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ELLIOTT MAC LENNAN, Counsel (SBN 66674)  
Department of Real Estate  
320 W. 4<sup>TH</sup> Street, Suite 350  
Los Angeles, CA 90013-1105  
  
Telephone: (213) 576-6982 (Office)  
-or- (213) 576-6911 (Direct)

**FILED**  
OCT 30 2006  
DEPARTMENT OF REAL ESTATE  
By *K. McKeel*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )	
CAPITAL PLUS FINANCIAL CORPORATION, )	No. H-32647 LA
a corporate real estate broker, and )	
DOUGLAS ALLEN LIPAR, as designated )	<u>STIPULATION</u>
officer of Capital Plus Financial )	<u>AND</u>
Corporation, )	<u>AGREEMENT</u>
Respondents. )	

It is hereby stipulated by and between Respondents CAPITAL PLUS FINANCIAL CORPORATION, a corporate real estate broker, and DOUGLAS ALLEN LIPAR, individually and as designated officer of Capital Plus Financial Corporation, (sometimes collectively referred to as "Respondents"), represented by Law Offices of Joel L. Incorvia, Esq., and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation ("Accusation") filed on April 3, 2006, in this matter:

1           1. All issues which were to be contested and all  
2 evidence which was to be presented by Complainant and Respondents  
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 ("Stipulation").

8           2. Respondents have received, read and understand 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. Respondents timely filed a Notice of Defense  
13 pursuant to Section 11506 of the Government Code for the purpose  
14 of requesting a hearing on the allegations in the Accusation.  
15 Respondents hereby freely and voluntarily withdraw said Notice of  
16 Defense. Respondents acknowledge that they understand that by  
17 withdrawing said Notice of Defense they thereby waive their right  
18 to require the Commissioner to prove the allegations in the  
19 Accusation at a contested hearing held in accordance with the  
20 provisions of the APA and that they will waive other rights  
21 afforded to them in connection with the hearing such as the right  
22 to present evidence in their defense the right to cross-examine  
23 witnesses.  
24

25 ///

26 ///

1 4. This Stipulation is based on the factual  
2 allegations contained in the Accusation. In the interest of  
3 expedience and economy, Respondents choose not to contest these  
4 allegations, but to remain silent and understand that, as a  
5 result thereof, these factual allegations, without being admitted  
6 or denied, will serve as a prima facie basis for the disciplinary  
7 action stipulated to herein. The Real Estate Commissioner shall  
8 not be required to provide further evidence to prove said factual  
9 allegations.

10 5. This Stipulation and Respondents' decision not to  
11 contest the Accusation is made for the purpose of reaching an  
12 agreed disposition of this proceeding and is expressly limited to  
13 this proceeding and any other proceeding or case in which the  
14 Department of Real Estate ("Department"), the state or federal  
15 government, or any agency of this state, another state or federal  
16 government is involved, and otherwise shall not be admissible in  
17 any other criminal or civil proceedings.  
18

19 6. It is understood by the parties that the Real  
20 Estate Commissioner may adopt this Stipulation as his Decision in  
21 this matter thereby imposing the penalty and sanctions on  
22 Respondents' real estate licenses and license rights as set forth  
23 in the "Order" below. In the event that the Commissioner in his  
24 discretion does not adopt the Stipulation, it shall be void and  
25 of no effect and Respondents shall retain the right to a hearing  
26 and proceeding on the Accusation under the provisions of the APA  
27

and shall not be bound by any stipulation or waiver made herein.

1  
2 7. The Order or any subsequent Order of the Real  
3 Estate Commissioner made pursuant to this Stipulation shall not  
4 constitute an estoppel, merger or bar to any further  
5 administrative or civil proceedings by the Department of Real  
6 Estate with respect to any matters which were not specifically  
7 alleged to be causes for Accusation in this proceeding but do  
8 constitute a bar, estoppel and merger as to any allegations  
9 actually contained in the Accusations against Respondent herein.

