

*Setts*

Department of Real Estate  
320 West 4th Street, Ste. 350  
Los Angeles, California 90013-1105  
Telephone: (213) 576-6982 (office)

**FILED**

OCT 21 2009

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-34028 LA
	)	
US CAPITAL FUNDING CORPORATION;	)	<u>STIPULATION</u>
RONALD MINASSIAN, individually	)	<u>AND</u>
and as designated officer;	)	<u>AGREEMENT</u>
ARTHUR JOSEPH SHABOUL,	)	
individually and as former	)	
designated officer of	)	
US Capital Funding Corporation,	)	
	)	
	)	
Respondents,	)	

It is hereby stipulated by and between Respondent  
ARTHUR JOSEPH SHABOUL, individually and as former designated  
officer of US Capital Funding Corporation (sometimes referred to  
as "Respondent"), represented by Dennis G. Harkavy, Esq., and the  
Complainant, acting by and through Elliott Mac Lennan, Counsel  
for the Department of Real Estate ("Department"), as follows for  
the purpose of settling and disposing of the Accusation  
("Accusation") filed on June 7, 2007, 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 ("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. Respondent 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 Respondent hereby freely and voluntarily withdraws said Notice of  
16 Defense. Respondent acknowledges that he understand that by  
17 withdrawing said Notice of Defense he thereby waive his right to  
18 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 he will waive other rights  
21 afforded to him in connection with the hearing such as the right  
22 to present evidence in his defense and the right to cross-examine  
23 witnesses.  
24

25           4. This Stipulation is based on the factual  
26 allegations contained in the Accusation. In the interest of  
27

1 expedience and economy, Respondent chooses not to contest these  
2 allegations, but to remain silent and understand that, as a  
3 result thereof, these factual allegations, without being admitted  
4 or denied, will serve as a prima facie basis for the disciplinary  
5 action stipulated to herein. The Real Estate Commissioner shall  
6 not be required to provide further evidence to prove said factual  
7 allegations.

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

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

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

9           8. Respondent understand that by agreeing to this  
10 Stipulation, Respondent agrees to pay, pursuant to Business and  
11 Professions Code Section 10148, the cost of audit which led to  
12 this disciplinary action. The amount of said cost for the audit  
13 is \$2,322.99 (Audit Report LA 060023 and LA 060024).

14           9. Respondent has received, read, and understand the  
15 "Notice Concerning Costs of Subsequent Audit". Respondent  
16 further understands that by agreeing to this Stipulation, the  
17 findings set forth below in the Determination of Issues become  
18 final, and the Commissioner may charge Respondent for the cost of  
19 any subsequent audit conducted pursuant to Business and  
20 Professions Code Section 10148 to determine if the violations  
21 have been corrected. The maximum cost of the subsequent audit  
22 will not exceed \$2,322.99.

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DETERMINATION OF ISSUES

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

I.

The conduct of ARTHUR JOSEPH SHABOUL, as referred to in Paragraph 4, above, is in violation of Sections 10145 and 10240 of the Business and Professions Code ("Code") and Sections 2831, 2831.1, 2831.2, 2832(d) and 2840 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for the suspension or revocation of Respondent's license and license rights as a violation of the Real Estate Law pursuant to Code Section 10177(d).

II.

The conduct of ARTHUR JOSEPH SHABOUL, as described in Paragraph 4, constitutes a failure to keep US Capital Funding Corporation in compliance with the Real Estate Law during the time that he was the officer designated by a corporate broker licensee in violation of Section 10159.2 of the Code. This conduct is a basis for the suspension or revocation of Respondent's license pursuant to Code Section 10177(h).

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondent

ARTHUR JOSEPH SHABOUL, under the Real Estate Law are suspended for a period of thirty days from the effective date of this Decision; provided, however, that if Respondent requests, said suspension, or a portion thereof, shall be stayed upon condition that:

1. Pursuant to Section 10175.2 of the Business and Professions Code, Respondent pays a monetary penalty of one hundred dollars (\$100.00) per day or Three Thousand Dollars (\$3,000) in 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 Respondent occurs within one (1) year from the effective date of the Decision in this matter.

