

*into  
year*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**FILED**  
JUL 21 2008  
DEPARTMENT OF REAL ESTATE

*H. H. H. H. H.*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) NO. H-27833 LA  
)  
GEORGE LIMON FRAGOSO, )  
)  
Respondent. )

ORDER DENYING REINSTATEMENT OF LICENSE

On January 13, 1999, a Decision was rendered herein  
revoking Respondent's real estate broker license.

On or about April 7, 2002, Respondent petitioned for  
reinstatement of said license. An Order Denying Reinstatement  
of License was filed on February 28, 2003. Said Order denied  
Respondent's petition application but granted Respondent the  
right to the issuance of a restricted real estate salesperson  
license. A restricted real estate salesperson license was  
issued to Respondent on December 19, 2003.

///

///

1           On or about June 7, 2005, Respondent again petitioned  
2 for reinstatement of his real estate broker license and the  
3 Attorney General of the State of California has been given  
4 notice of the filing of the petition.

5           I have considered Respondent's petition and  
6 the evidence and arguments in support thereof. Respondent  
7 has failed to demonstrate to my satisfaction that Respondent  
8 has undergone sufficient rehabilitation to warrant the  
9 reinstatement of Respondent's real estate broker license,  
10  
11 in that:

12   I

13           In the Decision which revoked Respondent's real  
14 estate license there were legal conclusions made that there  
15 was cause to revoke Respondent's real estate license pursuant  
16 to Business and Professions Code ("Code") Sections 490 and  
17 10177(b).

18           On May 22, 1998, Respondent was convicted of a  
19 violation of California Penal Code Section 550(A)(7) (false  
20 and fraudulent claim for payment of a loss under a contract  
21 of insurance), a felony crime involving moral turpitude that  
22 is substantially related to the qualifications, functions  
23 and duties of a licensee.

24  
25 ///

26 ///

27 ///

///

1 II

2 The burden of proving rehabilitation rests with the  
3 petitioner (Feinstein v. State Bar (1952) 39 Cal. 2d 541).  
4 A petitioner is required to show greater proof of honesty and  
5 integrity than an applicant for first time licensure. The proof  
6 must be sufficient to overcome the prior adverse judgment on the  
7 applicant's character (Tardiff v. State Bar (1980) 27 Cal. 3d  
8 395).

9 The Department has developed criteria in Title 10,  
10 Chapter 6, California Code of Regulations ("Regulations") 2911  
11 to assist in evaluating the rehabilitation of an applicant for  
12 reinstatement of a license. Among the criteria relevant in  
13 this proceeding are:

14 2911 (n)(1) - Respondent has not provided evidence of  
15 a change in attitude from that which existed at the time of the  
16 conduct in question as evidenced by the following:

17 1. In response to question number 4. of his Petition  
18 Application, to wit: "Have you ever been a defendant in any  
19 civil court litigation, including small claims court?",  
20 Respondent failed to disclose nine (9) civil court actions in  
21 which he was named a defendant.

22 2. As part of the petition application process a  
23 Deputy Real Estate Commissioner asked Respondent to schedule  
24 an interview to provide testimony. Respondent failed to do so.

25 2911 (n)(2) - Respondent has not provided evidence  
26 from others of a change in attitude from that which existed at  
27 the time of the conduct in question.

1 Respondent's failure to disclose requested information  
2 on his Petition Application was a material misstatement. The  
3 failure to disclose relevant information on the Petition  
4 Application prevents or hinders a full investigation into the  
5 extent of rehabilitation. Information regarding civil judgments  
6 and actions, may reflect on Respondent's business practices and  
7 qualifications for a real estate license. A failure to  
8 disclose material facts shows a lack of candor and diligence  
9 expected of a licensee, and is additional cause pursuant to  
10 Code Section 10177(a) to deny Respondent's petition application.  
11

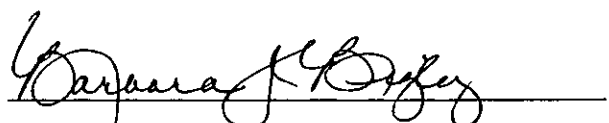
12 Given the fact that Respondent has not established  
13 that he has complied with Regulations 2911(n)(1) and 2911(n)(2)  
14 and is in violation of Code Section 10177(a), I am not  
15 satisfied that Respondent is sufficiently rehabilitated to  
16 receive an unrestricted real estate broker license.  
17

18 NOW, THEREFORE, IT IS ORDERED that Respondent's  
19 petition for reinstatement of Respondent's broker license is  
20 denied.