10 DETERMINATION OF ISSUES

11 By reason of the foregoing, it is stipulated and agreed  
12 that the following determination of issues shall be made:

13 I.

14 The conduct of CAPITAL PLUS FINANCIAL CORPORATION, as  
15 described in Paragraph 4, above, is in violation of Section  
16 10177(g) of the Business and Professions Code and is a basis for  
17 the suspension or revocation of Respondent's license and license  
18 rights as a violation said section.  
19

20 II.

21 The conduct of DOUGLAS ALLEN LIPAR, as described in  
22 Paragraph 4, above, is in violation of Section 10177(g) of the  
23 Business and Professions Code and is a basis for the suspension  
24 or revocation of Respondent's license and license rights as a  
25 violation said section.

26 ///

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents

CAPITAL PLUS FINANCIAL CORPORATION and DOUGLAS ALLEN LIPAR under  
the Real Estate Law suspended for a period of sixty (60) days  
from the effective date of this Decision; provided, however, that

1. Sixty (60) day suspension (or a portion thereof)  
shall be stayed for two (2) years upon condition that Respondents  
petition and pay a monetary penalty pursuant to Section 10175.2  
of the Business and Professions Code at the rate of \$166.66 per  
day for each day of the suspension for a total monetary penalty  
of \$10,000 each or \$20,000 total.

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

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

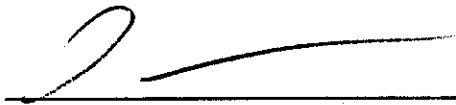
4. If Respondents fail to pay the monetary penalty in  
accordance with the terms of the Decision, the Commissioner may,  
without a hearing, order the immediate execution of all or any  
part of the stayed suspension, in which event the Respondents




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

3 Respondents can signify acceptance and approval of the  
4 terms and conditions of this Stipulation by faxing a copy of its  
5 signature page, as actually signed by Respondents, to the  
6 Department at the following telephone/fax number: Elliott Mac  
7 Lennan at (213) 576-6917. Respondents agree, acknowledge and  
8 understand that by electronically sending to the Department a fax  
9 copy of Respondents' actual signature as they appear on the  
10 Stipulation, that receipt of the faxed copy by the Department  
11 shall be as binding on Respondents as if the Department had  
12 received the original signed Stipulation.

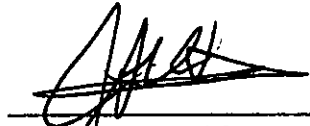
13  
14  
15 DATED: 8/16/06

  
CAPITAL PLUS FINANCIAL CORPORATION,  
a corporate real estate broker,  
BY: DOUGLAS ALLEN LIPAR, D.O.,  
Respondent

16  
17  
18  
19 DATED: 8/16/06

  
DOUGLAS ALLEN LIPAR individually  
and as designated officer of  
Capital Plus Financial Corporation,  
Respondent

20  
21  
22  
23 DATED: 8/25/06

  
JOEL L. INCORVIA  
Attorney for Respondents  
Approved as to form

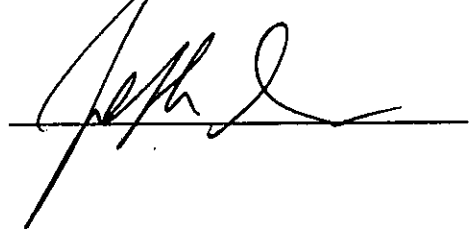
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The foregoing Stipulation and Agreement is hereby  
adopted as my Decision as to Respondents CAPITAL PLUS FINANCIAL  
CORPORATION and DOUGLAS ALLEN LIPAR, individually and as  
designated officer of Capital Plus Financial Corporation, and  
shall become effective at 12 o'clock noon on  
NOV 20, 2006.

IT IS SO ORDERED 10-26, 2006.

JEFF DAVI  
Real Estate Commissioner





*Handwritten initials/signature*

**FILED**  
APR - 3 2008  
DEPARTMENT OF REAL ESTATE

1 ELLIOTT MAC LENNAN, Counsel (SBN 66674)  
2 Department of Real Estate  
3 320 West Fourth St., #350  
4 Los Angeles, CA 90013  
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By *Handwritten signature*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of	)	No. H-32647 LA
	)	
CAPITAL PLUS FINANCIAL CORPORATION,	)	
a corporate real estate broker and	)	ACCUSATION
DOUGLAS ALLEN LIPAR, as designated	)	
officer of Capital Plus Financial	)	
Corporation,	)	
	)	
Respondents.	)	
	)	

The Complainant, Janice Waddell, a Deputy Real Estate Commissioner, for cause of Accusation against CAPITAL PLUS FINANCIAL CORPORATION, a corporate real estate broker and DOUGLAS ALLEN LIPAR, as designated officer of Capital Plus Financial Corporation, is informed and alleges as follows:

1.