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

1 event Respondent shall not be entitled to any repayment nor  
2 credit, prorated or otherwise, for money paid to the Department  
3 under the terms of this Decision.

4 5. If Respondent pays the monetary penalty and if no  
5 further cause for disciplinary action against the real estate  
6 license of Respondent occur within one (1) year from the  
7 effective date of the Decision, the stay hereby granted shall  
8 become permanent.

9 6. Respondent shall obey all laws, rules and  
10 regulations governing the rights, duties and responsibilities of  
11 real estate licensees in the State of California.

12 II.

13 Pursuant to Section 10148 of the Business and  
14 Professions Code, Respondent ARTHUR JOSEPH SHABOUL, is co-  
15 jointly liable to pay the Commissioner's reasonable cost for (a)  
16 the audit of US Capital Funding Corporation which led to this  
17 disciplinary action (b) a subsequent audit to determine if  
18 Respondent are now in compliance with the Real Estate Law. The  
19 cost of the audit which led to this disciplinary action is  
20 \$2,322.99. In calculating the amount of the Commissioner's  
21 reasonable cost, the Commissioner may use the estimated average  
22 hourly salary for all persons performing audits of real estate  
23 brokers, and shall include an allocation for travel time to and  
24 from the auditor's place of work. Said amount for the prior and  
25 subsequent audits shall not exceed \$4,645.98.  
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1 Respondent shall pay such cost within 60 days of  
2 receiving an invoice from the Commissioner detailing the  
3 activities performed during the audit and the amount of time  
4 spent performing those activities.

5 The Commissioner may suspend the license of Respondent  
6 pending a hearing held in accordance with Section 11500, et seq.,  
7 of the Government Code, if payment is not timely made as provided  
8 for herein, or as provided for in a subsequent agreement between  
9 the Respondent and the Commissioner. The suspension shall remain  
10 in effect until payment is made in full or until Respondent  
11 enters into an agreement satisfactory to the Commissioner to  
12 provide for payment, or until a decision providing otherwise is  
13 adopted following a hearing held pursuant to this condition.

14 III.

15 All licenses and licensing rights of Respondent ARTHUR  
16 JOSEPH SHABOUL are indefinitely suspended unless or until  
17 Respondent provides proof satisfactory to the Commissioner, of  
18 having taken and successfully completed the continuing education  
19 course on trust fund accounting and handling specified in  
20 paragraph (3) of subdivision (a) of Section 10170.5 of the  
21 Business and Professions Code. Proof of satisfaction of this  
22 requirement includes evidence that respondent has successfully  
23 completed the trust fund account and handling continuing  
24 education course within 120 days prior to the effective date of  
25 the Decision in this matter.  
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1 DATED: 7-31-07

2 E.L.C.  
3 ELLIOTT MAC LENNAN, Counsel for  
4 the Department of Real Estate

5 \* \* \*

6 EXECUTION OF THE STIPULATION

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


18 MAILING AND FACSIMILE

19 Respondent (1) shall mail the original signed signature  
20 page of the stipulation herein to Elliott Mac Lennan: Attention:  
21 Legal Section, Department of Real Estate, 320 W. Fourth St.,  
22 Suite 350, Los Angeles, California 90013-1105. Additionally,  
23 Respondent shall also (2) facsimile a copy of signed signature  
24 page, to the Department at the following telephone/fax number:  
25 (213) 576-6917, Attention: Elliott Mac Lennan.

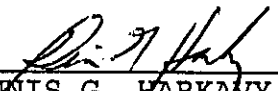
26 ///

1 A facsimile constitutes acceptance and approval of the  
2 terms and conditions of this stipulation. Respondent agrees,  
3 acknowledges and understands that by electronically sending to  
4 the Department a facsimile copy of Respondent's actual signature  
5 as it appears on the stipulation, that receipt of the facsimile  
6 copy by the Department shall be as binding on Respondent as if  
7 the Department had received the original signed stipulation.

