

FILED

AUG - 7 2008

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

BY:

* * *

In the Matter of the Accusation of)
)
 AMERICAN DREAM FUNDING, INC.,)
 And ROMERO MACLANG QUIAMBAO,)
)
 Respondents.)

NO. H-34468 LA

L-2008030764

DECISION

The Proposed Decision dated June 24, 2008, of the Administrative Law Judge of the Office of Administrative Hearings is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter as to the real estate broker license and licensing rights of Respondent ROMERO MACLANG QUIAMBAO. The Proposed Decision as to Respondent AMERICAN DREAM FUNDING INC.'s corporate broker license and licensing rights is Rejected because the corporate broker license was voluntarily surrendered by a separate Order dated June 18, 2008.

This Decision shall become effective at 12 o'clock noon
on August 27, 2008

IT IS SO ORDERED

8-7-08

JEFF DAVI
Real Estate Commissioner

BT. Barbara J. Bigby
Chief Deputy Commissioner

Laudo

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of:

AMERICAN DREAM FUNDING INC.;
And, ROMEO MACLANG QUIAMBAO,
individually and as designated officer of
American Dream Funding Inc.,

Respondents.

Case No. H-34468 LA

OAH No. L2008030764

PROPOSED DECISION

On June 5, 2008, in Los Angeles, California, Alan S. Meth, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter.

Elliott Mac Lennan, Counsel, represented complainant.

Respondent Romeo Maclang Quiambao did not appear although he was properly served with the Notice of Hearing and the matter proceeded as a default.

Respondent American Dream Funding Inc. did not appear at the hearing and the matter proceeded as a default.

The matter was submitted on June 5, 2008.

FACTUAL FINDINGS

1. Janice Waddell, Deputy Real Estate Commissioner of the Department of Real Estate of the State of California (Department) filed Accusation No. H-34468 LA in her official capacity on November 7, 2007. Respondent Romeo Maclang Quiambao (Quiambao) filed a timely Notice of Defense. Respondent American Dream Funding Inc. (American) did not file a Notice of Defense

2. Respondent American was licensed as a corporate real estate broker and held license number 01214786. Respondent Quiambao became the designated officer on October 28, 2002. Respondent American operated a mortgage and loan brokerage in the City of Reseda, California.

Respondent Quiambao was originally licensed as a broker on March 14, 1994 and held license number 01177015. The Department cancelled his designated officer license for respondent American on November 30, 2006.

3. On August 29, 2006, the Department completed an audit examination of the books and records of respondent American pertaining to the mortgage and loan activities it performed between May 1, 2003 and April 30, 2006. Manijeh Khazrai performed the audit on behalf of the Department between May 5 and August 29, 2006, and submitted an Audit Report dated August 29, 2006.

4. In connection with its mortgage and loan brokerage activities, respondent American received funds including funds in trust from or on behalf of actual or prospective parties to transactions handled by respondent American, including borrowers and lenders, and thereafter made deposits and/or disbursements of such funds. Respondent American did not maintain a trust account during the audit period.

5. The audit revealed respondents American and Quiambao committed the following violations of the Business and Professions Code (Code) and Title 10 of the California Code of Regulations (Regulations):¹

a. Respondents received trust funds at the close of loan transactions in which respondent American collected appraisal and credit report fees and commissions or fees earned, and failed to place trust funds into the hands of the owner of the funds, a neutral escrow depository, or a trust fund account in the name of the trustee at a bank or other financial institution, in violation of Code section 10145 and Regulation 2832, subdivision (a).

b. Respondents failed to maintain a columnar record in chronological order of all trust funds received including credit report and appraisal fees in violation of Code section 10145 and Regulation 2831.

c. Respondents failed to maintain a separate record for each beneficiary or transaction and to maintain a record of credit report and appraisal fees, thereby failing to account for all trust funds received as required by Code section 10145 and Regulation 2831.1.

¹ During the hearing, paragraph 7g of the Accusation was stricken.

d. Respondents failed to perform a monthly reconciliation of the balance of all separate beneficiary or transaction records maintained pursuant to Regulation 2831.1 with the record of all trust funds received as required by Code section 10145 and Regulation 2831.2.

e. Respondents failed to provide, maintain, or retain a true and correct copy of an approved Mortgage Loan Disclosure Statement signed by the broker for borrowers Castro, Hidalgo, Flores, Gonzalez, Padilla, Gamboa, and Arevalo, in violation of Code sections 10240 and 10241 and Regulation 2840.