The Complainant, Janice Waddell, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

//

1 2.

2 LICENSING

3 (a) Respondent CAPITAL PLUS FINANCIAL CORPORATION  
4 (hereinafter "Respondent CPFC") is presently licensed and at all  
5 times relevant herein was licensed under the Real Estate Law,  
6 Part 1 of Division 4 of the California Business and Professions  
7 Code (hereinafter "Code"). Respondent CPFC has been, since  
8 September 9, 1996, at all times herein mentioned, and is,  
9 licensed by the Department of Real Estate of the State of  
10 California (hereinafter "Department") as a corporate real estate  
11 broker, license number 01211839.  
12

13 (b) Respondent CPFC is a California corporation.  
14 Frank Sharpe (hereafter Sharpe), who is not licensed by the  
15 Department, is Chief Executive Officer, a director and agent for  
16 service of process of Respondent CPFC. Respondent LIPAR is the  
17 Secretary and Chief Financial Officer of Respondent CPFC.

18 (c) Respondent CPFC was and is authorized to act as a  
19 real estate broker by and through Respondent DOUGLAS ALLEN LIPAR  
20 (hereafter Respondent LIPAR) as the designated officer and broker  
21 responsible, pursuant to the provisions of Code Section 10159.2  
22 for the supervision and control of the activities conducted on  
23 behalf of Respondent CPFC by Respondent CPFC's officers and  
24 employees.  
25

26 //

1 3.

2 (a) Respondent LIPAR is presently licensed and at all  
3 times relevant herein was licensed under the Code. Respondent  
4 LIPAR has been, since September 6, 1994, at all times herein  
5 mentioned, and is, licensed by the Department as a real estate  
6 broker, license number 01186463, individually, and as designated  
7 officer of Respondent CPFC.

8 (b) At all times relevant herein, Respondent LIPAR was  
9 the broker-officer of respondent CPFC designated pursuant to Code  
10 Section 10159.2 to be Responsible for the supervision and control  
11 of the activities conducted on behalf of Respondent CPFC by its  
12 officers and employees as necessary to secure full compliance  
13 with the Real Estate Law. Respondent LIPAR has been designated  
14 broker-officer of Respondent CPFC since on or about September 6,  
15 1994.

16 (c) At all times herein mentioned, Respondent LIPAR  
17 held an ownership interest in Respondent CPFC.

18 4.

19 Frank Sharpe (hereafter Sharpe) was at no time herein  
20 mentioned licensed by the Department as a real estate broker or  
21 salesperson.

22 5.

23 (a) Capital Plus Document Services, Inc. (hereafter  
24 CPDS), a California corporation, was not and is not licensed by  
25 the Department as a real estate broker.

26 (b) Sharpe is CPDS's sole officer and director. CPDS  
27 purported to engage in the business of "mortgage services."

1 Respondent LIPAR had at all times herein mentioned an ownership  
2 interest in CPDS.

3 6.

4 LICENSED ACTIVITIES

5 At all times material herein, CPDS, Respondents CPFC  
6 and LIPAR, through salespeople licensed to Respondents CPFC and  
7 LIPAR, (hereafter "agents") engaged in the business of, acted in  
8 the capacity of, advertised or assumed to act as real estate  
9 brokers within the meaning of Code Sections 10131(d), for another  
10 or others, for or in expectation of compensation to solicit  
11 borrowers and lenders and negotiate between borrowers and third  
12 party lenders for loans secured by real property (hereafter  
13 mortgage brokerage).

14 7.

