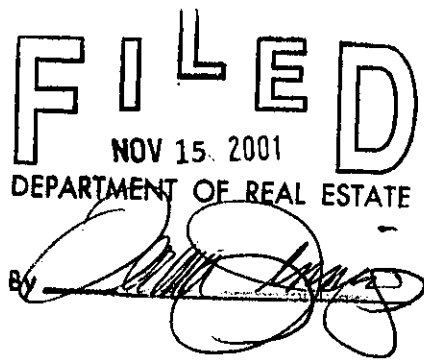




DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-28986 LA
)
DOM BULALAYAO DELACRUZ,) L-2001050081
individually, dba Stronghold)
Loans, Property Home Loans,) STIPULATION AND AGREEMENT
Admiral Mortgage and Investment)
Group, Admiral Plaza Financial)
Services, Admiral Realty &)
Investment Services, El Camino)
Financial & Real Estate Group,)
VFS Mortgage Company, and as)
designated officer of Property)
Home Loans Corporation,)
a California corporate broker;)
and LEOPOLDO TINGA BORADO,)
)
Respondents.)

It is hereby stipulated by and between DOM BULALAYAO DELACRUZ (referred to as Respondent), acting by and through his Counsel Frank M. Buda, Esq., and the Complainant, acting by and through Sean Crahan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on March 9, 2001, in this matter:

1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondent
3 at a formal hearing on the Accusation, which hearing was to be
4 held in accordance with the provisions of the Administrative
5 Procedure Act (APA), shall instead and in place thereof be
6 submitted solely on the basis of the provisions of this
7 Stipulation And Agreement (hereafter Stipulation).

8 2. Respondent has received, read and understands the
9 Statement to Respondent, the Discovery Provisions of the APA and
10 the Accusation, filed by the Department of Real Estate in this
11 proceeding.

12 3. On March 27, 2001, Respondent filed a Notice of
13 Defense pursuant to Section 11506 of the Government Code for the
14 purpose of requesting a hearing on the allegations in the
15 Accusation. Respondent hereby freely and voluntarily withdraws
16 said Notice of Defense. Respondent acknowledges that he
17 understands that by withdrawing said Notice of Defense, he will
18 thereby waive his right to require the Commissioner to prove the
19 allegations in the Accusation at a contested hearing held in
20 accordance with the provisions of the APA and that he will waive
21 other rights afforded to him in connection with the hearing such
22 as the right to present evidence in defense of the allegations in
23 the Accusation and the right to cross-examine witnesses.

24 4. This Stipulation and Agreement relates to the
25 factual allegations contained in paragraphs one (1) through ten
26 (10) in the Accusation filed in this proceeding. Respondent
27 chooses not to contest these factual allegations and to remain

1 silent and understands that, as a result thereof, these factual
2 allegations, without being admitted or denied, will serve as a
3 basis for the discipline stipulated to herein. This Stipulation
4 and Agreement and the findings based on Respondent's decision not
5 to contest the Accusation is hereby expressly limited to this
6 proceeding and made for the sole purpose of reaching an agreed
7 disposition of this proceeding, only. Respondent's decision not
8 to contest the factual allegations is made solely for the purpose
9 of effectuating this Stipulation and is intended by Complainant
10 and Respondent to be non-binding upon him in any actions against
11 Respondent by third parties and shall not be deemed, used, or
12 accepted as an acknowledgement or admission. The Real Estate
13 Commissioner shall not be required to provide further evidence to
14 prove such allegations.

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

25 6. The Order or any subsequent Order of the Real
26 Estate Commissioner made pursuant to this Stipulation And
27 Agreement shall not constitute an estoppel, merger or bar to any

1 further administrative or civil proceedings by the Department of
2 Real Estate with respect to any matters which were not
3 specifically alleged to be causes for accusation in this
4 proceeding.