In addition, respondents failed to disclose yield spread premiums from lenders on the approved mortgage Loan Disclosure Statement for the above borrowers except Gamboa and Arevalo, in violation of Code sections 10240 and 10241 and Regulation 2840.

f. Respondents failed to produce or retain all records of its activities during the audit period, including invoices, cancelled checks, or other proof of payments for the credit reports for borrowers Gamboa, Flores, Arevalo, Rosales, Gonzalez, Padilla, Castro, and Gutierrez in violation of Code section 10148.

g. Respondents failed to maintain a signed broker salesperson agreement with real estate salespersons in violation of Regulation 2726.

h. With respect to respondent American, the signatures of respondent Quiambao as interviewer on the Uniform Residential Loan Applications for borrowers Castro, Hidalgo, Flores, Gonzalez, Gamboa, and Arevalo are each different from one another and from the true signature of respondent Quiambao in violation of Code sections 10176, subdivision (a), and 10177, subdivisions (g) and (j).

6. Edward Chen owned 55 percent of respondent American. He is not licensed by the Department. He met respondent Quiambao in 2002 and saw him two times during that year, but never saw him again at respondent American's office in Reseda. Respondent American paid respondent Quiambao five percent per loan for using his brokers license. Respondent Quiambao resides in the Philippines. Respondent Quiambao's father picked up respondent Quiambao's paychecks from respondent American. Respondent Quiambao's father is not a licensee of the Department but he told an employee of respondent American that he was the broker.

7. No evidence of mitigation or rehabilitation was introduced on behalf of respondents.

LEGAL CONCLUSIONS

1. Business and Professions Code Section 10177 provides in pertinent part:

The commissioner may suspend or revoke the license of a real estate licensee... who has done any of the following, or may suspend or revoke the license of a corporation... if an officer, director, or person owning or controlling 10 percent or more of the corporation's stock has done any of the following:

[¶]...

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

[¶]...

(g) Demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license.

(h) As a broker licensee, failed to exercise reasonable supervision over the activities of his or her salespersons, or, as the officer designated by a corporate broker licensee, failed to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required.

[¶]....

(j) Engaged in any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing....

2. Business and Professions Code section 10176 provides in part:

The commissioner may, upon his or her own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee within this state, and he or she may temporarily suspend or permanently revoke a real estate license at any time where the licensee, while a real estate licensee, in performing or attempting to perform any of the acts within the scope of this chapter has been guilty of any of the following:

(a) Making any substantial misrepresentation....

3. Cause to suspend or revoke the real estate licenses of respondents American Dream Funding Inc. and Romeo Maclang Quiambao was established pursuant to Business and Professions Code sections 10176, subdivision (a) and 10177, subdivisions (j), (d), and (h), by reason of Findings 4 and 5.

4. Cause to suspend or revoke the real estate licenses of respondents American Dream Funding Inc. and Romeo Maclang Quiambao was established pursuant to Business and Professions Code section 10177, subdivision (g), by reason of Findings 4 through 6 in that the evidence established that respondents performed the duties of real estate brokers negligently and incompetently.

5. Cause to suspend or revoke the real estate licenses of respondents American Dream Funding Inc. and Romeo Maclang Quiambao was established pursuant to Business and Professions Code section 10177, subdivisions (d), (g) and (h), by reason of Findings 4 through 6.

6. The evidence established that respondent Quiambao was an absentee broker who performed none of the duties imposed upon him by the Real Estate Law while at the same time receiving compensation from respondent American. He failed to exercise reasonable supervision and control over the licensed activities of respondent American and failed to ensure that respondent American complied with the Real Estate Law. Consequently, respondent American failed to perform its duties competently as a corporate broker licensee. The only appropriate penalty is revocation of all licenses and licensing rights held by respondents American and Quiambao.

ORDER

Accepted { 1. All licenses and licensing rights of respondent American Dream Funding Inc. under the Real Estate Law are revoked.

2. All licenses and licensing rights of respondent Romeo Maclang Quiambao under the Real Estate Law are revoked.

DATED: 6/24/08


ALAN S. METH
Administrative Law Judge
Office of Administrative Hearings

Sarkis

FILED

JUN 23 2008

DEPARTMENT OF REAL ESTATE

BY: [Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of
AMERICAN DREAM FUNDING INC.;
and, ROMEO MACLANG QUIAMBAO,
individually and as designated
officer of American Dream
Funding Inc.,

No. H-34468 LA

Respondents.