21 This Order shall become effective at 12 o'clock noon  
22 on AUG 11 2008

23 DATED: 7-16-08

24 JEFF DAVI  
25 Real Estate Commissioner

26   
27

BY: Barbara J. Bigby  
Chief Deputy Commissioner

**FILED**  
 FEB 28 2003  
 DEPARTMENT OF REAL ESTATE  
*Jenna B. Stone*

1  
2  
3  
4  
5  
6  
7  
8  
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 of ) ) GEORGE LIMON FRAGOSO, ) ) Respondent. )	NO. H-27833 LA
--	----------------

ORDER DENYING REINSTATEMENT OF LICENSE

On January 13, 1999, a Decision was rendered herein revoking the real estate broker license of Respondent.

On or about April 7, 2002, Respondent petitioned for reinstatement of said license and the Attorney General of the State of California has been given notice of the filing of the petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has failed to demonstrate to my satisfaction that Respondent has undergone sufficient rehabilitation to warrant the reinstatement of Respondent's real estate broker license, in that:

///

I

1  
2 In the Decision which revoked Respondent's real estate  
3 broker license, there were Legal Conclusions made that there was  
4 cause to revoke Respondent's license pursuant to Business and  
5 Professions Code ("Code") Sections 490 and 10177(b) for  
6 conviction of a crime.

7  
8 II

9 On May 22, 1998, Respondent was convicted of a  
10 violation of California Penal Code Section 550(A)(7) (false and  
11 fraudulent claim for payment of a loss under a contract of  
12 insurance), a felony crime involving moral turpitude that is  
13 substantially related to the qualifications, functions  
14 and duties of a licensee.

15 The facts and circumstances underlying the  
16 conviction are as follows: In 1990 Respondent lost his job as a  
17 bank branch manager for Fidelity Bank. He joined an  
18 acquaintance in purchasing and operating an auto body shop.  
19 Respondent's acquaintance and business partner began stealing  
20 funds from the business. Respondent did not realize this until  
21 the business was well into financial difficulties. Respondent  
22 used his personal credit cards to get enough cash to try and  
23 save his business. He ran his cards up to their limits.  
24 Respondent had purchased unemployment insurance offered by the  
25 credit card companies. The credit card companies notified their  
26 insurance companies. The documentation of unemployment supplied  
27 by Respondent to the insurance companies consisted of a  
declaration under penalty of perjury that he was in fact

1 unemployed. In actuality, Respondent was employed. He was not  
2 only managing his own auto body shop, he was also employed by  
3 Riverside County for the Unemployment Department.

4 The insurance companies paid about \$6,000 to the  
5 credit card companies before they discovered Respondent's fraud.

6 III

7 Respondent's petition for reinstatement of his license  
8 is governed by the Criteria of Rehabilitation set forth in the  
9 California Administrative Code, Section 2911, Title 10, Chapter  
10 6, California Code of Regulations ("Regulations"). Section 2911  
11 provides as follows: "The following criteria have been  
12 developed by the department pursuant to Section 482(a) of the  
13 Business and Professions Code for the purpose of evaluating the  
14 rehabilitation of an applicant for issuance or for reinstatement  
15 of a license in considering whether or not to deny the issuance  
16 or reinstatement on account of a crime or act committed by the  
17 applicant."

