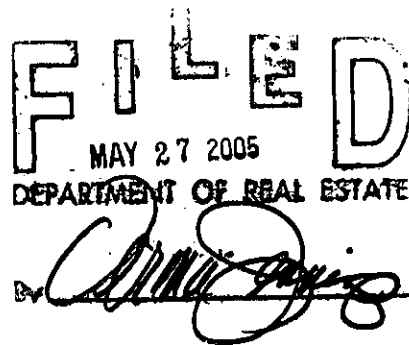


1 Department of Real Estate
2 320 W. 4th St., Room 350
3 Los Angeles, California 90013

4 Telephone: (213) 576-6982



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7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-31479 LA
12 R&G LENDING, INC.,)
13 and MARTHA KAY FOXX,) STIPULATION AND AGREEMENT
14 individually and as)
15 designated officer of)
16 R&G Lending, Inc.,)
17 Respondents.)

18 It is hereby stipulated by and between R&G LENDING,
19 INC., and MARTHA KAY FOXX (sometimes referred to as Respondents)
20 and the Complainant, acting by and through James R. Peel,
21 Counsel for the Department of Real Estate, as follows for the
22 purpose of settling and disposing of the Accusation filed on
23 November 10, 2004, in this matter.

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

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

9 3. On November 17, 2004, Respondent MARTHA KAY FOXX
10 and on November 18, 2004, Respondent R&G LENDING, INC. filed a
11 Notice of Defense pursuant to Section 11506 of the Government
12 Code for the purpose of requesting a hearing on the allegations
13 in the Accusation. Respondents hereby freely and voluntarily
14 withdraw said Notices of Defense. Respondents acknowledge that
15 they understand that by withdrawing said Notices of Defense they
16 will thereby waive their right to require the Commissioner to
17 prove the allegations in the Accusation at a contested hearing
18 held in accordance with the provisions of the APA and that they
19 will waive other rights afforded to them in connection with the
20 hearing, such as the right to present evidence in defense of the
21 allegations in the Accusation and the right to cross-examine
22 witnesses.

23 4. This Stipulation is based on the factual
24 allegations contained in the Accusation filed in this
25 proceeding. In the interest of expedience and economy,
26 Respondents choose not to contest these factual allegations, but
27

1 to remain silent and understand that, as a result thereof, these
2 factual statements, will serve as a prima facie basis for the
3 disciplinary action stipulated to herein. The Real Estate
4 Commissioner shall not be required to provide further evidence
5 to prove such allegations.

6 5. This Stipulation and Respondents' decision not to
7 contest the Accusation is made for the purpose of reaching an
8 agreed disposition of this proceeding and is expressly limited
9 to this proceeding and any other proceeding or case in which the
10 Department of Real Estate ("Department"), the state or federal
11 government, or an agency of this state, another state or the
12 federal government is involved.

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

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

1 Estate with respect to any conduct which was not specifically
2 alleged to be causes for accusation in this proceeding.

3 DETERMINATION OF ISSUES

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

8 The conduct, acts and/or omissions of Respondents
9 R&G LENDING, INC., and MARTHA KAY FOXX, as set forth in the
10 Accusation, constitute cause for the suspension or revocation of
11 all of the real estate licenses and license rights of
12 Respondents under the provisions of Section 10177(d) of the
13 Business and Professions Code ("Code") for violations of Code
14 Sections 10137 and 10145(a) and Regulations 2831, 2831.1,
15 2831.2, 2832, Title 10, Chapter 6, California Code of
16 Regulations.

