

1 Department of Real Estate
2 320 West Fourth Street, Suite 350
3 Los Angeles, California 90013

4 (213) 576-6913

FILED
JUL 18 2003
DEPARTMENT OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of)	No. H-29760 LA
)	L-2002120084
12 CTC FUNDING, INC., dba)	
13 Coast to Coast Funding;)	<u>STIPULATION AND AGREEMENT</u>
14 and PETER MICHAEL)	
15 DOWNING, individually)	
16 and as designated officer)	
of CTC Funding, Inc.,)	
)	
Respondents.)	

17 It is hereby stipulated by and between CTC FUNDING,
18 INC., and PETER MICHAEL DOWNING (sometimes referred to as
19 "Respondents") and their attorney, Fredrick M. Ray and the
20 Complainant, acting by and through James R. Peel, Counsel for the
21 Department of Real Estate, as follows for the purpose of settling
22 and disposing of the Accusation filed on October 31, 2002, in
23 this matter:

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

5 2. Respondents have received, read and understand the
6 Statement to Respondent, the Discovery Provisions of the APA and
7 the Accusation filed by the Department of Real Estate in this
8 proceeding.

9 3. On November 13, 2002, Respondents filed a Notice of
10 Defense, pursuant to Section 11506 of the Government Code for the
11 purpose of requesting a hearing on the allegations in the
12 Accusation. Respondents hereby freely and voluntarily withdraw
13 said Notice of Defense. Respondents acknowledge that they
14 understand that by withdrawing said Notice of Defense, they will
15 thereby waive their right to require the Commissioner to prove
16 the allegations in the Accusation at a contested hearing held in
17 accordance with the provisions of the APA and that they will
18 waive other rights afforded to them in connection with the
19 hearing, such as the right to present evidence in defense of the
20 allegations in the Accusation and the right to cross-examine
21 witnesses.

22 4. Respondents, pursuant to the limitations set forth
23 below, although not admitting or denying the truth of the
24 allegations, will not contest the factual allegations contained
25 in the Accusation filed in this proceeding and the Real Estate
26 Commissioner shall not be required to provide further evidence of
27 such allegations.

1 5. It is understood by the parties that the Real
2 Estate Commissioner may adopt the Stipulation and Agreement as
3 her decision in this matter, thereby imposing the penalty and
4 sanctions on Respondents' real estate licenses and license rights
5 as set forth below in the "Order". In the event that the
6 Commissioner in her discretion does not adopt the Stipulation and
7 Agreement, it shall be void and of no effect, and Respondents
8 shall retain the right to a hearing and proceeding on the
9 Accusation under all the provisions of the APA and shall not be
10 bound by any stipulation or waiver made herein.

11 6. The Order or any subsequent Order of the Real
12 Estate Commissioner made pursuant to this Stipulation and
13 Agreement shall not constitute an estoppel, merger or bar to any
14 further administrative or civil proceedings by the Department of
15 Real Estate with respect to any matters which were not
16 specifically alleged to be causes for accusation in this
17 proceeding.

18 7. This Stipulation is entered into by each party with
19 the express understanding and agreement that it is to be used for
20 the purposes of settling these proceedings only and that this
21 Stipulation shall not be deemed, used, or accepted as an
22 acknowledgment or stipulation in any other civil or
23 administrative proceeding to which this Department is not a
24 party.

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1 suspension. Should no such determination be made, the stay
2 imposed herein shall become permanent.

3 3. Provided, however, that if Respondents petition the
4 remaining thirty (30) days of said 90-day suspension shall be
5 stayed upon condition that:

6 (a) Respondent CTC FUNDING, INC., pays a monetary
7 penalty pursuant to Section 10175.2 of the
8 Business and Professions Code of \$7,000.

9 (b) Respondent PETER MICHAEL DOWNING pays a
10 monetary penalty pursuant to Section 10175.2
11 of the Business and Professions Code of
12 \$5,000.

13 (c) Said payment shall be in the form of a
14 cashier's check or certified check made
15 payment to the Recovery Account of the Real
16 Estate Fund. Said check must be received by
17 the Department no later than 180 days from
18 the effective date of the Decision in this
19 matter.

20 (d) No further cause for disciplinary action
21 against the real estate license of Respondents
22 occurs within two (2) years from the effective
23 date of the Decision in this matter.

24 (e) If Respondents fail to pay the monetary
25 penalty in accordance with the terms and
26 conditions of the Decision, the Commissioner
27 may, without a hearing, order the immediate

1 execution of all or any part of the stayed
2 suspension in which event the Respondents
3 shall not be entitled to any repayment nor
4 credit, prorated or otherwise, for money paid
5 to the Department under the terms of this
6 Decision.