18  
19 A. It appears that Respondent has met the following  
20 applicable Criteria of Rehabilitation, Regulation 2911 (b)  
21 restitution; (c) expungement of conviction; (e) discharge from  
22 probation; (g) payment of fine or monetary penalty; (h)  
23 stability of family life; (i) enrollment in training or  
24 educational programs; (j) discharge of debts; (k) correction of  
25 business practices; (l) involvement in community or social  
26 programs; (m) new social and business relationships; (n) change  
27 in attitude.

1 B. However, due to the serious nature of the conduct  
2 which led to the revocation of Respondent's real estate broker  
3 license, additional time is needed to evaluate Respondent's  
4 rehabilitation. This is cause to deny Respondent's petition  
5 pursuant to Regulation 2911(a).

6 NOW, THEREFORE, IT IS ORDERED that Respondent's  
7 petition for reinstatement of Respondent's real estate broker  
8 license is denied.

9 I am satisfied, however, that it will not be against  
10 the public interest to issue a restricted real estate  
11 salesperson license to Respondent.

12 A restricted real estate salesperson license shall  
13 be issued to Respondent pursuant to Code Section 10156.5  
14 if Respondent within nine (9) months from the date hereof makes  
15 application therefor and pays the appropriate fee for  
16 said license.

17 The restricted license issued to Respondent shall be  
18 subject to all of the provisions of Code Section 10156.7 and to  
19 the following limitations, conditions and restrictions imposed  
20 under authority of Code Section 10156.6:

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

26 ///

27 ///



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

7                   3. Respondent shall not be eligible to apply for  
8 the issuance of an unrestricted real estate license nor for  
9 the removal of any of the conditions, limitations or  
10 restrictions of a restricted license until two (2) years have  
11 elapsed from the effective date of this Decision.

12                   4. Respondent shall submit with any application for  
13 license under an employing broker, or with any application for  
14 transfer to a new employing broker, a statement signed by the  
15 prospective employing real estate broker on a form approved by  
16 the Department which shall certify:

17                   (a) That the employing broker has read the Decision  
18 of the Commissioner which granted the right to a restricted  
19 license; and

20                   (b) That the employing broker will exercise close  
21 supervision over the performance by the restricted licensee  
22 relating to activities for which a real estate license is  
23 required.

24 ///

25 ///

26 ///

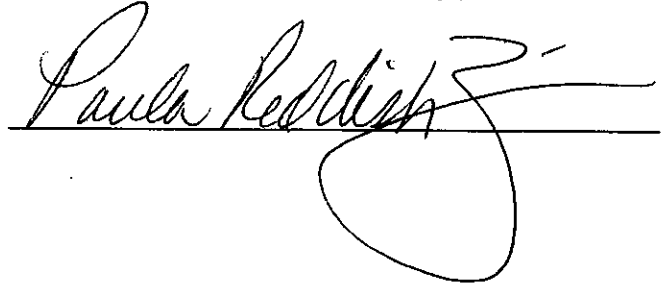
27 ///

1                   5. Respondent shall within nine (9) months from the  
2 date of issuance of a restricted license present evidence  
3 satisfactory to the Real Estate Commissioner that Respondent has  
4 taken and successfully completed the continuing education  
5 requirements of Article 2.5 of Chapter 3 of the Real Estate Law  
6 for renewal of a real estate license.

7                   This Order shall become effective at 12 o'clock noon  
8 on March 20, 2003.

9                   DATED: February 25, 2003.

10   PAULA REDDISH ZINNEMANN  
11   Real Estate Commissioner

12   *Paula Reddish*  
13   \_\_\_\_\_  
14   

15  
16  
17  
18  
19  
20  
21  
22  
23 cc: George Limon Fragoso  
24       48-875 Gosden Ct.  
25       Indio, CA 92201  
26  
27

FILED  
JAN 15 1999  
DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

By K. Medeiros

\* \* \* \* \*

In the Matter of the Accusation of )  
 )  
GEORGE LIMON FRAGOSO, )  
 )  
 )  
Respondent. )  
\_\_\_\_\_ )

No. H-27833 LA  
L-1998090430

DECISION

The Proposed Decision dated December 21, 1998, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision suspends or revokes one or more real estate licenses on grounds of the conviction of a crime.