5 DETERMINATION OF ISSUES

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

10 The conduct or omissions of Respondent DOM BULALAYAO
11 DELACRUZ under Part 1 of Division 4 of the Business and
12 Professions Code are, as set forth in paragraphs one (1) through
13 ten (10) in the Accusation constitute cause to suspend or revoke
14 his real estate broker license and/or license rights under the
15 provisions of Code Sections 10137, 10176(a), 10177(g), 10177(h)
16 and 10177(d) for violations of Regulation 2831, Code Section
17 10240 and Regulation 2840.

18 ORDER

19 WHEREFORE, THE FOLLOWING ORDER is hereby made:

20 All licenses and license rights of Respondent DOM
21 BULALAYAO DELACRUZ under the Real Estate Law are revoked;
22 provided, however, a restricted real estate broker license shall
23 be issued to Respondent pursuant to Section 10156.5 of the
24 Business and Professions Code if Respondent makes application
25 therefor and pays to the Department of Real Estate the
26 appropriate fee for the restricted license within 90 days from
27

1 the effective date of this Decision. The restricted license
2 issued to Respondent shall be subject to all of the provisions of
3 Section 10156.7 of the Business and Professions Code and to the
4 following limitations, conditions and restrictions imposed under
5 authority of Section 10156.6 of that Code:

6 1. Any restricted real estate license issued to
7 Respondent pursuant to this Decision shall be suspended for sixty
8 (60) days from the date of issuance of said restricted license;
9 provided, however, that if Respondent petitions, said suspension
10 (or a portion thereof) shall be stayed upon condition that:

11 a. Respondent pays a monetary penalty pursuant to
12 Section 10175.2 of the Business and Professions Code at the rate
13 of \$84.00 for each day of the suspension for a total monetary
14 penalty of \$5000.00.

15 b. Said payment shall be in the form of a
16 cashier's check or certified check made payable to the Recovery
17 Account of the Real Estate Fund. Said check must be received by
18 the Department prior to the effective date of the Decision in
19 this matter.

20 c. If Respondent fails to pay the monetary penalty
21 in accordance with the terms and conditions of the Decision, the
22 Commissioner may, without a hearing, order the immediate
23 execution of all or any part of the stayed suspension in which
24 event the Respondent shall not be entitled to any repayment nor
25 credit, prorated or otherwise, for money paid to the Department
26 under the terms of this Decision.

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

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

12 4. Respondent shall not, during the time he holds a
13 restricted license, become an officer or designated officer of a
14 corporate broker, nor become the broker for a business of any
15 form the activities of which require a real estate license,
16 unless he owns 51 or more percent of such corporation or
17 business.

18 5. Respondent shall not be eligible to apply for the
19 issuance of an unrestricted real estate license nor for the
20 removal of any of the conditions, limitations or restrictions of
21 a restricted license until two years have elapsed from the
22 effective date of this Decision.

23 6. Respondent shall report in writing to the Department
24 of Real Estate as the Real Estate Commissioner shall direct by
25 her Decision herein or by separate written order issued while the
26 restricted license is in effect such information concerning
27 Respondent's activities for which a real estate license is

1 required as the Commissioner shall deem to be appropriate to
2 protect the public interest. Such reports may include, but shall
3 not be limited to, periodic independent accountings of trust
4 funds in the custody and control of Respondent and periodic
5 summaries of salient information concerning each real estate
6 transaction in which the Respondent engaged during the period
7 covered by the report.

8 7. Respondent DOM BULALAYAO DELACRUZ shall, within nine
9 months from the effective date of this Decision, present evidence
10 satisfactory to the Real Estate Commissioner that Respondent has,
11 since the most recent issuance of an original or renewal real
12 estate license, taken and successfully completed the continuing
13 education requirements of Article 2.5 of Chapter 3 of the Real
14 Estate Law for renewal of a real estate license. If Respondent
15 fails to satisfy this condition, the Commissioner may order the
16 suspension of the restricted license until the Respondent
17 presents such evidence. The Commissioner shall afford Respondent
18 the opportunity for a hearing pursuant to the Administrative
19 Procedure Act to present such evidence.