8  
9 DATED: 10/17/07

  
ARTHUR JOSEPH SHABOUL individually  
and as former designated officer of  
US Capital Funding Corporation,  
Respondent

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13 DATED: SEP 26, 2007

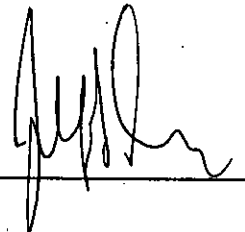
  
DENNIS G. HARKAVY, Esq.  
Attorney for Respondent  
Approved as to form

14  
15 \* \* \*

16  
17 The foregoing Stipulation and Agreement is hereby  
18 adopted as my Decision as to Respondent ARTHUR JOSEPH SHABOUL,  
19 individually and as former designated officer of US Capital  
20 Funding Corporation and shall become effective at 12 o'clock noon  
21 on November 20, 2009.

22 IT IS SO ORDERED 9/30, 2009.

23  
24 JEFF DAVI  
Real Estate Commissioner

25  
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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 and the right to cross-  
23 examine witnesses.  
24

25           4. This Stipulation is based on the factual  
26 allegations contained in the Accusation. In the interest of  
27

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

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

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

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

9           8. Respondents understand that by agreeing to this  
10 Stipulation, Respondents agrees to pay, pursuant to Business and  
11 Professions Code Section 10148, the cost of audit which led to  
12 this disciplinary action. The amount of said cost for the audit  
13 is \$2,322.99 (Audit Report LA 060023 and LA 060024).

14           9. Respondents have received, read, and understand the  
15 "Notice Concerning Costs of Subsequent Audit". Respondent  
16 further understands that by agreeing to this Stipulation, the  
17 findings set forth below in the Determination of Issues become  
18 final, and the Commissioner may charge Respondent for the cost of  
19 any subsequent audit conducted pursuant to Business and  
20 Professions Code Section 10148 to determine if the violations  
21 have been corrected. The maximum cost of the subsequent audit  
22 will not exceed \$2,322.99.

24 ///

25 ///

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DETERMINATION OF ISSUES

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

I.

The conduct of Respondents US CAPITAL FUNDING CORPORATION and RONALD MINASSIAN, as referred to in Paragraph 4, above, is in violation of Sections 10145 and 10240 of the Business and Professions Code ("Code") and Sections 2831, 2831.1, 2831.2, 2832(d) and 2840 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for the suspension or revocation of Respondents' license and license rights as a violation of the Real Estate Law pursuant to Code Section 10177(d).

II.

The conduct of RONALD MINASSIAN, as described in Paragraph 4, constitutes a failure to keep US Capital Funding Corporation in compliance with the Real Estate Law during the time that he was the officer designated by a corporate broker licensee in violation of Section 10159.2 of the Code. This conduct is a basis for the suspension or revocation of Respondent's license pursuant to Code Section 10177(h).

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///

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents  
US CAPITAL FUNDING CORPORATION and RONALD MINASSIAN, under the  
Real Estate Law are suspended for a period of thirty days from  
the effective date of this Decision; provided, however, that if a  
Respondent requests, said suspension, or a portion thereof, shall  
be stayed upon condition that:

1. Pursuant to Section 10175.2 of the Business and  
Professions Code, each Respondent pays a monetary penalty of one  
hundred dollars (\$100.00) per day or Three Thousand Dollars each  
or (\$6,000) in 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 a Respondent occurs within two (2)  
years from the effective date of the Decision in this matter.

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



1 event a Respondent shall not be entitled to any repayment nor  
2 credit, prorated or otherwise, for money paid to the Department  
3 under the terms of this Decision.

4 5. If a Respondent pays the monetary penalty and if no  
5 further cause for disciplinary action against the real estate  
6 license of a Respondent occur within two (2) years from the  
7 effective date of the Decision, the stay hereby granted shall  
8 become permanent.

9 6. Respondent shall obey all laws, rules and  
10 regulations governing the rights, duties and responsibilities of  
11 real estate licensees in the State of California.

12 II.

13 Pursuant to Section 10148 of the Business and  
14 Professions Code, Respondents US CAPITAL FUNDING CORPORATION and  
15 RONALD MINASSIAN, are co-jointly liable to pay the Commissioner's  
16 reasonable cost for (a) the audit of US Capital Funding  
17 Corporation which led to this disciplinary action (b) a  
18 subsequent audit to determine if Respondents are now in  
19 compliance with the Real Estate Law. The cost of the audit which  
20 led to this disciplinary action is \$2,322.99. In calculating the  
21 amount of the Commissioner's reasonable cost, the Commissioner  
22 may use the estimated average hourly salary for all persons  
23 performing audits of real estate brokers, and shall include an  
24 allocation for travel time to and from the auditor's place of  
25 work. Said amount for the prior and subsequent audits shall not  
26  
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1 exceed \$4,645.98.