17
18 ORDER

19 All licenses and licensing rights of Respondents R&G
20 LENDING, INC., and MARTHA KAY FOXX under the Real Estate Law are
21 suspended for a period of ninety (90) days from the effective
22 date of this Decision; provided, however, that thirty (30) days
23 of said suspension shall be stayed for two (2) years upon the
24 following terms and conditions:

25 1. Respondents shall obey all laws, rules and
26 regulations governing the rights, duties and responsibilities of
27 a real estate licensee in the State of California; and

1 2. That no final subsequent determination be made,
2 after hearing or upon stipulation that cause for disciplinary
3 action occurred within two (2) years of the effective date of
4 this Decision. Should such a determination be made, the
5 Commissioner may, in his discretion, vacate and set aside the
6 stay order and reimpose all or a portion of the stayed
7 suspension. Should no such determination be made, the stay
8 imposed herein shall become permanent.
9

10 3. Provided, however, that if Respondents petition,
11 the remaining sixty (60) days of said ninety (90) day suspension
12 shall be stayed upon condition that:

13 a. Respondents pay a monetary penalty pursuant to
14 Section 10175.2 of the Business and Professions Code at the rate
15 of \$75 for each day of the suspension for a total monetary
16 penalty of \$4,500 (\$9,000 for both Respondents).

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

22 c. No further cause for disciplinary action
23 against the real estate licenses of Respondent occurs within two
24 (2) years from the effective date of the Decision in this
25 matter.
26

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1 d. If Respondents fail to pay the monetary
2 penalty in accordance with the terms and conditions of the
3 Decision, the Commissioner may, without a hearing, order the
4 immediate execution of all or any part of the stayed suspension
5 in which event the Respondents shall not be entitled to any
6 repayment nor credit, prorated or otherwise, for money paid to
7 the Department under the terms of this Decision.

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

13 4. Respondent MARTHA KAY FOXX shall, within six
14 months from the effective date of this Decision, present
15 evidence satisfactory to the Real Estate Commissioner that
16 Respondent has taken and completed the trust fund accounting and
17 handling course specified in paragraph (3), subdivision (a) of
18 Section 10170.5 of the Business and Professions Code. If
19 Respondent fails to satisfy this condition, the Commissioner may
20 order the suspension of Respondent's license until Respondent
21 presents such evidence. The Commissioner shall afford Respondent
22 the opportunity for a hearing pursuant to the Administrative
23 Procedure Act to present such evidence.

24 5. Respondent MARTHA KAY FOXX shall, within six
25 months from the effective date of this Decision, take and pass
26
27

1 the Professional Responsibility Examination administered by the
2 Department including the payment of the appropriate examination
3 fee. If Respondent fails to satisfy this condition, the
4 Commissioner may order suspension of Respondent's license until
5 Respondent passes the examination.

6 6. Pursuant to Section 10148 of the Business and
7 Professions Code, Respondents R&G LENDING, INC. and MARTHA KAY
8 FOXX shall pay the Commissioner's reasonable cost for the audit
9 which led to this disciplinary action and Respondent R&G
10 LENDING, INC. shall pay the Commissioner's reasonable cost for a
11 subsequent audit to determine if Respondent R&G LENDING, INC.
12 has corrected the violations found in the Determination of
13 Issues. In calculating the amount of the Commissioner's
14 reasonable cost, the Commissioner may use the estimated average
15 hourly salary for all persons performing audits of real estate
16 brokers, and shall include an allocation for travel costs,
17 including mileage, time to and from the auditor's place of work
18 and per diem. Respondents shall pay such cost within 45 days of
19 receiving an invoice from the Commissioner detailing the
20 activities performed during the audit and the amount of time
21 spent performing those activities. The Commissioner may, in his
22 discretion, vacate and set aside the stay order, if payment is
23 not timely made as provided for herein, or as provided for in a
24 subsequent agreement between the Respondents and the
25 Commissioner. The vacation and the set aside of the stay shall
26 remain in effect until payment is made in full, or until
27

1 Respondents enter into an agreement satisfactory to the
2 Commissioner to provide for payment. Should no order vacating
3 the stay be issued, either in accordance with this condition or
4 condition "2", the stay imposed herein shall become permanent.