20 8. Respondent DOM BULALAYAO DELACRUZ shall, within six
21 months from the effective date of this Decision, take and pass
22 the Professional Responsibility Examination administered by the
23 Department including the payment of the appropriate examination
24 fee. If Respondent fails to satisfy this condition, the
25 Commissioner may order suspension of Respondent's license until
26 Respondent passes the examination.

1 DATED: 10-12-01


SEAN CRAHAN, Counsel for
Complainant.

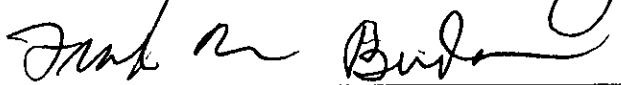
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4 I have read the Stipulation And Agreement, and its
5 terms are understood by me and are agreeable and acceptable to
6 me. I understand that I am waiving rights given to me by the
7 California Administrative Procedure Act (including but not
8 limited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

15
16 DATED: 10/8/01


DOM BULALAYAO DELACRUZ, Respondent.

17
18 DATED: 10/8/01


FRANK M. BUDA, ESQ. Counsel for
Respondent Dom Bulalayao Delacruz,
approved as to form.

19
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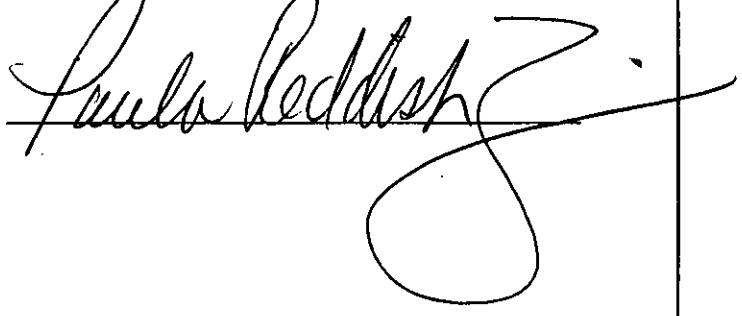
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* * * * *

The foregoing Stipulation And Agreement is hereby
adopted as my Decision as to Respondent DOM BULALAYAO DELACRUZ
and shall become effective at 12 o'clock noon on
December 5, 2001

IT IS SO ORDERED October 23, 2001.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



5/20/01
FILED

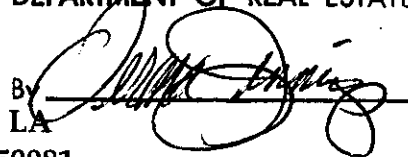
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

JUN - 8 2001
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)

DOM BULALAYAO DELACRUZ, et al.,)

Respondents.)

By: 
Case No. H-28986 LA
OAH No. L-2001050081

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, California, on **October 16, 17 and 18, 2001**, 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.

Dated: June 8, 2001.

cc: Dom Bulalayao Delacruz
Leopoldo Tinga Borado
Darlene Allen, Esq.
Danio Fajardo
Eric N. Goff
Sacto./OAH

DEPARTMENT OF REAL ESTATE

By:


SHAWN CRAHAN, Counsel

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

DOM BULALAYAO DELACRUZ,)
individually, dba Stronghold)
Loans, Property Home Loans,)
Admiral Mortgage and Investment)
Group, Admiral Plaza Financial)
Services, Admiral Realty &)
Investment Services, El Camino)
Financial & Real Estate Group,)
VFS Mortgage Company, and as)
designated officer of Property)
Home Loans Corporation,)
a California corporate broker;)
and LEOPOLDO TINGA BORADO,)

Respondents.)

No. H-28986 LA

L-2001050081

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on October 12, 2001, and the findings of fact set forth herein are based on one or more of the following: (1) respondent's express admissions, (2) affidavits, and (3) other evidence. This Decision applies to Respondent LEOPOLDO TINGA BORADO, only.

FINDINGS OF FACT

1.