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On November 7, 2007, an Accusation was filed in this
matter against Respondent AMERICAN DREAM FUNDING INC.

On April 8, 2008, Respondent petitioned the
Commissioner to voluntarily surrender its real estate broker
license rights pursuant to Section 10100.2 of the Business and
Professions Code.

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1 IT IS HEREBY ORDERED that Respondent AMERICAN DREAM
2 FUNDING INC.'s petition for voluntary surrender of its real
3 estate broker license rights is accepted as of the effective date
4 of this Order as set forth below, based upon the understanding
5 and agreement expressed in Respondent's Declaration dated April
6 8, 2008, (attached as Exhibit "A" hereto). Respondent's license
7 certificate, pocket card and any branch office license
8 certificate shall be sent to the below listed address so that
9 they reach the Department on or before the effective date of this
10 Order:

11
12 Department of Real Estate
13 Atten: Licensing Flag Section
14 P.O. Box 187000
15 Sacramento, CA 95818-7000

16 This Order shall become effective at 12 o'clock noon on

17 July 14, 2008

18 DATED: 6-16, 2008

19 JEFF DAVI
20 Real Estate Commissioner
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"EXHIBIT A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

No. H-34468 LA

AMERICAN DREAM FUNDING INC.;)
and, ROMEO MACLANG QUIAMBAO,)
individually and as designated)
officer of American Dream Funding)
Inc.,)

Respondents.)

DECLARATION

My name is Edward Chen and I am the Vice President and
Secretary of AMERICAN DREAM FUNDING INC., which is licensed as
a real estate broker and/or has license rights with respect to
said license. I am authorized to sign this declaration on
behalf of AMERICAN DREAM FUNDING INC.

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1 In lieu of proceeding in this matter in accordance
2 with the provisions of the Administrative Procedures Act
3 (Sections 11400 et seq., of the Government Code) AMERICAN DREAM
4 FUNDING INC. wishes to voluntarily surrender its real estate
5 license issued by the Department of Real Estate ("Department"),
6 pursuant to Business and Professions Code Section 10100.2.

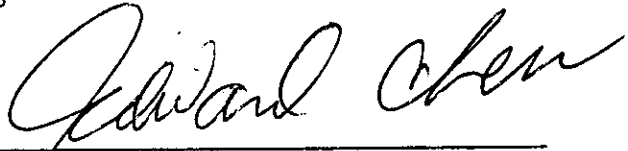
7 I understand that AMERICAN DREAM FUNDING INC. by so
8 voluntarily surrendering its license, can only have it
9 reinstated in accordance with the provisions of Section 11522 of
10 the Government Code. I also understand that by so voluntarily
11 surrendering its license rights, AMERICAN DREAM FUNDING INC.
12 agrees to the following:

13 The filing of this Declaration shall be deemed as its
14 petition for voluntary surrender. It shall also be deemed to be
15 an understanding and agreement by AMERICAN DREAM FUNDING INC.
16 that, it waives all rights it has to require the Commissioner to
17 prove the allegations contained in the Accusation ("Accusation")
18 filed in this matter at a hearing held in accordance with the
19 provisions of the Administrative Procedures Act (Government Code
20 Sections 11400 et seq.), and that it also waives other rights
21 afforded to it in connection with the hearing such as the right
22 to discovery, the right to present evidence in defense of the
23 allegations in the Accusation and the right to cross examine
24 witnesses. I further agree on behalf of AMERICAN DREAM FUNDING
25 INC. that upon acceptance by the Commissioner, as evidenced by
26
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1 an appropriate order, all affidavits and all relevant evidence
2 obtained by the Department in this matter prior to the
3 Commissioner's acceptance, and all allegations contained in the
4 Accusation filed in the Department Case No. H-34468 LA, may be
5 considered by the Department to be true and correct for the
6 purpose of deciding whether or not to grant reinstatement of
7 AMERICAN DREAM FUNDING INC.'s license pursuant to Government
8 Code Section 11522.

9 I declare under penalty of perjury under the laws of
10 the State of California that the above is true and correct and
11 that I am acting freely and voluntarily on behalf of AMERICAN
12 DREAM FUNDING INC. to surrender its license and all license
13 rights attached thereto.
14

15 APRIL 08, 2008
16 Date and Place

17 
18 AMERICAN DREAM FUNDING INC.
19 BY: EDWARD CHEN
20 Vice President and Secretary
21
22
23
24
25
26
27

1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

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

FILED

NOV -7 2007

DEPARTMENT OF REAL ESTATE

BY: APY

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-34468 LA

12 AMERICAN DREAM FUNDING INC.;)
13 and, ROMEO MACLANG QUIAMBAO,)
14 individually and as designated)
15 officer of American Dream Funding)
16 Inc.,)

A C C U S A T I O N

Respondents.)