2 Respondents shall pay such cost within 60 days of  
3 receiving an invoice from the Commissioner detailing the  
4 activities performed during the audit and the amount of time  
5 spent performing those activities.

6 The Commissioner may suspend the license of a  
7 Respondent pending a hearing held in accordance with Section  
8 11500, et seq., of the Government Code, if payment is not timely  
9 made as provided for herein, or as provided for in a subsequent  
10 agreement between the Respondent and the Commissioner. The  
11 suspension shall remain in effect until payment is made in full  
12 or until a Respondent enters into an agreement satisfactory to  
13 the Commissioner to provide for payment, or until a decision  
14 providing otherwise is adopted following a hearing held pursuant  
15 to this condition.

16  
17 III.

18 All licenses and licensing rights of Respondent RONALD  
19 MINASSIAN are indefinitely suspended unless or until Respondent  
20 provides proof satisfactory to the Commissioner, of having taken  
21 and successfully completed the continuing education course on  
22 trust fund accounting and handling specified in paragraph (3) of  
23 subdivision (a) of Section 10170.5 of the Business and  
24 Professions Code. Proof of satisfaction of this requirement  
25 includes evidence that respondent has successfully completed the  
26 trust fund account and handling continuing education course.

1 within 120 days prior to the effective date of the Decision in  
2 this matter.

3  
4  
5 DATED: 7-31-07

ELL  
6 ELLIOTT MAC LENNAN, Counsel for  
7 the Department of Real Estate

8 \* \* \*

9 EXECUTION OF THE STIPULATION

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

21 MAILING AND FACSIMILE

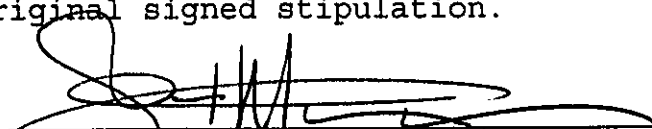
22 Respondents (1) shall mail the original signed  
23 signature page of the stipulation herein to Elliott Mac Lennan:  
24 Attention: Legal Section, Department of Real Estate, 320 W.  
25 Fourth St., Suite 350, Los Angeles, California 90013-1105.  
26 Additionally, Respondents shall also (2) facsimile a copy of  
27

signed signature page, to the Department at the following  
telephone/fax number: (213) 576-6917, Attention: Elliott Mac  
Lennan.

A facsimile constitutes acceptance and approval of the  
terms and conditions of this stipulation. Respondents agree,  
acknowledge and understand that by electronically sending to the  
Department a facsimile copy of Respondents' actual signature as  
it appears on the stipulation, that receipt of the facsimile copy  
by the Department shall be as binding on Respondents as if the  
Department had received the original signed stipulation.

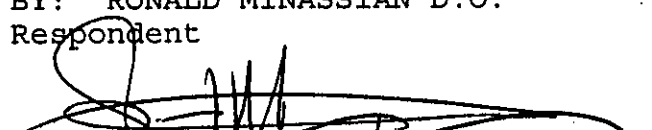
DATED:

5/24/09

  
US CAPITAL FUNDING CORPORATION  
individually  
BY: RONALD MINASSIAN D.O.  
Respondent

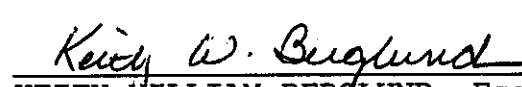
DATED:

5/24/09

  
RONALD MINASSIAN, individually and  
as designated officer of US Capital  
Funding Corporation  
Respondent

DATED:

5.24.09

  
KEITH WILLIAM BERGLUND, Esq.  
Attorney for Respondents US Capital  
Funding Corporation and Ronald  
Minassian  
Approved as to form

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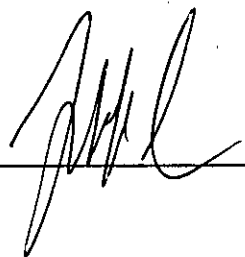
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1 \* \* \*

2 The foregoing Stipulation and Agreement is hereby  
3 adopted as my Decision as to Respondents US CAPITAL FUNDING  
4 CORPORATION and RONALD MINASSIAN, individually and as designated  
5 officer of US Capital Funding Corporation and shall become  
6 effective at 12 o'clock noon on October 16 , 2009.

