent MARINA FUNDING
9 CORP., as set forth in one (1) through seven (7) in the
10 Supplemental Accusation constitute cause to suspend or revoke its
11 corporate real estate broker license and/or license rights under
12 the following Code Sections:

13 (a) Code Section 10176(a) for substantial
14 misrepresentations.

15 (b) Code Section 10176(e) for commingling.

16 (c) Code Section 10176(i) for fraud or dishonest
17 dealing.

18 (d) Code Section 10177(d) for willful violations of the
19 following Code Sections and Regulations:

20 (i) Regulation 2831 for failure to maintain
21 complete control records in 1993.

22 (ii) Regulation 2831.1 for failure to maintain
23 separate records.

24 (iii) Code Section 10240 and Regulation 2840 for
25 failure to provide to borrowers Mortgage Loan Disclosure Statements
26 (Borrower).

27 (iv) Code Section 10130.

as Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of said Code:

A. A pre condition to the issuance of the restricted license to Respondent NELSON CARABALLO shall be that Respondent NELSON CARABALLO shall submit proof satisfactory to the Real Estate Commissioner that he has made restitution of \$1751.33 to Estrellita Hermogeno.

B. The restricted license issued to Respondent NELSON CARABALLO shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of said Code:

(1) The restricted license may be suspended prior to hearing by order of the Real Estate Commissioner in the event of Respondent NELSON CARABALLO's conviction or plea of nolo contendere to a crime which bears a significant relation to Respondent's fitness or capacity as a real estate licensee.

(2) The restricted license may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent NELSON CARABALLO has, during the time he holds a restricted license, violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner, or the conditions attaching to these restricted licenses.

(3) Respondent NELSON CARABALLO shall not be eligible to apply for the issuance of an unrestricted real estate

1 license nor the removal of any of the conditions, limitations or
2 restrictions of a restricted license until two (2) years have
3 elapsed from the date of issuance of the restricted license to
4 Respondent.

5 (4) Respondent NELSON CARABALLO shall submit with
6 any application for license under an employing broker, or any
7 application for transfer to a new employing broker, a statement
8 signed by the prospective employing real estate broker on a form
9 approved by the Department of Real Estate which shall certify:

10 (a) That the employing broker has read the
11 Accusation filed herein and the Decision of the
12 Commissioner which granted the right to a
13 restricted license; and

14 (b) That the employing broker will exercise
15 close supervision over the performance by the
16 restricted licensee relating to activities for
17 which a real estate license is required.

18 (5) Respondent CARABALLO shall, within six months
19 from the effective date of this Decision, present evidence
20 satisfactory to the Real Estate Commissioner that Respondent has,
21 since the most recent issuance of an original or renewal real
22 estate license, taken and successfully completed the continuing
23 education requirements of Article 2.5 of Chapter 3 of the Real
24 Estate Law for renewal of a real estate license. If Respondent
25 CARABALLO fails to satisfy this condition, the Commissioner may
26 order the suspension of the restricted license until the Respondent
27 presents such evidence. The Commissioner shall afford Respondent

1 the opportunity for a hearing pursuant to the Administrative
2 Procedure Act to present such evidence.

3 (6) Respondent NELSON CARABALLO shall, within six
4 months from the effective date of this Decision, take and pass the
5 Professional Responsibility Examination administered by the
6 Department including the payment of the appropriate examination
7 fee. If Respondent fails to satisfy this condition, the
8 Commissioner may order suspension of Respondent's license until
9 Respondent passes the examination.

10 * * * * *

11 I have read the Stipulation And Agreement In Settlement
12 And Order, and its terms are understood by me and are agreeable and
13 acceptable to me. I understand that I am waiving rights given to
14 me by the California Administrative Procedure Act (including but
15 not limited to Sections 11506, 11508, 11509 and 11513 of the
16 Government Code), and I willingly, intelligently and voluntarily
17 waive those rights, including the right of requiring the
18 Commissioner to prove the allegations in the Accusation at a
19 hearing at which I would have the right to cross-examine witnesses
20 against me and to present evidence in defense and mitigation of the
21 charges.

22 DATED: 9-6-96

[Signature]
MARINA FUNDING CORP., Respondent by
Nelson Caraballo, President.

24 DATED: 9-6-94

[Signature]
NELSON CARABALLO, Respondent.