The right to reinstatement of a revoked real estate license or to the reduction of a suspension is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on February 4, 1999.

IT IS SO ORDERED January 13, 1999

JOHN R. LIBERATOR  
Acting Commissioner

John R. Liberator

BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

In the Matter of the Accusation	)	
Against:	)	Case No. H-27833 LA
	)	
GEORGE LIMON FRAGOSO	)	OAH No. L-1998090430
	)	
Broker License No. 00663593,	)	
	)	
Respondent.	)	
_____		

PROPOSED DECISION

This matter came on regularly for hearing before Roy W. Hewitt, Administrative Law Judge, Office of Administrative Hearings, at Los Angeles, California on November 24, 1998. Department of Real Estate Staff Counsel, Martha Rosett, represented complainant. Respondent, George Fragoso, appeared personally and represented himself.

Oral and documentary evidence was received and the matter was submitted.

FACTUAL FINDINGS

The Administrative Law Judge makes the following Factual Findings:

1. The Accusation was filed by Thomas McCrady, in his official capacity as Deputy Real Estate Commissioner, Department of Real Estate, State of California ("Department").
2. At all times relevant herein, respondent was, and currently is, licensed by the Department as a real estate broker under license number 00663593.
3. On May 22, 1998, in the consolidated Superior and Municipal Courts of Riverside County, respondent was convicted on his plea of guilty of one count of violating California Penal Code section 550 (A)(7) (false and fraudulent claim for payment of a loss under a contract of Insurance), a felony and crime of

moral turpitude substantially related to the qualifications, functions and duties of a licensed real estate broker.

That same day, respondent was placed on three (3) years formal probation on certain terms and conditions, including: He serve 90 days in jail, to be served on consecutive weekends; and that he pay \$12,399.00 as restitution.

4. The facts and circumstances underlying respondent's conviction are as follows: In September of 1990 respondent lost his job as bank branch manager for Fidelity Bank. He decided to join an acquaintance of his in purchasing and operating an auto body shop. Respondent's acquaintance and business partner began stealing funds from their auto body shop business and using the money to fund his own, separate business venture. Respondent did not realize his partner was stealing funds from their business until the business was well into financial difficulties. Instead of declaring bankruptcy, respondent used his personal credit cards to get enough cash to try and save his business. He ran his cards up to their limits. When it came time to make payments on the cards respondent notified the credit card companies that he was unemployed and could not make the minimum payments on his credit card debts. Respondent had purchased the optional unemployment insurance offered by the credit card companies, so, the credit card companies notified their insurance companies that respondent was unemployed and could not pay his outstanding balances. After the insurance companies received documentation from respondent that he was unemployed, the companies began making the minimum payments on respondent's cards. The documentation supplied by respondent consisted of a declaration, under penalty of perjury, that he was, in fact, unemployed. In actuality, respondent was employed. He was not only managing his own auto body shop, he was also employed by Riverside County as an interim employment program representative for the Unemployment Department.

The insurance companies paid about \$6,000.00 to the credit card companies before they discovered respondent's fraud and deceit.

5. At the time respondent committed his crime he failed to consider the criminal ramifications of what he was doing. He figured that if his fraudulent scheme was discovered, he would merely have to reimburse the insurance companies the money they paid on his behalf, possibly with additional penalties and or interest. He never thought of his actions as stealing.

6. At the time of the hearing, respondent was still on probation as a result of his recent, 1998, conviction.

7. To respondent's credit, he has done the following things indicative of rehabilitation:

A. All restitution, fines and penalties have been paid.

B. Respondent is involved in a debt consolidation program in an ongoing attempt to avoid bankruptcy.

C. As part of respondent's debt consolidation program, his credit card use has been curtailed.

8. Respondent asserts that he is due to return to Riverside Municipal Court by the end of the year to have the original charge reduced to a misdemeanor in conformity with the plea agreement; and, that he will be discharged from parole as soon as the court reduces the charge. While this may be true, currently respondent has not received an "expungement" of his conviction, and has not successfully completed probation.