15 GENERAL ALLEGATIONS

16 (a) Between in or about December 2, 2003 through on or  
17 about July 26, 2005, Respondents, CPDS, Sharpe and each of them,  
18 in connection with their mortgage brokerage activities set forth  
19 in Paragraph 5 above, entered into a reinsurance participation  
20 agreement with LandAmerica Reinsurance Services, Inc. (hereafter  
21 LARS), whereby Respondent CPFC, through CPDS, would receive 15%  
22 of a net title reinsurance insurance premiums, based on customer  
23 referrals to title insurance companies or underwritten title  
24 companies including but not limited to Commonwealth Land Title  
25 Insurance Company hereafter CLTIC). More specifically:

26 (b) On or about March 25, 2004, LARS entered into a  
27 Participation Agreement with CPDS through Sharpe. Under this

1 Participation Agreement, Respondent CPDS deposited \$10,000 and a  
2 letter of credit in the amount of \$25,000 and would assume 15%  
3 liability for title insurance losses, if any, from mortgage  
4 brokerage transactions generated by Respondent CPFC, in exchange  
5 for receiving 15% of the ceded "Net Reinsurable Premium."

6 (c) On or about August 11, 2004, LARS entered into a  
7 Reinsurance Agreement with title insurance companies, including  
8 but not limited to CLTIC, whereby the CLTIC would cede liability  
9 and part of the premium, less \$300 processing fee, to LARS. LARS  
10 would then forward 15% of the premium to Respondents through  
11 CPDS.

12 (d) A general requirement to obtaining a loan secured  
13 by real property was that the borrower obtain a policy of title  
14 insurance protecting the lender.

15 8.

16 In the transactions identified below, all below  
17 borrowers paid for and obtained title insurance from CLTIC for  
18 the benefit of the lender. CLTIC then subtracted \$300 from the  
19 premium and ceded 20% of the premium and risk to LARS on behalf  
20 of Respondent CPFC through CPDS. It was based on the premium,  
21 less \$300, that 20% of the net premium was paid by LARS to  
22 Respondent CPFC through CPDS.

23 9.

24 The California Department of Insurance (DOI) has  
25 indicated that the typical loss ratio as to title insurance is  
26 three to five percent, meaning there is little or no risk  
27 transferred to the reinsurer in exchange for the portion of

1 premium they are collecting, and in California, the normal  
2 practice is not to have a reinsurer in connection with title  
3 business. DOI determined that the reinsurance agreements were  
4 not legitimate reinsurance agreements, but were a scheme under  
5 which title insurers were paying real estate brokers illegal  
6 rebates - in the form of "premiums" on fictitious reinsurance  
7 paid to captive reinsurers - in exchange for the brokers  
8 channeling business to the title companies.

9 10.

10 (a) Between in or about December 2, 2003 through on or  
11 about July 26, 2005, Respondents, CPDS, Sharpe and each of them,  
12 in connection with their mortgage brokerage activities set forth  
13 in Paragraph 5 above, received compensation of at least  
14 \$24,664.19 for referrals of borrowers to CLTIC as a result of  
15 loans secured by real property negotiated by Respondent CPFC, in  
16 those transactions set forth below.

17 11.

18 GOOD FAITH ESTIMATES

19 (a) Code Section 10240 requires that a mortgage broker  
20 provide to the borrower, within three days after receipt of a  
21 completed application or before the borrower becomes obligated on  
22 the note, whichever is earlier, a disclosure statement containing  
23 the information as required by Code Section 10241, as further  
24 defined by Regulations 2840 and 2840.1 (from Title 10, Chapter 6  
25 of the California Code of Regulations, hereinafter Regulations).  
26 Regulation 2840.1 describes by sample and approved Mortgage Loan  
27 Disclosure Statement/Good Faith Estimate and Good Faith Estimate

1 of Closing Costs. The Department approved Mortgage Loan  
2 Disclosure Statement/Good Faith Estimate contains opening  
3 paragraphs, items of expense to be disclosed with item numbers  
4 tracking the numbers on the settlement statement required under  
5 the Real Estate Settlement Procedures Act (RESPA). On the  
6 Regulation 2840.1 Mortgage Loan Disclosure Statement/Good Faith  
7 Estimate the items are set forth on the left side and on the  
8 right side are two columns showing "Paid to Others" and "Paid to  
9 Broker".