26 DATED: 9-9-96

[Signature]
SEAN CRAHAN, Counsel for
Complainant.

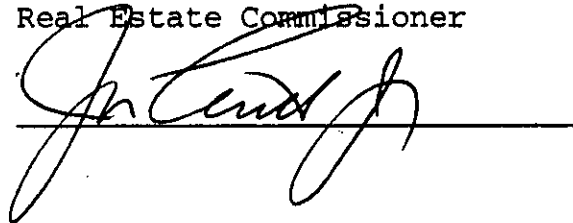
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The foregoing Stipulation And Agreement In Settlement is
hereby adopted as my Decision and Order as to Respondents MARINA
FUNDING CORP. and NELSON CARABALLO and shall become effective at 12
o'clock noon on October 14, _____, 1996.

IT IS SO ORDERED 9-16 1996.

JIM ANTT, JR.
Real Estate Commissioner



Sacto

194-1019-005
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA
* * *

FILED
MAY 21 1996
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
MARINA FUNDING CORP., A California)
corporate, broker and NELSON)
CARABALLO,)
Respondent(s).)

By *[Signature]*

) NOTICE OF HEARING ON ACCUSATION
) Case No. H-26530 LA
)
) L- 9604009

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 314 West First Street, Los Angeles, California 90012 on December 17 & 18, 1996 at 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: May 21, 1996

DEPARTMENT OF REAL ESTATE

By: *[Signature]*
SEAN CRAHAN
DRE, Attorney

CC: Marina Funding / Nelson Caraballo
Mike Melton, Esq.
MGS, OAH & SACTO

SACTO
FLAG

1 SEAN CRAHAN, Counsel
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, California 90012

(213) 897-3937

FILED
MAR 29 1996
DEPARTMENT OF REAL ESTATE

By [Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

12 In the Matter of the Accusation of)	No. H-26530 LA
13 MARINA FUNDING CORP., a California)	<u>S U P P L E M E N T A L</u>
14 corporate broker, and NELSON)	<u>A C C U S A T I O N</u>
15 CARABALLO,)	
16 Respondent.)	

17 The Complainant, Thomas Mc Crady, a Deputy Real Estate
18 Commissioner of the State of California for cause of accusation
19 against MARINA FUNDING CORP., a California corporate broker, and
20 NELSON CARABALLO, supplements the accusation filed herein on March
21 15, 1996 by alleging (in *italic*) as follows:

22 1.

23 The Complainant, Thomas Mc Crady, a deputy real estate
24 commissioner, brings this accusation in his official capacity.

25 2.

26 MARINA FUNDING CORP. (hereafter Respondent MFC) is
27 presently licensed and/or has license rights under the Real Estate

1 Law, Part 1 of Division 4 of the California Business and
2 Professions Code (hereafter cited as the Code). At all times
3 herein mentioned, Respondent MFC was licensed by the Department of
4 Real Estate of the State of California (hereafter the Department)
5 as a corporate real estate broker.

6 3.

7 NELSON CARABALLO (hereafter Respondent CARABALLO) is
8 presently licensed and/or has license rights under the Real Estate
9 Law, Part 1 of Division 4 of the California Business and
10 Professions Code (hereafter cited as the Code).

11 (a) At all times herein mentioned, Respondent CARABALLO
12 was licensed by the Department as a real estate salesperson.

13 (b) At all times herein mentioned, Respondent CARABALLO
14 was the president and sole shareholder of Respondent MFC

15 4.

16 (a) At times herein mentioned, Respondent MFC was
17 engaged in the mortgage loan brokerage business as defined by Code
18 Section 10131(d) in that Respondent MFC, for or in expectation of
19 compensation, solicited and negotiated with borrowers for loans
20 from third-party lenders secured by real property (secured loans).

21 (b) In connection with the above set forth activities,
22 Respondent MFC conducted escrows.

23 5.

24 On or about April 8, 1994, Respondent CARABALLO, acting
25 for or in expectation of compensation, solicited and negotiated
26 with Ofelia and Juergen Reeb to become borrowers to purchase a home
27 at 3611 Verdugo Vista Terrace, Los Angeles, CA. (Lake Vista

1 Property). Respondent MFC conducted an escrow, number 1007, for
2 the sale of 3611 Verdugo Vista Terrace, Los Angeles, CA. by Romero
3 and Estrellita Hermogeno, sellers, to Ofelia and Juergen Reeb,
4 buyers. Said escrow closed on or about May 26, 1994.