(a) On March 9, 2001, Thomas McCrady made the Accusation in his official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, to respondent LEOPOLDO TINGA BORADO's last known mailing address on file with the Department on

March 14 and 15, 2001. Both mailings were returned "unclaimed."

(b) On April 13, 2001, the Accusation, Statement to Respondent, and Notice of Defense were mailed, by regular mail, to respondent BORADO's last known mailing address. This mailing was returned "attempted not known".

(c) Respondent BORADO failed to file a Notice of Defense or otherwise respond.

(d) On October 12, 2001, Respondent BORADO's default was entered herein.

2.

At all times herein mentioned DOM BULALAYAO DELACRUZ (hereafter DELACRUZ) was licensed by the California Department of Real Estate (hereafter the Department) as a real estate broker, individually, doing business as Stronghold Loans, Property Home Loans, Admiral Mortgage and Investment Group, Admiral Plaza Financial Services, Admiral Realty & Investment Services, El Camino Financial & Real Estate Group, and VFS Mortgage Company and as designated officer of Property Home Loans Corporation, a California corporate broker.

3.

(a) LEOPOLDO TINGA BORADO (hereafter respondent BORADO) is presently licensed and/or has license rights under the Real Estate Law. At all times herein mentioned, respondent BORADO was licensed by the Department as a real estate salesperson.

(b) Respondent BORADO was licensed to DELACRUZ from on or about May 14, 1998 through October 12, 1999.

(c) At all times herein mentioned, respondent BORADO owned, operated or controlled the operations of Stronghold Loans, which was licensed through DELACRUZ.

4.

At no time herein mentioned was Frank F. Aguhob (hereafter Aguhob) licensed by the Department as a real estate broker or salesperson. Aguhob was at all times herein mentioned employed as a loan officer and/or loan underwriter at Stronghold Loans.

5.

At all times herein mentioned, DELACRUZ, doing business as Stronghold Loans, employed and/or compensated

Aguhob to solicit and negotiate, for or in expectation of compensation, with the following borrowers and with First Pacific Financial, Inc. (hereafter FPF) for the following loans secured by real property:

<u>Borrower:</u> <u>Closed:</u>	<u>Loan No.:</u>	<u>Address:</u>	<u>Date</u>
Rodrigo Virgo Dolores Virgo	14759	13602 Havenwood Dr. Garden Grove, CA	4-8-98
Arturo Garcia Merica Garcia	14729	24521 Dardania Ave. Mission Viejo, CA	4-8-98
Alden Maxino	13282	523-529 E. Hill St. Long Beach, CA	10-17-97
Rufino Castillo Pacita Castillo	13366	2464 Pasadena Ave. Long Beach, CA	11-26-98
Francis C. Chua Dominic S. Tanqueco Jose Y. Tanqueco	13983	8612 Hemlock Way Buena Park, CA	1-16-98
Anthony B. Vicente Annrea A. Santarina	14245	16317-16319 S. Menlo 803-805 W. 104 th St. Garden Grove, CA	3-8-98
Dario Delacruz Denis (Dennis) Letendre	14246	1725 E. "M" St. Wilmington, CA	3-13-98
Peter L. Schwab Emma O. Schwab	14728	400 West Newburgh St. Glendora, CA	4-17-98

6.

The solicitation and negotiation by Aguhob, for or in expectation of compensation, with borrowers and with FPF for loans secured by real property, as set forth in paragraph 5 above, is conduct for which a real estate license is required under Code Section 10131(d). Said conduct by Aguhob identified in paragraphs 4 and 5 above was in violation of Code Section 10130.

7.

1725 E. "M" St., Wilmington, CA

(a) On or about December 15, 1997, DELACRUZ, acting for or in expectation of compensation, solicited and negotiated with Dario Delacruz and Denis (Dennis) Letendre to become purchasers of 1725 E. "M" Street, Wilmington, California (hereafter the "M" Street Property). Escrow was opened and then closed on or about March 13, 1998. The

purchase of the "M" Street Property was funded by a loan from FPF.