10 (b) Respondent CPFC failed to provide to the below  
11 borrowers a Good Faith Estimate in complete compliance with  
12 Regulation 2840.1 in that the Good Faith Estimates failed to  
13 contain:

14 (i) the opening paragraphs of the approved  
15 Regulation 2840.1 Mortgage Loan Disclosure Statement/Good Faith  
16 Estimate;

17 (ii) the columns showing which items were "Paid  
18 to Others" and "Paid to Broker";

19 (iii) entry for the "808 Mortgage Broker Fee";

20 (iv) identity of the mortgage broker on the bottom  
21 of the first page;

22 (v) Other violations as may be discovered and  
23 evidenced at hearing.

24 12.

25 NON DISCLOSURE

26 (a) Respondents did not disclose to the below  
27 borrowers any affiliation with LARS or CLTIC. Respondents did

1 not disclose to the below borrowers that Respondent CPFC would  
2 receive compensation from LARS or CLTIC if borrowers used CLTIC.  
3 Nor did Respondents disclose to the below borrowers the amount of  
4 the compensation fee or consideration which it received in  
5 connection with the below described transactions.

6 13.

7 TRANSACTIONS

8 The General Allegations, non disclosures and deceit as  
9 above alleged occurred while Respondent CPFC solicited and  
10 negotiated for the following sales of real estate.

11 14.

12 Brian and Tina Suggs

13 (a) Between on or about November 4, 2003 and on or  
14 about January 7, 2004, Respondent CPFC negotiated a loan to Brian  
15 and Tina Suggs, borrowers, secured by real property at 467 W.  
16 20<sup>th</sup> Street, San Pedro, California. On or about January 7, 2004,  
17 escrow closed at Commonwealth Land Title Company (hereafter  
18 CLTC). Respondents, jointly and severally, referred these  
19 borrowers to CLTIC. CLTIC issued title insurance to the lender  
20 paid for by borrowers for a total premium of \$849 paid for by  
21 borrowers through escrow. CLTIC ceded \$549 of the premium to  
22 LARS. LARS then paid \$109.80 to Respondent CPFC through CPDS for  
23 referral by Respondent CPFC of the borrowers to CLTIC.

24 (b) On or about November 4, 2003, Respondents provided  
25 a Good Faith Estimate to borrowers which failed to comply with  
26 Regulation 2840.1.

27 (c) Respondents did not disclose to borrowers any



1 affiliation with LARS or CLTIC. Respondents did not disclose to  
2 borrowers that Respondent CPFC would receive compensation from  
3 CLTIC if borrowers purchased title insurance from CLTIC. Nor did  
4 Respondents disclose to borrowers the amount of the compensation  
5 fee or consideration which Respondent CPFC received from CLTIC  
6 through LARS in connection with this loan.

7 15.

8 Raymond and Frieda Stone

9 (a) Between on or about September 23, 2003 and on or  
10 about December 17, 2003, Respondent CPFC negotiated a loan to  
11 Raymond and Frieda Stone, borrower, secured by real property at  
12 8631 Kiwi Circle, Elk Grove, California. On or about December  
13 17, 2003, escrow closed at CLTC. Respondents, jointly and  
14 severally, referred these borrowers to CLTIC. CLTIC issued title  
15 insurance to the lender paid for by borrower for a total premium  
16 of \$629.00 paid for by borrowers through escrow. CLTIC ceded  
17 \$329.00 of the premium to LARS. LARS then paid \$65.80 to  
18 Respondent CPFC through CPDS for referral by Respondent CPFC of  
19 the borrowers to CLTIC.

20 (b) On or about September 23, 2003, Respondents  
21 provided a Good Faith Estimate to borrowers which failed to  
22 comply with Regulation 2840.1.

23 (c) Respondents did not disclose to borrowers any  
24 affiliation with LARS or CLTIC. Respondents did not disclose to  
25 borrowers that Respondent CPFC would receive compensation from  
26 CLTIC if borrowers purchased title insurance from CLTIC. Nor did  
27 Respondents disclose to borrowers the amount of the compensation

1 fee or consideration which Respondent CPFC received from CLTIC  
2 through LARS in connection with this loan.