5
6 DATED: March 9, 2005

James R. Peel
7 JAMES R. PEEL, Counsel for the
Department of Real Estate

8 * * *

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

20 Respondents can signify acceptance and approval of the
21 terms and conditions of this Stipulation and Agreement by faxing
22 a copy of the signature page, as actually signed by Respondents,
23 to the Department at the following telephone/fax number:
24 (213) 576-6917. Respondents agree, acknowledge and understand
25 that by electronically sending to the Department a fax copy of
26 his or her actual signature as it appears on the Stipulation and
27 Agreement, that receipt of the faxed copy by the Department

1 shall be as binding on Respondents as if the Department had
2 received the original signed Stipulation and Agreement.

3 Further, if the Respondents are represented, the
4 Respondents' representative can signify his or her agreement to
5 the terms and conditions of the Stipulation and Agreement by
6 submitting that signature via fax. The Commissioner has asked
7 that representative's signature be under penalty of perjury that
8 he/she will concurrently or within 24 hours of obtaining
9 Respondents' signatures to the agreement deposit in the mail the
10 original settlement/stipulation containing the original
11 signatures of both Respondents and Respondents' representative.

12
13 DATED: _____

R&G LENDING, INC., Respondent

14
15
16 DATED: _____

MARTHA KAY FOXX
Respondent

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6 submitting that signature via fax. The Commissioner has asked
7 that representative's signature be under penalty of perjury that
8 he/she will concurrently or within 24 hours of obtaining
9 Respondents' signatures to the agreement deposit in the mail the
10 original settlement/stipulation containing the original
11 signatures of both Respondents and Respondents' representative.

12 DATED: 2-24-05


13 President for R&G Lending Inc.
14 R&G LENDING, INC., Respondent

15 DATED: _____

16 MARTHA KAY FOXX
17 Respondent

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Further, if the Respondents are represented, the Respondents' representative can signify his or her agreement to the terms and conditions of the Stipulation and Agreement by submitting that signature via fax. The Commissioner has asked that representative's signature be under penalty of perjury that he/she will concurrently or within 24 hours of obtaining Respondents' signatures to the agreement deposit in the mail the original settlement/stipulation containing the original signatures of both Respondents and Respondents' representative.

DATED: _____

R&G LENDING, INC., Respondent

DATED: 2-25-05

Martha Kay Foxx
MARTHA KAY FOXX
Respondent

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Kear

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

3 Telephone: (213) 576-6982
4 -or- (213) 576-6913 (Direct)

FILED
NOV 10 2004
DEPARTMENT OF REAL ESTATE

By *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-31479 LA
12	R&G LENDING, INC.,)	A C C U S A T I O N
13	and MARTHA KAY FOXX,)	
14	individually and as)	
15	designated officer of)	
16	R&G Lending, Inc.,)	
17	Respondents.)	

17 The Complainant, Janice A. Waddell, a Deputy Real
18 Estate Commissioner of the State of California, for cause of
19 accusation against R&G LENDING, INC., and MARTHA KAY FOXX,
20 individually and as designated officer of R&G Lending, Inc.,
21 alleges as follows:

22 I

23 The Complainant, Janice A. Waddell, acting in his
24 official capacity as a Deputy Real Estate Commissioner of the
25 State of California, makes this Accusation against R&G LENDING,
26 INC., and MARTHA KAY FOXX.

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II

R&G LENDING, INC., and MARTHA KAY FOXX, individually and as designated officer of said corporation (hereinafter referred to as "Respondents"), are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) (hereinafter Code).

III

Respondent R&G LENDING, INC., was originally licensed as a real estate broker on November 6, 1997. The corporate license of Respondent R&G LENDING, INC., will expire on November 5, 2005.

IV

At all times material herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Section 10131(a) and (d) of the Code.

V

On or about October 8, 2003, the Department completed an examination of Respondent's books and records, pertaining to the activities described in Paragraph IV above, covering a period from November 1, 2001, through August 31, 2003, which examination revealed violations of the Code and of Title 10, Chapter 6, California Code of Regulations (hereinafter Regulations) as set forth below.