(b) DELACRUZ and Respondent BORADO, with Aguhob, engaged in a scheme to defraud FPF by facilitating or allowing the buyers to purchase the "M" Street Property with a deposit which was borrowed, contrary to borrowers' statement to FPF that none of the down payment had been borrowed. Aguhob delivered the loan applications to FPF, which represented that buyers would place \$15,400 in cash toward the purchase of the "M" Street Property.

(c) On or about March 12, 1998, Respondent BORADO purchased and provided a cashier's check for \$18,000, which he caused to be delivered to escrow, representing it to have been purchased by the purchaser, D. De La Cruz. This was a loan to the buyers. Escrow thereafter represented to FPF in its closing statement that the borrower/buyers had deposited \$19,000 into escrow toward the purchase of the "M" Street Property. This representation was false as the buyer/borrowers did not deposit \$19,000 into escrow toward the purchase of the "M" Street Property.

(d) On or about April 24, 1998, DELACRUZ, acting as attorney-in-fact for Dario Delacruz, obtained a loan secured by the "M" Street Property through Northeast Loans from Union Capital Funding (hereafter UCF) of \$45,305. DELACRUZ falsely represented to Northeast Loans and UCF that the loan was for improvements and repairs to the "M" Street Property. From the proceeds of this loan, DELACRUZ repaid \$19,800 to Stronghold Loans which respondent BORADO had lent the buyers of the "M" Street Property.

(e) FPF reasonably relied on the loan documentation in which the buyer/borrowers represented that the down payment was not borrowed. If FPF had known that the buyer/borrower's had borrowed the down payment of \$19,000, FPF would not have made the loan.

DETERMINATION OF ISSUES

1.

The conduct or omissions of Respondent LEOPOLDO TINGA BORADO as set forth above, subject his real estate licenses and license rights to suspension or revocation under Code Sections 10176(a) for substantial misrepresentations and 10177(j) for fraud or dishonest dealing in any capacity, in connection with both "M" Street Property loans, as set forth in Paragraph 7, above.

2.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

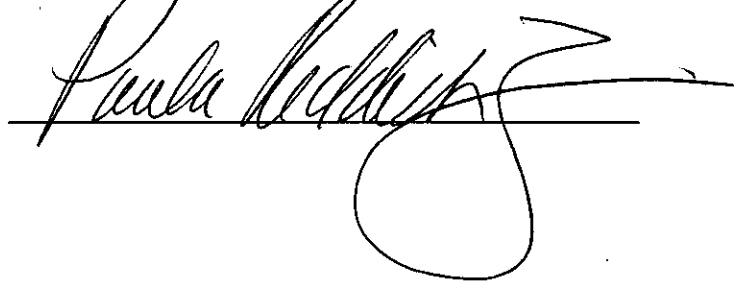
ORDER

All real estate licenses and license rights of Respondent LEOPOLDO TINGA BORADO under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on December 4, 2001.

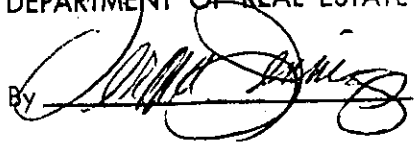
DATED: October 22, 2001.

PAULA REDDISH ZINNEBANN
Real Estate Commissioner

A handwritten signature in black ink, appearing to read "Paula Reddish", is written over a horizontal line. The signature is stylized with a large, circular flourish at the end.

SACD
Flan

1 SEAN CRAHAN, Counsel
2 State Bar No. 49351
3 Department of Real Estate
320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 (213) 576-6982 General
6 (213) 576-6907 Direct
7

FILED
MAR - 9 2001
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-28986 LA
12 DOM BULALAYAO DELACRUZ,)
13 individually, dba Stronghold)
14 Loans, Property Home Loans,) ACCUSATION
15 Admiral Mortgage and Investment)
16 Group, Admiral Plaza Financial)
17 Services, Admiral Realty &)
18 Investment Services, El Camino)
19 Financial & Real Estate Group,)
20 VFS Mortgage Company, and as)
designated officer of Property)
Home Loans Corporation,)
a California corporate broker;)
and LEOPOLDO TINGA BORADO,)
Respondents.)