### LEGAL CONCLUSIONS

Based upon the foregoing Factual Findings, the Administrative Law Judge makes the following Conclusions:

1. Cause exists for discipline of respondent's license pursuant to Code sections 490 and 10177, subdivision (b), based on respondent's criminal conviction of a crime substantially related to the qualifications, functions and duties of a licensed salesperson, as set forth in Findings 3 and 4.

2. Respondent has made substantial strides toward rehabilitation by making restitution to his victim(s). However, given that his conviction occurred a mere six (6) months ago, respondent has not yet obtained a reduction of the underlying offense from a felony to a misdemeanor, and respondent has not yet been released from, nor completed probation, he is currently not an appropriate candidate for a restricted or probationary license. Should respondent succeed in having his conviction modified, then, after passage of the appropriate amount of time, he may wish to consider applying for reinstatement of his broker's license.

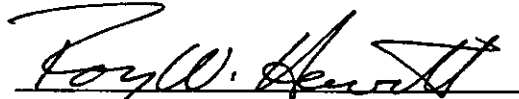
///  
///  
///  
///  
///  
///  
///  
///  
///  
///  
///  
///  
///  
///  
///

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

Respondent's license, and all rights appurtenant thereto, are  
revoked.

Dated: December 21, 1998.



ROY W. HEWITT

Administrative Law Judge  
Office of Administrative Hearings

*Sacto Aug*

**FILED**

BEFORE THE DEPARTMENT OF REAL ESTATE - 2 1998  
STATE OF CALIFORNIA DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of  
GEORGE LIMON FRAGOSO,

}

By *K. Hudehelt*

Case No. H-27833 LA

OAH No. L-1998090430

Respondent

**NOTICE OF HEARING ON ACCUSATION**

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 107 South Broadway, Second Floor Los Angeles, CA 90012

on November 24, 1998, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

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 and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: 10/1/98

By *Martha M. Holt* Counsel

cc: George Limon Fragoso  
Sacto  
OAH  
CW



*Handwritten:* Harko  
Hoy

MARTHA J. ROSETT, Counsel  
State Bar # 142072  
Department of Real Estate  
107 South Broadway, Room 8107  
Los Angeles, CA 90012

(213) 897-3937

**FILED**  
SEP 16 1998  
DEPARTMENT OF REAL ESTATE

By R. Medenholt

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of ) No. H- 27833 LA  
 )  
GEORGE LIMON FRAGOSO, ) A C C U S A T I O N  
 )  
 )  
Respondent. )  
\_\_\_\_\_ )

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against GEORGE LIMON FRAGOSO, alleges as follows:

I

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

II

At all times mentioned herein, GEORGE LIMON FRAGOSO ("Respondent") was and still is licensed by the Department of Real Estate of the State of California ("Department") as a real estate broker.

/

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

III

On or about May 22, 1998, in the Consolidated Superior Court/Municipal Courts of Riverside County, in Case No. RIF077502, Respondent was convicted on his plea of guilty to one count of violating California Penal Code Section 550(A)(7) (false and fraudulent claim for payment of a loss under a contract of insurance), a felony and crime of moral turpitude, which bears substantial relationship under Section 2910, Title 10, California Code of Regulations, to the qualifications, functions or duties of a real estate licensee.

IV

The facts set forth in Paragraph III constitute cause under Sections 490 and 10177(b) of the Business and Professions Code for suspension or revocation of all licenses and license rights of Respondent under the Real Estate Law.

/  
/  
/  
/  
/  
/  
/  
/  
/  
/  
/  
/



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

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/or license rights of GEORGE LIMON FRAGOSO under the Real Estate Law and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California  
this 16th day of September, 1998.

THOMAS MC CRADY  

---

Deputy Real Estate Commissioner

cc: GEORGE LIMON FRAGOSO  
Sacto.  
CW