3 16.

4 Thomas Meder

5 (a) Between on or about October 31, 2003 and on or  
6 about January 9, 2004, Respondent CPFC negotiated a loan to  
7 Thomas Meder, borrower, secured by real property at 6010  
8 Caledonia Court, Oak Park, California. On or about January 9,  
9 2004, escrow closed at CLTC. Respondents, jointly and severally,  
10 referred this borrower to CLTIC. CLTIC issued title insurance to  
11 the lender paid for by borrower for a total premium of \$1,393.00  
12 paid for by borrower through escrow. CLTIC ceded \$1,093.00 of  
13 the premium to LARS. LARS then paid \$218.60 to Respondent CPFC  
14 through CPDS for referral by Respondent CPFC of the borrower to  
15 CLTIC.

16 (b) On or about October 31, 2003, Respondents provided  
17 a Good Faith Estimate to borrower which failed to comply with  
18 Regulation 2840.1.

19 (c) Respondents did not disclose to borrower any  
20 affiliation with LARS or CLTIC. Respondents did not disclose to  
21 borrower that Respondent CPFC would receive compensation from  
22 CLTIC if borrowers purchased title insurance from CLTIC. Nor did  
23 Respondents disclose to borrowers the amount of the compensation  
24 fee or consideration which Respondent CPFC received from CLTIC  
25 through LARS in connection with this loan.

26 //

27 //

17.

Kimberly Ganier

(a) Between on or about December 2, 2003 and on or about January 8, 2004, Respondent CPFC negotiated a loan to Kimberly Ganier, borrower, secured by real property at 19902 Lures Lane, Huntington Beach, California. On or about January 8, 2004, escrow closed at CLTC. Respondents, jointly and severally, referred this borrower to CLTIC. CLTIC issued title insurance to the lender paid for by borrower for a total premium of \$751.00 paid for by borrowers through escrow. CLTIC ceded \$451.00 of the premium to LARS. LARS then paid \$90.20 to Respondent CPFC through CPDS for referral by Respondent CPFC of the borrower to CLTIC.

(b) On or about December 2, 2003, Respondents provided a Good Faith Estimate to borrower which failed to comply with Regulation 2840.1.

(c) Respondents did not disclose to borrower any affiliation with LARS or CLTIC. Respondents did not disclose to borrower that Respondent CPFC would receive compensation from CLTIC if borrower purchased title insurance from CLTIC. Nor did Respondents disclose to borrower the amount of the compensation fee or consideration which Respondent CPFC received from CLTIC through LARS in connection with this loan.

18.

Charles and Tamia Ciampoli

(a) Between on or about November 14, 2003 and on or about December 22, 2003, Respondent CPFC negotiated a loan to

1 Charles and Tamia Ciampoli, borrowers, secured by real property  
2 at 854 Terra Lane, El Cajon, California. On or about December  
3 22, 2003, escrow closed at CLTC. Respondents, jointly and  
4 severally, referred these borrowers to CLTIC. CLTIC issued title  
5 insurance to the lender paid for by borrowers for a total premium  
6 of \$840.00 paid for by borrowers through escrow. CLTIC ceded  
7 \$540.00 of the premium to LARS. LARS then paid \$108.00 to  
8 Respondent CPFC through CPDS for referral by Respondent CPFC of  
9 the borrowers to CLTIC.

10 (b) On or about November 14, 2003, Respondents  
11 provided a Good Faith Estimate to borrowers which failed to  
12 comply with Regulation 2840.1.

13 (c) Respondents did not disclose to borrowers any  
14 affiliation with LARS or CLTIC. Respondents did not disclose to  
15 borrowers that Respondent CPFC would receive compensation from  
16 CLTIC if borrowers purchased title insurance from CLTIC. Nor did  
17 Respondents disclose to borrowers the amount of the compensation  
18 fee or consideration which Respondent CPFC received from CLTIC  
19 through LARS in connection with this loan.

20 19.