21 The Complainant, Thomas Mc Crady, a Deputy Real Estate
22 Commissioner of the State of California for cause of accusation
23 against DOM BULALAYAO DELACRUZ, individually, doing business as
24 Stronghold Loans, Property Home Loans, Admiral Mortgage and
25 Investment Group, Admiral Plaza Financial Services, Admiral Realty
26 & Investment Services, El Camino Financial & Real Estate Group and
27 VFS Mortgage Company, and as designated officer of Property Home

1 Loans Corporation, a California corporate broker; and LEOPOLDO
2 TINGA BORADO, alleges as follows:

3 1.

4 The Complainant, Thomas Mc Crady, a Deputy Real Estate
5 Commissioner, brings this Accusation in his official capacity.

6 2.

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

11 (b) At all times herein mentioned, respondent DELACRUZ
12 was licensed by the California Department of Real Estate
13 (hereafter the Department) as a real estate broker, individually,
14 doing business as Stronghold Loans, Property Home Loans, Admiral
15 Mortgage and Investment Group, Admiral Plaza Financial Services,
16 Admiral Realty & Investment Services, El Camino Financial & Real
17 Estate Group, and VFS Mortgage Company and as designated officer
18 of Property Home Loans Corporation, a California corporate broker.

19 3.

20 (a) LEOPOLDO TINGA BORADO (hereafter respondent BORADO)
21 is presently licensed and/or has license rights under the Real
22 Estate Law. At all times herein mentioned, respondent BORADO was
23 licensed by the Department as a real estate salesperson.

24 (b) Respondent BORADO was licensed to respondent
25 DELACRUZ from on or about May 14, 1998 through October 12, 1999.

1 (c) At all times herein mentioned, Respondent BORADO
2 owned, operated or controlled the operations of Stronghold Loans,
3 which was licensed through respondent DELACRUZ.

4 4.

5 Unlicensed Loan Officer

6 At no time herein mentioned was Frank F. Aguhob
7 (hereafter Aguhob) licensed by the Department as a real estate
8 broker or salesperson. Aguhob was at all times herein mentioned
9 employed as a loan officer and/or loan underwriter at Stronghold
10 Loans.

11 5.

12 At all times herein mentioned, respondent DELACRUZ,
13 doing business as Stronghold Loans, employed and/or compensated
14 Aguhob to solicit and negotiate, for or in expectation of
15 compensation, with the following borrowers and with First Pacific
16 Financial, Inc. (hereafter FPF) for the following loans secured by
17 real property:

18 <u>Borrower:</u>	<u>Loan No.:</u>	<u>Address:</u>	<u>Date Closed:</u>
19 Rodrigo Virgo 20 Dolores Virgo	14759	13602 Havenwood Dr. Garden Grove, CA	4-8-98
21 Arturo Garcia Merica Garcia	14729	24521 Dardania Ave. Mission Viejo, CA	4-8-98
22 Alden Maxino	13282	523-529 E. Hill St. Long Beach, CA	10-17-97
23 Rufino Castillo 24 Pacita Castillo	13366	2464 Pasadena Ave. Long Beach, CA	11-26-98
25 Francis C. Chua Dominic S. Tanquenco 26 Jose Y. Tanquenco	13983	8612 Hemlock Way Buena Park, CA	1-16-98

27 //
//

1 Anthony B. Vicente 14245
Annrea A. Santarina

16317-16319 S. Menlo Ave. 3-8-98
803-805 W. 104th St.
Garden Grove, CA

3 Dario Delacruz 14246
Denis (Dennis) Letendre

1725 E. "M" St. 3-13-98
Wilmington, CA

4 Peter L. Schwab 14728
5 Emma O. Schwab

400 West Newburgh St. 4-17-98
Glendora, CA

6 6.