5 (a) At no time did Respondents CARABALLO or MFC disclose
6 to buyers or sellers the full compensation received by MFC. At the
7 close of the loan on or about May 26, 1994, Mission Hills Mortgage,
8 Inc. paid to MFC \$4,500 as a loan fee and \$3,375 as a rebate. The
9 loan fee and rebait paid to MFC was at no time disclosed to the
10 Reebbs.

11 (b) Respondent MFC failed to deliver to buyers/borrowers
12 with Mortgage Loan Disclosure Statement (Borrower) in willful
13 violation of Code Section 10240 and Regulation 2840. which would
14 have required disclosure of all compensation to Respondent MFC.

15 (c) Respondents MFC and CARABALLO concealed from buyers
16 and sellers that Respondent MFC was to receive a mortgage brokerage
17 commission.

18 (d) Respondent MFC represented to buyers and sellers
19 that it received an escrow fee of \$637.50 when in fact it paid
20 itself \$1,275 for the escrow fee.

21 6.

22 From time to time between April 11 through 14, 1995, an
23 auditor from the Department examined the books and records of
24 Respondent MFC's mortgage loan and escrow activities covering a
25 period of time from January 1, 1994 through March 31, 1995
26 (hereafter the "audit period"). That examination revealed that
27 Respondents, during the audit period, violated the following Code

1 Sections and Regulations from Title 10, Chapter 6, California Code
2 of Regulations (hereafter Regulations):

3 (a) Respondent MFC conducted an escrow, number 1007,
4 for the sale of 3611 Verdugo Vista Terrace, Los Angeles, CA. by
5 Romero and Estrellita Hermogeno, sellers, to Ofelia and Juergen
6 Reeb, buyers. Said escrow closed on or about May 26, 1994.

7 Fidelity Title was holding \$1751.33 of the loan proceeds in this
8 escrow and forwarded these funds to Respondent MFC in trust.

9 (i) On or about June 27, 1994, Respondent MFC
10 deposited these funds into its general account and commingled these
11 trust funds with its own money.

12 (ii) Respondent CARABALLO failed and refused to
13 deliver the trust funds to the sellers after their several demands.

14 (b) Respondent MFC failed to maintain complete and
15 current control records for the escrow trust account (TA 1), in
16 willful violation of Regulation 2831.

17 (c) Respondent MFC failed to maintain separate records
18 for the escrow trust account (TA 1), in willful violation of
19 Regulation 2831.1

20 (d) In connection with the business of obtaining loans
21 from third party lenders, Respondent MFC failed to provide to
22 borrowers with Mortgage Loan Disclosure Statements (Borrower) in
23 willful violation of Code Section 10240 and Regulation 2840.

24 (e) Respondent CARABALLO caused, allowed or permitted
25 Respondent MFC to perform activities requiring a real estate
26 license during a period of time from August 29, 1994 through
27 October 3, 1994, during which it was without a designated broker

1 officer, in violation of Code Section 10130.

2 7.

3 The conduct or omissions of Respondent MFC as set forth
4 above subject its real estate license and license rights to
5 suspension or revocation under the following Code Sections:

6 (a) Code Section 10176(a) for substantial
7 misrepresentations, as set forth in paragraph 5 above.

8 (b) Code Section 10176(e) for commingling, as set forth
9 in paragraph 6(a) above.

10 (c) Code Section 10176(i) for fraud or dishonest
11 dealing, as set forth in paragraph 5 above.

12 (d) Code Section 10177(d) for willful violations of the
13 following Code Sections and Regulations:

14 (i) Regulation 2831 for failure to maintain
15 complete control records in 1993, as set forth above in paragraph
16 6(b).

17 (ii) Regulation 2831.1 for failure to maintain
18 separate records, as set forth above in paragraph 6(c).

19 (iii) Code Section 10240 and Regulation 2840 for
20 failure to provide to borrowers Mortgage Loan Disclosure Statements
21 (Borrower), as set forth in paragraph 5(d) above.

22 (iv) Code Section 10130 as set forth above in
23 paragraph 6(e).

24 8.