21 Stanley Ray Graham

22 (a) Between on or about September 29, 2003 and on or  
23 about January 27, 2004, Respondent CPFC negotiated a loan to  
24 Stanley Ray Graham, borrower, secured by real property at 4530  
25 Garfield Street, La Mesa, California. On or about January 27,  
26 2004, escrow closed at CLTC. Respondents, jointly and severally,  
27 referred this borrower to CLTIC. CLTIC issued title insurance to

1 the lender paid for by borrower for a total premium of \$536.00 of  
2 the premium to LARS. CLTIC ceded \$236.00 of the premium to LARS.  
3 LARS then paid \$45.20 to Respondent CPFC through CPDS for  
4 referral by Respondent CPFC of the borrower to CLTIC.

5 (b) On or about September 29, 2003, Respondents  
6 provided a Good Faith Estimate to borrower which failed to comply  
7 with Regulation 2840.1.

8 (c) Respondents did not disclose to borrower any  
9 affiliation with LARS or CLTIC. Respondents did not disclose to  
10 borrower that Respondent CPFC would receive compensation from  
11 CLTIC if borrower purchased title insurance from CLTIC. Nor did  
12 Respondents disclose the amount of the compensation fee or  
13 consideration which Respondent CPFC received from CLTIC through  
14 LARS in connection with this loan.

15 20.

16 Robert and Annette Ragona

17 (a) Between on or about November 13, 2003 and on or  
18 about January 29, 2004, Respondent CPFC negotiated a loan to  
19 Robert and Annette Ragona, borrowers, secured by real property at  
20 1271 Ramona Avenue, Hollister, California. On or about January  
21 29, 2004, escrow closed at CLTC. Respondents, jointly and  
22 severally, referred these borrowers to CLTIC. CLTIC issued title  
23 insurance to the lender paid for by borrowers for a total premium  
24 of \$856.00 paid for by borrowers through escrow. CLTIC ceded  
25 \$556.00 of the premium to LARS. LARS then paid \$111.20 to  
26 Respondent CPFC through CPDS for referral by Respondent CPFC of  
27 the borrowers to CLTIC.

1 (b) On or about November 13, 2003, Respondents  
2 provided a Good Faith Estimate to borrowers which failed to  
3 comply with Regulation 2840.1.

4 (c) Respondents did not disclose to borrowers any  
5 affiliation with LARS or CLTIC. Respondents did not disclose to  
6 borrowers that Respondent CPFC would receive compensation from  
7 CLTIC if borrowers purchased title insurance from CLTIC. Nor did  
8 Respondents disclose to borrowers the amount of the compensation  
9 fee or consideration which Respondent CPFC received from CLTIC  
10 through LARS in connection with this loan.

11 21.

12 Lee Petersen

13 (a) Between on or about September 30, 2003 and on or  
14 about January 2, 2004, Respondent CPFC negotiated a loan to Lee  
15 Petersen, borrower, secured by real property at 8266 Gaunt Avenue  
16 #12, Gilroy, California. On or about January 2, 2004, escrow  
17 closed at CLTC. Respondents, jointly and severally, referred this  
18 borrower to CLTIC. CLTIC issued title insurance to the lender  
19 paid for by borrower for a total premium of \$910.00 paid for by  
20 borrower through escrow. CLTIC ceded \$610.00 of the premium to  
21 LARS. LARS then paid \$122.00 to Respondent CPFC through CPDS for  
22 referral by Respondent CPFC of the borrower to CLTIC.

23 (b) On or about September 30, 2003, Respondents  
24 provided a Good Faith Estimate to borrower which failed to comply  
25 with Regulation 2840.1.

26 (c) Respondents did not disclose to borrowers any  
27 affiliation with LARS or CLTIC. Respondents did not disclose to

1 borrower that Respondent CPFC would receive compensation from  
2 CLTIC if borrower purchased title insurance from CLTIC. Nor did  
3 Respondents disclose to borrower the amount of the compensation  
4 fee or consideration which Respondent CPFC received from CLTIC  
5 through LARS in connection with this loan.

6 22.