7 The solicitation and negotiation by Aguhob, for or in
8 expectation of compensation, with borrowers and with FPF for loans
9 secured by real property, as set forth in paragraph 5 above, is
10 conduct for which a real estate license is required under Code
11 Section 10131(d). Said conduct by Aguhob identified in paragraphs
12 4 and 5 above was in violation of Code Section 10130.

13 7.

14 Respondent DELACRUZ knew or should have known that
15 Aguhob was not licensed as a real estate broker or salesperson,
16 and that Aguhob was soliciting and negotiating with the above
17 borrowers and with FPF during the times set forth in paragraph 5
18 above.

19 8.

20 1725 E. "M" St., Wilmington, CA

21 (a) On or about December 15, 1997, respondent DELACRUZ,
22 acting for or in expectation of compensation, solicited and
23 negotiated with Dario Delacruz and Denis (Dennis) Letendre to
24 become purchasers of 1725 E. "M" Street, Wilmington, California
25 (hereafter the "M" Street Property). Escrow was opened and then
26 closed on or about March 13, 1998. The purchase of the "M"
27 Street Property was funded by a loan from FPF.

1 (b) Respondents DELACRUZ and BORADO, with Aguhob,
2 engaged in a scheme to defraud FPF by facilitating or allowing the
3 buyers to purchase the "M" Street Property with a deposit which
4 was borrowed, contrary to borrowers' statement to FPF that none of
5 the down payment had been borrowed. Aguhob delivered the loan
6 applications to FPF, which represented that buyers would place
7 \$15,400 in cash toward the purchase of the "M" Street Property.

8 (c) On or about March 12, 1998, Respondent BORADO
9 purchased and provided a cashier's check for \$18,000, which he
10 caused to be delivered to escrow, representing it to have been
11 purchased by the purchaser, D. De La Cruz. This was a loan to the
12 buyers. Escrow thereafter represented to FPF in its closing
13 statement that the borrower/buyers had deposited \$19,000 into
14 escrow toward the purchase of the "M" Street Property. This
15 representation was false as the buyer/borrowers did not deposit
16 \$19,000 into escrow toward the purchase of the "M" Street
17 Property.

18 (d) On or about April 24, 1998, respondent DELACRUZ,
19 acting as attorney-in-fact for Dario Delacruz, obtained a loan
20 secured by the "M" Street Property through Northeast Loans from
21 Union Capital Funding (hereafter UCF) of \$45,305. Respondent
22 DELACRUZ falsely represented to Northeast Loans and UCF that the
23 loan was for improvements and repairs to the "M" Street Property.
24 From the proceeds of this loan, respondent DELACRUZ repaid \$19,800
25 to Stronghold Loans which respondent BORADO had lent the buyers of
26 the "M" Street Property.

27

1 (e) FPF reasonably relied on the loan documentation in
2 which the buyer/borrowers represented that the down payment was
3 not borrowed. If FPF had known that the buyer/borrower's had
4 borrowed the down payment of \$19,000, FPF would not have made the
5 loan.

6 9.

7 Audit

8 Between on or about October 18, 1999, auditors from the
9 Department examined the books and records of respondent DELACRUZ
10 covering a period of time from September 1, 1996 through October
11 13, 1999 (hereafter the "audit period"). The examination revealed
12 that respondent, during this audit period, violated the following
13 Code Sections and Regulations from Title 10, Chapter 6, California
14 Code of Regulations (hereafter Regulations):

15 (a) In connection with the solicitation of buyers and
16 sellers of real property, respondent DELACRUZ received deposits
17 from buyers and forwarded them directly to escrow. Respondent
18 DELACRUZ failed to maintain a record of trust funds received and
19 forwarded to escrow, as required by and in violation of Regulation
20 2831.

21 (b) Respondent DELACRUZ, doing business as Stronghold
22 Loans, did not provide borrowers with a Mortgage Loan Disclosure
23 Statement (Borrower) and/or failed to maintain for three years
24 copies thereof, in violation of Code Section 10240 and Regulation
25 2840. There were no Mortgage Loan Disclosure Statements found in
26 the loan files for Chua/Tanqueco, Letendre/Delacruz,
27 Chavez/Delacruz or Garcia.