7 IT IS SO ORDERED 9-2, 2009.

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9 JEFF DAVI  
10 Real Estate Commissioner

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*Book 2*

**FILED**  
JUN - 7 2007  
DEPARTMENT OF REAL ESTATE

*R. Underholz*

ELLIOTT MAC LENNAN, SBN 66674  
Department of Real Estate  
320 West 4th Street, Ste. 350  
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)  
-or- (213) 576-6982 (office)

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of

No. H-34028 LA

US CAPITAL FUNDING CORPORATION;  
RONALD MINASSIAN, individually  
and as designated officer;  
ARTHUR JOSEPH SHABOUL,  
individually and as former  
designated officer of US Capital  
Funding Corporation,

A C C U S A T I O N

Respondents.

The Complainant, Janice Waddell, a Deputy Real Estate  
Commissioner of the State of California, for cause of Accusation  
against US CAPITAL FUNDING CORPORATION, RONALD MINASSIAN,  
individually and as designated officer of US Capital Funding, and  
ARTHUR JOSEPH SHABOUL, individually and as designated officer of  
US Capital Funding Corporation, alleges as follows:

1.

The Complainant, Janice Waddell, acting in her official  
capacity as a Deputy Real Estate Commissioner of the State of

1 California, makes this Accusation against US CAPITAL FUNDING  
2 CORPORATION, RONALD MINASSIAN and JOSEPH A. SHABOUL.

3 2.

4 All references to the "Code" are to the California  
5 Business and Professions Code and all references to "Regulations"  
6 are to Title 10, Chapter 6, California Code of Regulations.

7 LICENSE HISTORY

8 3.

9 A. At all times mentioned, US CAPITAL FUNDING  
10 CORPORATION ("CAPITAL FUNDING"), RONALD MINASSIAN ("MINASSIAN")  
11 and ARTHUR JOSEPH SHABOUL ("SHABOUL") were licensed or had  
12 license rights issued by the Department of Real Estate  
13 ("Department") as real estate brokers.

14 B. On June 19, 1997, MINASSIAN was originally licensed  
15 as a real estate broker. On December 17, 2005, MINASSIAN was  
16 licensed as the designated officer of CAPITAL FUNDING.

17 C. On January 7, 2003, SHABOUL was originally licensed  
18 as a restricted real estate broker pursuant to H-29528 LA. From  
19 July 20, 2004 to December 17, 2005, SHABOUL was licensed as the  
20 designated officer of CAPITAL FUNDING.

21 D. At all times material herein, CAPITAL FUNDING was  
22 licensed by the Department as a corporate real estate broker by  
23 and through MINASSIAN and SHABOUL, as the designated officers and  
24 brokers responsible, pursuant to Code Section 10159.2 of the  
25 Business and Professions Code for supervising the activities  
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1 requiring a real estate license conducted on behalf of CAPITAL  
2 FUNDING by CAPITAL FUNDING's officers, agents and employees,  
3 including MINASSIAN and SHABOUL. CAPITAL FUNDING's corporate  
4 real estate broker license was originally issued on November 14,  
5 2003. From November 14, 2003 to December 17, 2005, SHABOUL was  
6 the designated officer of CAPITAL FUNDING. From December 17,  
7 2005 to date, MINASSIAN has become the designated officer of  
8 CAPITAL FUNDING.

9  
10 LICENSED ACTIVITIES AND BROKERAGE

11 4.

12 At all times mentioned, in the City of Glendale, County  
13 of Los Angeles, CAPITAL FUNDING, MINASSIAN and SHABOUL acted as  
14 real estate brokers conducting licensed activities within the  
15 meaning of Code Section 10131(d) by operating a mortgage and loan  
16 brokerage dba US Capital Funding.

17 AUDIT

18 5.