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1 VI

2 The examination described in Paragraph V, above,
3 determined that, in connection with the activities described in
4 Paragraph IV above, Respondents accepted or received funds,
5 including funds in trust (hereinafter "trust funds") from or on
6 behalf of principals, and thereafter made deposit or disbursement
7 of such funds.

8 VII

9 In the course of activities described in Paragraphs IV
10 through VI and during the examination period described in
11 Paragraph V, Respondents acted in violation of the Code and the
12 Regulations as follows, and as more specifically set forth in
13 Audit Report No. LA 030100 and related exhibits:

14 (1) Violated Section 10145(a) of the Code and
15 Regulation 2832 by depositing credit report fees and appraisal
16 fees into a general account which was not a trust account.

17 (2) Violated Regulation 2831 in that the columnar
18 record was not complete and accurate.

19 (3) Violated Regulation 2831.1 in that separate
20 records were not maintained for each beneficiary or transaction.

21 (4) Violated Regulation 2831.2 by failing to maintain
22 monthly reconciliations of the columnar record with the separate
23 records.

24 (5) Violated Section 10137 of the Code by employing
25 Richard Winston Baird, while an unlicensed broker or salesperson,
26 to solicit and negotiate loans on real property, as set forth
27 below:

1 (a) On or about May 12, 2003, a loan on 888 Santa Ana,
2 Laguna Beach, California for borrower Carol R. O'Keefe.

3 (b) On or about May 8, 2003, a loan on 5729 Malaga
4 Place, Long Beach, California for borrowers Paul R. and Janine C.
5 Hendrickson.

6 (c) On or about March 17, 2003, a loan on 6324
7 Forester Drive, Huntington Beach, California for borrowers Ronald
8 Bruce and Maria I. Crenshaw.

9 (6) Violated Section 10240 of the Code in that
10 Mortgage Loan Disclosure Statements were not always signed and
11 dated by broker or broker's representative.

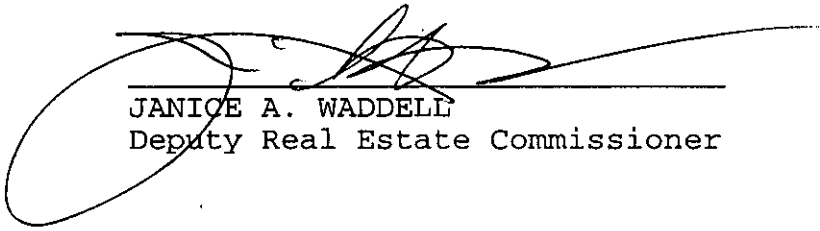
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13 VIII

14 The conduct of Respondents, R&G LENDING, INC., and
15 MARTHA KAY FOXX, as alleged above, subjects their real estate
16 licenses and license rights to suspension or revocation pursuant
17 to Section 10177(d) of the Code. The conduct of Respondent
18 MARTHA KAY FOXX, as alleged above, subjects her real estate
19 licenses and license rights to suspension or revocation pursuant
20 to Section 10177(h) of the Code.

21 WHEREFORE, Complainant prays that a hearing be
22 conducted on the allegations of this Accusation and that upon
23 proof thereof, a decision be rendered imposing disciplinary
24 action against all licenses and license rights of Respondents R&G
25 LENDING, INC. and MARTHA KAY FOXX under the Real Estate Law (Part
26 1 of Division 4 of the Business and Professions Code) and for
27

1 such other and further relief as may be proper under other
2 applicable provisions of law.

3 Dated at Los Angeles, California,
4 this 19 day of October, 2004.

5
6 
7 JANICE A. WADDELL
8 Deputy Real Estate Commissioner

9
10
11 cc: R&G Lending, Inc.
12 Martha Kay Foxx
13 Janice A. Waddell
14 Audit Section
15 Kitlin Chan
16 Sacto.
17 ST
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