7 Rony Hage

8 (a) Between on or about January 6, 2004, and on or  
9 about February 13, 2004, Respondent CPFC negotiated a loan to  
10 Rony Hage, borrower, secured by real property at 10918 Pasita De  
11 Kristy, Lakeside, California. On or about February 13, 2004,  
12 escrow closed at CLTC. Respondents, jointly and severally,  
13 referred this borrower to CLTIC. CLTIC issued title insurance to  
14 the lender paid for by borrower for a total premium of \$514.00  
15 paid for by borrowers through escrow. CLTIC ceded \$214.00 of the  
16 premium to LARS. LARS then paid \$42.80 to Respondent CPFC  
17 through CPDS for referral by Respondent CPFC of the borrowers to  
18 CLTIC.

19 (b) On or about January 6, 2004, Respondents provided  
20 a Good Faith Estimate to borrower which failed to comply with  
21 Regulation 2840.1.

22 (c) Respondents did not disclose to borrower any  
23 affiliation with LARS or CLTIC. Respondents did not disclose to  
24 borrower that Respondent CPFC would receive compensation from  
25 CLTIC if borrower purchased title insurance from CLTIC. Nor did  
26 Respondents disclose to borrower the amount of the compensation  
27 fee or consideration which Respondent CPFC received from CLTIC

1 through LARS in connection with this loan.

2 23.

3 CONDUCT

4 Respondents, and each of them, intentionally engaged in  
5 the conduct above set forth. In the alternative, Respondents  
6 and each of them engaged in negligent non disclosures in  
7 transactions for which a real estate license is required.

8 24.

9 FAILURE TO SUPERVISE

10 In the alternative, Respondent LIPAR as the broker-  
11 officer designated by Respondent CPFC to supervise the activities  
12 of the corporation for which a real estate license is required,  
13 willfully failed to exercise reasonable supervision over the  
14 activities of Respondent CPFC for which a real estate license is  
15 required, in violation of Code Section 10177(d) for willful  
16 violation of Code Section 10159.2, and Code Section 10177(h).

17 25.

18 CAUSES FOR DISCIPLINARY ACTION

19 Respondents' conduct as hereinabove set forth, singly  
20 or together, subjects both their real estate licenses and license  
21 rights to suspension or revocation, under the provisions of the  
22 following Code Sections:

23 (a) 10176(a) for substantial non disclosures that  
24 Respondent CPFC would receive compensation from LARS and CTLC;

25 (b) 10176(c) for a continued and flagrant course of non  
26 disclosure through real estate agents or salespeople that  
27 respondent CPFC would receive compensation from LARS and CTLC;



1 (c) 10176(i) or 10177(j) for fraud or dishonest dealing  
2 in failing to disclose to their borrowers that respondent CPFC  
3 would receive compensation from LARS and CTLC;

4 (d) 10176(i) or 10177(j) for fraud or dishonest dealing  
5 in failing to disclose to sellers and buyers the amount of  
6 compensation actually received from LARS and CTLC.

7 (e) 10177(d) for willful violations of Code Sections  
8 10240, 10241 and Regulation 2840.1

9 (f) 10177(d), 10177(g) and/or 10177(h) for Respondent  
10 LIPAR's failure to exercise reasonable supervision over the  
11 activities of the officers and employees of Respondent CPFC so as  
12 to prevent the violations from having occurred.

13 (g) 10177(g) for negligent non disclosures in  
14 transactions for which a real estate license is required; and/or

15 (h) 10177.4 for claiming, demanding or receiving  
16 commissions, fees or other consideration from a title insurance  
17 company for referral of customers to the title insurance company.

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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/or license rights of Respondent  
5 CAPITAL PLUS FINANCIAL CORPORATION, a corporate real estate  
6 broker and Respondent DOUGLAS ALLEN LIPAR, as designated officer  
7 of Capital Plus Financial Corporation. under the Real Estate Law  
8 and for such other and further relief as may be proper under  
9 applicable provisions of law.

10 Dated at Los Angeles, California

11 this 30 day of March, 2006.

12  
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14   
15 Janice Waddell,  
16 Deputy Real Estate Commissioner  
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18  
19  
20

21 cc:           Capital Plus Financial Corporation  
22               %Douglas Allen Lipar  
23               Douglas Allen Lipar  
24               Incorvaia & Associates, Joel Incorvaia, Esq.  
25               Janice Waddell  
26               Sacto.

27 EML: kw.