19 On September 29, 2006, the Department completed an  
20 audit examination of the books and records of CAPITAL FUNDING  
21 pertaining to the mortgage and loan activities described in  
22 Paragraph 4, that require a real estate license. The audit  
23 examination covered a period of time beginning on December 1,  
24 2003 to July 31, 2006. The audit examination revealed violations  
25 of the Code and the Regulations as set forth in the following  
26 paragraphs, and more fully discussed in Audit Report LA 060023/  
27



1 LA 060024 and the exhibits and workpapers attached to the audit  
2 report.

3 TRUST ACCOUNTS

4 6.

5 At all times mentioned, in connection with the  
6 activities described in Paragraph 4, above, CAPITAL FUNDING  
7 accepted or received funds including funds in trust (hereinafter  
8 "trust funds") from or on behalf of actual or prospective parties  
9 to transactions including borrowers handled by CAPITAL FUNDING,  
10 including credit report and appraisal fees. During the audit  
11 period, CAPITAL FUNDING did not maintain a trust account for its  
12 mortgage and loan brokerage.

13 VIOLATIONS OF THE REAL ESTATE LAW

14 7.

15 In the course of activities described in Paragraphs 4  
16 and 6, above, and during the examination period described in  
17 Paragraph 5, Respondents CAPITAL FUNDING, MINASSIAN and SHABOUL,  
18 acted in violation of the Code and the Regulations in that they:  
19

20 (a) Permitted and/or caused the disbursement of trust  
21 funds to credit report companies on the representation that these  
22 amounts were needed to pay for credit report fees, which payments  
23 exceeded the actual costs of these services. Respondents did not  
24 disclose these "mark-ups" to borrower-beneficiaries including  
25 Mary Reginaldo of said trust funds and did not obtain her consent  
26 to these "mark-ups". Respondents retained the difference, \$100,  
27

1 between the amounts paid and the actual costs of the services, in  
2 violation of Code Sections 10176(a) and 10176(g).

3 (b) Failed to maintain an adequate control record in  
4 the form of a columnar record in chronological order of trust  
5 funds received for credit report and appraisal fees, as required  
6 by Code Section 10145 and Regulation 2831.

7 (c) Failed to maintain a separate record for each  
8 beneficiary or transaction, thereby failing to account for all  
9 trust funds received, as required by Code Section 10145 and  
10 Regulation 2831.1.

11 (d) Failed to place trust funds, including credit  
12 report and appraisal fees, accepted on behalf of another into the  
13 hands of the owner of the funds, a neutral escrow depository or  
14 into a trust fund account in the name of the trustee at a bank or  
15 other financial institution not later than three business days  
16 following receipt of the funds by the broker or by the broker's  
17 salesperson, as required by Code Section 10145 and Regulation  
18 2832(d).  
19

20 (e) Failed to perform a monthly reconciliation of the  
21 balance of all separate beneficiary or transaction records  
22 maintained pursuant to Regulation 2831.1 with the record of all  
23 trust funds received and disbursed, as required by Code Section  
24 10145 and Regulation 2831.2.

25 (f) Mixed and commingled trust funds and personal  
26 funds by depositing appraisal and credit report fees received  
27

1 from trust fund beneficiaries into CAPITAL FUNDING's general  
2 operating account and issuing checks from said account to the  
3 appraisers or credit companies after the service provider checks  
4 were deposited, violation of Code Sections 10145 and 10176(e).  
5 CAPITAL FUNDING failed to forward trust funds collected to trust  
6 fund beneficiaries Harriet Adjoin, Mami Phillips and Mary  
7 Reginaldo.

8 (g) Failed to provide, maintain or retain a true and  
9 correct copy of a Department of Real Estate approved Mortgage  
10 Loan Disclosure Statement signed by the broker for borrowers  
11 Vicken Chouchanian, Horout Agopian and Arthur Zabounian, in  
12 violation of Code Section 10240 and Regulation 2840.

13 (h) Failed to provide a complete loan application to  
14 borrowers Vicken Chouchanian, Horout Agopian and Arthur  
15 Zabounian, in violation of Code Section 10240 and Regulation  
16 2842.5. The original written loan applications provided to these  
17 borrowers were neither signed nor dated.