Failure to Supervise

Respondent DELACRUZ failed to exercise reasonable supervision so as to ensure:

(a) That the loan officers at Stronghold Loans were licensed during the times they solicited or negotiated with borrowers or lenders;

(b) That adequate records were being maintained to show the receipt and forwarding of deposits to escrow; and/or

(c) To ensure that borrowers were receiving the required disclosure statements.

11.

Causes for Discipline

The conduct or omissions of Respondent DELACRUZ, as set forth above, subject his real estate licenses and license rights to suspension or revocation under the following Code Sections:

(a) Code Section 10137 for employing or compensating unlicensed persons to perform acts requiring a real estate license, as set forth in paragraphs 4 and 5 above.

(b) Code Sections 10176(a) for substantial misrepresentations, 10176(i) for fraud or dishonest dealing in a licensed capacity or 10177(j) for fraud or dishonest dealing in any other capacity in connection with both "M" Street Property loans, as set forth in Paragraph 8, above.

(c) The acts or omissions of respondent DELACRUZ in allowing Frank F. Aguhob to perform acts requiring a real estate license while not so licensed constitute negligence in

1 transactions for which a real estate license is required and are
2 grounds to suspend or revoke respondent DELACRUZ'S licenses under
3 the provisions of Code Section 10177(g), as set forth in
4 Paragraphs 4, 5 and 6, above.

5 (d) Code Sections 10177(d) and/or 10177(g) for
6 violations of the following Code sections and Regulations;

7 (i) Regulation 2831 for failure to maintain a
8 columnar record of deposits received and forwarded to escrow, as
9 set forth in Paragraphs 9(a) above.

10 (ii) Code Section 10240 and Regulation 2840 for
11 failure to provide borrowers the required disclosure statements,
12 as set forth in paragraph 9(b) above.

13 (e) Code Section 10177(h) for failure to supervise the
14 activities of employees and licensees associated with Stronghold
15 Loans and with respondent DELACRUZ, as set forth in Paragraphs 4,
16 5, 6, 7, 8 and 9 above.

17 12.

18 The conduct or omissions of Respondent BORADO as set
19 forth above, subject his real estate licenses and license rights
20 to suspension or revocation under Code Sections 10176(a) for
21 substantial misrepresentations, 10176(i) for fraud or dishonest
22 dealing in a licensed capacity or 10177(j) for fraud or dishonest
23 dealing in any other capacity, in connection with both "M" Street
24 Property loans, as set forth in Paragraph 8, above.

25 WHEREFORE, Complainant prays that a hearing be conducted
26 on the allegations of this Accusation and, that upon proof
27 thereof, a decision be rendered imposing disciplinary action

1 against all licenses and license rights of respondents DOM
2 BULALAYAO DELACRUZ, individually, doing business as Stronghold
3 Loans, Property Home Loans, Admiral Mortgage and Investment Group,
4 Admiral Plaza Financial Services, Admiral Realty & Investment
5 Services, El Camino Financial & Real Estate Group, VFS Mortgage
6 Company, and as designated officer of Property Home Loans
7 Corporation, a California corporate broker; and LEOPOLDO TINGA
8 BORADO, under the Real Estate Law (Part 1 of Division 4 of the
9 Business and Professions Code) and for such other and further
10 relief as may be proper under other applicable provisions of law.

11 Dated at Los Angeles, California this 9th day of March, 2001.
12
13

14 Thomas Mc Crady by
15 Thomas Mc Crady,
16 Deputy Real Estate Commissioner

17 Edward Grant
18
19
20

21 cc: Dom BULALAYAO Delacruz
22 Leopoldo Tinga Borado
23 Sacto,
24 Thomas McCrady
25 JP
26 L.A. Audit Section
27 SC/sc