25 The conduct or omissions of Respondent CARABALLO as set
26 forth above subject his real estate license and license rights to
27 suspension or revocation under the following Code Sections:

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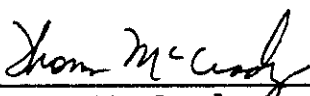
(a) Code Section 10176(a) for substantial misrepresentations as set forth in Paragraph 5(a) and 6(c) above.

(b) Code Section 10176(i) for fraud or dishonest dealing as set forth in paragraph 5(c) and 6(a)(ii).

(c) 10177(d) for willful violations Code Section 10130 as set forth in paragraph 6(e) above.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation as *supplemented* and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents MARINA FUNDING CORP., a California corporate broker and NELSON CARABALLO 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 applicable provisions of law.

Dated at Los Angeles, California this 28th th day of April, 1996.



Thomas. Mc Crady,
Deputy Real Estate Commissioner

cc: Marina Funding Corp.
Daniel Moreira, Designated Officer
Nelson Caraballo
Sacto
MGS

SC/sc

Sacto

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SEAN CRAHAN, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 897-3937

FILED
MAR 13 1976
DEPARTMENT OF REAL ESTATE

By *[Signature]*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-26530 LA
MARINA FUNDING CORP., a California)	
corporate broker, and NELSON)	<u>A C C U S A T I O N</u>
CARABALLO,)	
Respondent.)	

The Complainant, Thomas Mc Crady, a Deputy Real Estate Commissioner of the State of California for cause of accusation against MARINA FUNDING CORP., a California corporate broker, and NELSON CARABALLO alleges as follows:

1.

The Complainant, Thomas Mc Crady, a deputy real estate commissioner, brings this accusation in his official capacity.

2.

MARINA FUNDING CORP. (hereafter Respondent MFC) is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and

1 Professions Code (hereafter cited as the Code). At all times
2 herein mentioned, Respondent MFC was licensed by the Department of
3 Real Estate of the State of California (hereafter the Department)
4 as a corporate real estate broker.

5 3.

6 NELSON CARABALLO (hereafter Respondent CARABALLO) is
7 presently licensed and/or has license rights under the Real Estate
8 Law, Part 1 of Division 4 of the California Business and
9 Professions Code (hereafter cited as the Code).

10 (a) At all times herein mentioned, Respondent CARABALLO
11 was licensed by the Department as a real estate salesperson.

12 (b) At all times herein mentioned, Respondent CARABALLO
13 was the president and sole shareholder of Respondent MFC

14 4.

15 (a) At times herein mentioned, Respondent MFC was
16 engaged in the mortgage loan brokerage business as defined by Code
17 Section 10131(d) in that Respondent MFC, for or in expectation of
18 compensation, solicited and negotiated with borrowers for loans
19 from third-party lenders secured by real property (secured loans).

20 (b) In connection with the above set forth activities,
21 Respondent MFC conducted escrows.

22 5.

23 On or about April 8, 1994, Respondent CARABALLO, acting
24 for or in expectation of compensation, solicited and negotiated
25 with Ofelia and Juergen Reeb to become borrowers to purchase a home
26 at 3611 Verdugo Vista Terrace, Los Angeles, CA. (Lake Vista
27 Property). Respondent MFC conducted an escrow, number 1007, for

1 the sale of 3611 Verdugo Vista Terrace, Los Angeles, CA. by Romero
2 and Estrellita Hermogeno, sellers, to Ofelia and Juergen Reeb,
3 buyers. Said escrow closed on or about May 26, 1994.

4 (a) At no time did Respondents CARABALLO or MFC disclose
5 to buyers or sellers the full compensation received by MFC.

6 (b) Respondent MFC failed to deliver to buyers/borrowers
7 with Mortgage Loan Disclosure Statement (Borrower) in willful
8 violation of Code Section 10240 and Regulation 2840. which would
9 have required disclosure of all compensation to Respondent MFC.

10 (c) Respondents MFC and CARABALLO concealed from buyers
11 and sellers that Respondent MFC was to receive a mortgage brokerage
12 commission.

13 (d) Respondent MFC represented to buyers and sellers
14 that it received an escrow fee of \$637.50 when in fact it paid
15 itself \$1,275 for the escrow fee.

16 6.