7 (f) If Respondents pay the monetary penalty and if
8 no further cause for disciplinary action
9 against the real estate licenses of
10 Respondents occur within two (2) years from
11 the effective date of the Decision, the stay
12 hereby granted shall become permanent.

13
14 DATED: June 5, 2003

James R. Peel
15 JAMES R. PEEL
16 Counsel for Complainant

17 * * * *


18 We have read the Stipulation and Agreement, have
19 discussed it with our counsel, and its terms are understood by us
20 and are agreeable and acceptable to us. We understand that we
21 are waiving rights given to us by the California Administrative
22 Procedure Act (including but not limited to Sections 11506,
23 11508, 11509 and 11513 of the Government Code), and we willingly,
24 intelligently and voluntarily waive those rights, including the
25 right of requiring the Commissioner to prove the allegations in
26 the Accusation at a hearing at which we would have the right to

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cross-examine witnesses against us and to present evidence in
defense and mitigation of the charges.

Respondents can signify acceptance and approval of the
terms and conditions of this Stipulation and Agreement by faxing
a copy of its signature page, as actually signed by Respondents,
to the Department at the following telephone/fax number (713)
876-6917. Respondents agree, acknowledge and understand that by
electronically sending to the Department a fax copy of their
actual signatures as it appears on the Stipulation and Agreement,
that receipt of the faxed copy by the Department shall be as
binding on Respondents as if the Department had received the
original signed Stipulation and Agreement.

DATED: 5-22-03

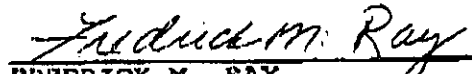

CFC FUNDING, INC. Respondent
by Peter Michael Downing,
Officer

DATED: 5-22-03


PETER MICHAEL DOWNING
Respondent

I have reviewed the Stipulation and Agreement as to
form and content and have advised my clients accordingly.

DATED 5/22/03


FREDRICK M. RAY
Attorney For Respondent

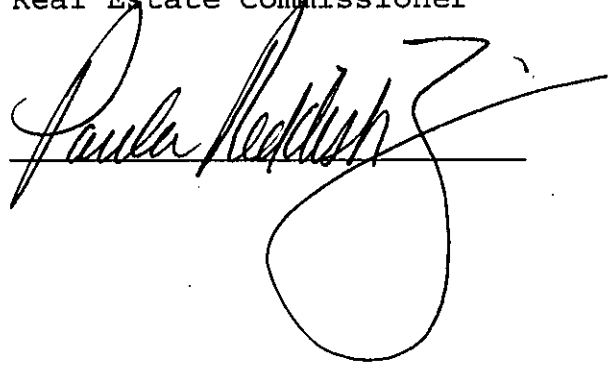
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The foregoing Stipulation and Agreement is hereby
adopted as my Decision in this matter and shall become effective
at 12 o'clock noon on August 7, 2003.

IT IS SO ORDERED July 10, 2003.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



Sacto,
Hay

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
DEC 27 2002
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
CTC FUNDING, INC., et al.,)
)
Respondents.)

By *[Signature]*
Case No. H-29760 LA
OAH No. L-2002120084

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 **Friday, June 6, 2003**, 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: December 27, 2002.


cc: CTC funding, Inc.
Peter Michael Downing
Fredrick M. Ray, Esq.
Sacto.
OAH

DEPARTMENT OF REAL ESTATE
By: *James R. Peel*
JAMES R. PEEL, Counsel

1 JAMES R. PEEL, Counsel (SBN 47055)
2 Department of Real Estate
3 320 West Fourth Street, Ste. 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6982
6 -or- (213) 576-6913 (Direct)

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OCT 31 2002
DEPARTMENT OF REAL ESTATE

By 

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of))	No. H-29760 LA
12 CTC FUNDING, INC., dba))	
13 Coast to Coast Funding;))	<u>ACCUSATION</u>
14 and PETER MICHAEL))	
15 DOWNING, individually))	
16 and as designated officer))	
of CTC Funding, Inc.,))	
Respondents:))	

17 The Complainant, Janice A. Waddell, a Deputy Real
18 Estate Commissioner of the State of California, for cause of
19 accusation against CTC FUNDING, INC., dba Coast to Coast Funding;
20 and PETER MICHAEL DOWNING, individually and as designated officer
21 of CTC Funding, Inc., alleges as follows:

22 I

23 The Complainant, Janice A. Waddell, acting in her
24 official capacity as a Deputy Real Estate Commissioner of the
25 State of California, makes this Accusation against CTC FUNDING,
26 INC., dba Coast to Coast Funding; and PETER MICHAEL DOWNING,
27 individually and as designated officer of CTC Funding, Inc.