18 (i) Failed to disclose yield spread premiums from  
19 lenders on the approved Mortgage Loan Disclosure Statement for  
20 the borrowers Vicken Chouchanian, Horout Agopian, Arthur  
21 Zabounian and Daniel J. Gross, in violation of Code Section  
22 10240, 10241 and Regulation 2840.

23 (j) Failed to display CAPITAL FUNDING, MINASSIAN and  
24 SHABOUL's license numbers and the Department's telephone number  
25 on the Vicken Chouchanian, Horout Agopian and Arthur Zabounian  
26  
27

1 Mortgage Loan Disclosure Statements, as required by Code Section  
2 10236.4.

3 8.

4 The conduct of Respondents CAPITAL FUNDING, MINASSIAN  
5 and SHABOUL, described in Paragraph 7, above, violated the Code  
6 and the Regulations as set forth below:

7 PARAGRAPH

PROVISIONS VIOLATED

8 7(a)

Code Sections 10176(a) and 10176(g)

10 7(b)

Code Section 10145 and Regulation  
11 2831

13 7(c)

Code Sections 10145 and Regulation  
14 2831.1

16 7(d)

Code Section 10145 and Regulation  
17 2832(d)

19 7(e)

Code Section 10145 and Regulation  
20 2831.2

22 7(f)

Code Sections 10145 and 10176(e)

24 7(g)

Code Section 10240 and Regulation  
25 2840

1  
2 7(h)

Code Section 10240 and Regulation  
2842.5

3  
4  
5 7(i)

Code Sections 10240 and 10241 and  
Regulation 2840

6  
7  
8 7(j)

Code Section 10236.4

9  
10 The foregoing violations constitutes cause for the suspension or  
11 revocation of the real estate license and license rights of  
12 CAPITAL FUNDING, MINASSIAN and SHABOUL, pursuant to Code Sections  
13 10176(a), 10176(e), 10176(g), 10177(d) and/or 10177(g).

14  
15 NEGLIGENCE

16 9.

17 The overall conduct of Respondents MINASSIAN and  
18 SHABOUL constitutes negligence or incompetence. This conduct and  
19 violation are cause for the suspension or revocation of the real  
20 estate license and license rights of said Respondents pursuant to  
21 Code Section 10177(g).

22 SUPERVISION AND COMPLIANCE

23 10.

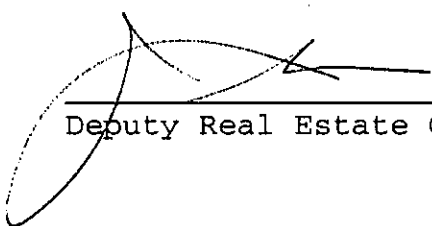
24 The overall conduct of Respondents MINASSIAN and  
25 SHABOUL constitutes a failure on their part, as officer and  
26 former officer designated by a corporate broker licensee, to  
27

1 exercise the reasonable supervision and control over the licensed  
2 activities of CAPITAL FUNDING as required by Code Section  
3 10159.2, and to keep CAPITAL FUNDING in compliance with the Real  
4 Estate Law, and is cause for the suspension or revocation of the  
5 real estate license and license rights of MINASSIAN and SHABOUL  
6 pursuant to the provisions of Code Section 10177(h).

7 WHEREFORE, Complainant prays that a hearing be  
8 conducted on the allegations of this Accusation and that upon  
9 proof thereof, a decision be rendered imposing disciplinary  
10 action against the license and license rights of Respondents US  
11 CAPITAL FUNDING CORPORATION, RONALD MINASSIAN and ARTHUR JOSEPH  
12 SHABOUL, under the Real Estate Law (Part 1 of Division 4 of the  
13 Business and Professions Code) and for such other and further  
14 relief as may be proper under other applicable provisions of law.

15 Dated at Los Angeles, California

16 this 16 April 2007

17   
18 Deputy Real Estate Commissioner  
19  
20  
21  
22

23 cc: US Capital Funding Corporation  
24 c/o Ronald Minassian D.O.  
25 c/o Arthur Joseph Shaboul D.O.  
26 Janice Waddell  
27 Sacto  
Audits - Godswill Keraoru