17 From time to time between April 11 through 14, 1995, an
18 auditor from the Department examined the books and records of
19 Respondent MFC's mortgage loan and escrow activities covering a
20 period of time from January 1, 1994 through March 31, 1995
21 (hereafter the "audit period"). That examination revealed that
22 Respondents, during the audit period, violated the following Code
23 Sections and Regulations from Title 10, Chapter 6, California Code
24 of Regulations (hereafter Regulations):

25 (a) Respondent MFC conducted an escrow, number 1007,
26 for the sale of 3611 Verdugo Vista Terrace, Los Angeles, CA. by
27 Romero and Estrellita Hermogeno, sellers, to Ofelia and Juergen

1 Reeb, buyers. Said escrow closed on or about May 26, 1994.

2 Fidelity Title was holding \$1751.33 of the loan proceeds in this
3 escrow and forwarded these funds to Respondent MFC in trust.

4 (i) On or about June 27, 1994, Respondent MFC
5 deposited these funds into its general account and commingled these
6 trust funds with its own money.

7 (ii) Respondent CARABALLO failed and refused to
8 deliver the trust funds to the sellers after their several demands.

9 (b) Respondent MFC failed to maintain complete and
10 current control records for the escrow trust account (TA 1), in
11 willful violation of Regulation 2831.

12 (c) Respondent MFC failed to maintain separate records
13 for the escrow trust account (TA 1), in willful violation of
14 Regulation 2831.1

15 (d) In connection with the business of obtaining loans
16 from third party lenders, Respondent MFC failed to provide to
17 borrowers with Mortgage Loan Disclosure Statements (Borrower) in
18 willful violation of Code Section 10240 and Regulation 2840.

19 (e) Respondent CARABALLO caused, allowed or permitted
20 Respondent MFC to perform activities requiring a real estate
21 license during a period of time from August 29, 1994 through
22 October 3, 1994, during which it was without a designated broker
23 officer, in violation of Code Section 10130.

24

7.

25 The conduct or omissions of Respondent MFC as set forth
26 above subject its real estate license and license rights to
27 suspension or revocation under the following Code Sections:

1 (a) Code Section 10176(a) for substantial
2 misrepresentations, as set forth in paragraph 5 above.

3 (b) Code Section 10176(e) for commingling, as set forth
4 in paragraph 6(a) above.

5 (c) Code Section 10176(i) for fraud or dishonest
6 dealing, as set forth in paragraph 5 above.

7 (d) Code Section 10177(d) for willful violations of the
8 following Code Sections and Regulations:

9 (i) Regulation 2831 for failure to maintain
10 complete control records in 1993, as set forth above in paragraph
11 6(b).

12 (ii) Regulation 2831.1 for failure to maintain
13 separate records, as set forth above in paragraph 6(c).

14 (iii) Code Section 10240 and Regulation 2840 for
15 failure to provide to borrowers Mortgage Loan Disclosure Statements
16 (Borrower), as set forth in paragraph 5(d) above.

17 (iv) Code Section 10130 as set forth above in
18 paragraph 6(e).

19 8.

20 The conduct or omissions of Respondent CARABALLO as set
21 forth above subject his real estate license and license rights to
22 suspension or revocation under the following Code Sections:

23 (a) Code Section 10176(a) for substantial
24 misrepresentations as set forth in Paragraph 5(a) and 6(c) above.

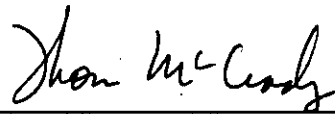
25 (b) Code Section 10176(i) for fraud or dishonest dealing
26 as set forth in paragraph 5(c) and 6(a)(ii).

27 (c) 10177(d) for willful violations Code Section 10130

1 as set forth in paragraph 6(e) above.

2 WHEREFORE, Complainant prays that a hearing be conducted
3 on the allegations of this Accusation and, that upon proof thereof,
4 a decision be rendered imposing disciplinary action against all
5 licenses and license rights of Respondents MARINA FUNDING CORP., a
6 California corporate broker and NELSON CARABALLO under the Real
7 Estate Law (Part 1 of Division 4 of the Business and Professions
8 Code) and for such other and further relief as may be proper under
9 other applicable provisions of law.

10 Dated at Los Angeles, California this 15th day of
11 March, 1996.

12 

13 _____
14 Thomas Mc Crady,
15 Deputy Real Estate Commissioner

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cc: Marina Funding Corp.
Daniel Moreira, Designated Officer
Nelson Caraballo
Sacto
MGS

SC/sc