II

1 CTC FUNDING, INC., dba Coast to Coast Funding; and
2 PETER MICHAEL DOWNING, individually and as designated officer of
3 CTC Funding, Inc. (hereinafter referred to as "Respondents"), are
4 presently licensed and/or have license rights under the Real
5 Estate Law (Part 1 of Division 4 of the Business and Professions
6 Code) (hereinafter Code).

III

8 At all times herein mentioned, respondent CTC FUNDING,
9 INC., was licensed by the Department of Real Estate of the State
10 of California as a corporate real estate broker, and respondent
11 PETER MICHAEL DOWNING was licensed as the designated broker-
12 officer of said corporation and was responsible for the
13 supervision and control of the activities conducted on behalf of
14 respondent CTC FUNDING, INC., by its officers and employees as
15 necessary to secure full compliance with Real Estate Law as set
16 forth in Section 10159.2 of the Code.

IV

18 At all times herein mentioned, respondents CTC FUNDING,
19 INC., dba Coast to Coast Funding, and PETER MICHAEL DOWNING, on
20 behalf of others in expectation of compensation, engaged in the
21 business, acted in the capacity of, advertised or assumed to act
22 as a real estate broker in the State of California within the
23 meaning of Section 10131(d) of the Code, including soliciting
24 borrowers and lenders and negotiating loans on real property.

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1 In connection with Respondents' activities as a real
2 estate broker, as described above, respondents CTC FUNDING, INC.,
3 dba Coast to Coast Funding, and PETER MICHAEL DOWNING acted in
4 violation of the Real Estate Law, the Code and California Code of
5 Regulations (hereinafter Regulations), Title 10, Chapter 6, as
6 follows:
7

8 1. Violated Section 10137 of the Code by employing
9 George Habib Saddic ("Saddic"), who was not licensed as a real
10 estate salesperson or broker, to solicit and negotiate loans on
11 real property, as set forth below. These activities require a
12 real estate license under Section 10131(d) of the Code.

13 a) On or about June 10, 2000, Saddic negotiated a
14 loan on 3122 Sugarbeet Way, Union City, California, for
15 borrowers, Louis and Bertha Morales.

16 b) On or about May 10, 2001, Saddic negotiated a
17 loan on 2927 23rd Street, San Francisco, California, for borrower,
18 Ann Marie Otto.

19 c) On or about May 31, 2001, Saddic negotiated a
20 loan on 4820 McNary Court, Modesto, California, for borrower,
21 Larry Dean Bolin.

22 d) On or about July 16, 2001, Saddic negotiated a
23 loan on 1400 Blossom Avenue, Redlands, California, for borrowers,
24 Elie H. and Cynthia A. Khoury.

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VI

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2 The conduct of Respondents, as alleged above, subjects
3 their real estate licenses and license rights to suspension or
4 revocation, as follows:

5 1. Respondents CTC FUNDING, INC., and PETER MICHAEL
6 DOWNING, pursuant to Sections 10137 and 10177(d) of the Code for
7 the conduct alleged in Paragraph V.

8 2. Respondent PETER MICHAEL DOWNING, as the
9 responsible broker, pursuant to Section 10177(h) of the Code, for
10 allowing and permitting Respondent CTC FUNDING, INC., to engage
11 in the conduct specified in Paragraph V.

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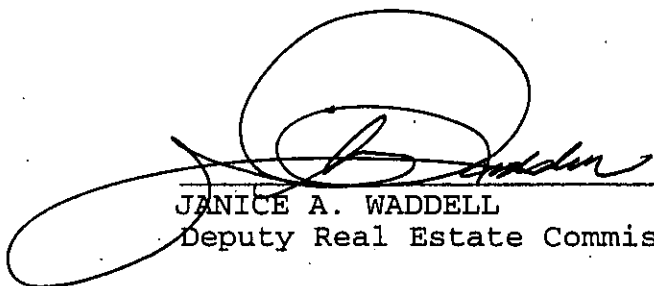
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and license rights of respondents
5 CTC FUNDING, INC., dba Coast to Coast Funding; and PETER MICHAEL
6 DOWNING, individually and as designated officer of CTC Funding,
7 Inc., under the Real Estate Law (Part 1 of Division 4 of the
8 Business and Professions Code) and for such other and further
9 relief as may be proper under other applicable provisions of law.

10 Dated at Los Angeles, California,
11 this 31 day of October, 2002.

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16 JANICE A. WADDELL
17 Deputy Real Estate Commissioner
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24 cc: CTC Funding, Inc.
25 Peter Michael Downing
26 Janice A. Waddell
27 Sacto.
AK