17 The Complainant, Janice Waddell, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against AMERICAN DREAM FUNDING INC., a California Corporation
20 and ROMEO MACLANG QUIAMBAO, individually and as designated
21 officer of American Dream Funding Inc., alleges as follows:

22 1.

23 The Complainant, Janice Waddell, acting in her
24 official capacity as a Deputy Real Estate Commissioner of the
25 State of California, makes this Accusation against AMERICAN
26 DREAM FUNDING INC. and ROMEO MACLANG QUIAMBAO.
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2.

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

LICENSE HISTORY

3.

A. At all times mentioned, AMERICAN DREAM FUNDING INC. ("ADFI") was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On October 28, 2002, ADFI was originally licensed as a real estate broker through QUIAMBAO as the designated officer. On November 30, 2006, QUIAMBAO resigned as designated officer. As of November 30, 2006, ADFI has been non broker affiliated.

B. At all times mentioned, ROMEO MACLANG QUIAMBAO ("QUIAMBAO") was licensed or had license rights issued by the Department of Real Estate (Department) as a real estate broker. On March 14, 1994, QUIAMBAO was originally licensed as a real estate broker. On March 4, 2005, QUIAMBAO was licensed as the designated officer of AMERICAN DREAM FUNDING INC. On November 30, 2006, QUIAMBAO's designated officer license was cancelled.

C. At all times material herein, ADFI was licensed by the Department of Real Estate of the State of California (hereinafter "Department") as a corporate real estate broker by and through QUIAMBAO, as the designated officer and broker

1 responsible, pursuant to Code Section 10159.2 of the Business
2 and Professions Code for supervising the activities requiring a
3 real estate license conducted on behalf ADFI of by ADFI's
4 officers, agents and employees, including QUIAMBAO.

5 BROKERAGE

6 4.

7 At all times mentioned, in the City of Reseda, County
8 of Los Angeles, ADFI acted as a real estate broker and conducted
9 licensed activities within the meaning of Code Section 10131(d).
10 AMERICAN DREAM FUNDING INC. operated a mortgage and loan
11 brokerage.

12 AMERICAN DREAM FUNDING INC.

13 AUDIT

14 5.

15 On August 29, 2006, the Department completed an audit
16 examination of the books and records of ADFI pertaining to the
17 mortgage and loan activities described in Paragraph 4, that
18 require a real estate license. The audit examination covered a
19 period of time beginning on May 1, 2003 to April 30, 2006. The
20 audit examination revealed violations of the Code and the
21 Regulations as set forth in the following paragraphs, and more
22 fully discussed in Audit Report LA 050282 and the exhibits and
23 workpapers attached to said audit report.
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TRUST ACCOUNT

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, ADFI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions handled by ADFI including borrowers and lenders and thereafter made deposits and or disbursements of such funds. ADFI did not maintain a trust account during the audit period.

VIOLATIONS OF THE REAL ESTATE LAW

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period described in Paragraph 5, Respondents ADFI and QUIAMBAO, acted in violation of the Code and the Regulations in that they:

(a) Failed to place trust funds, including credit report and appraisal fees, accepted on behalf of another into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account in the name of the trustee at a bank or other financial institution, in violation of Code Section 10145 and Regulation 2832(a).

(b) Failed to maintain a control record in the form of a columnar record in chronological order of all trust funds received including credit report and appraisal fees, in violation of Code Section 10145 and Regulation 2831.

1 (c) Failed to maintain a separate record for each
2 beneficiary or transaction including failing to maintain a
3 record of credit report and appraisal fees, thereby failing to
4 account for all trust funds received, as required by Code
5 Section 10145 and Regulation 2831.1.

6 (d) Failed to perform a monthly reconciliation of the
7 balance of all separate beneficiary or transaction records
8 maintained pursuant to Regulation 2831.1 with the record of all
9 trust funds received, as required by Code Section 10145 and
10 Regulations 2831.2.

11 (e) (1) Failed to provide, maintain or retain a true
12 and correct copy of a Department of Real Estate approved
13 Mortgage Loan Disclosure Statement signed by the broker for
14 borrowers Castro, Hidalgo, Flores, Gonzalez, Padilla, Gamboa and
15 Arevalo, in violation of Code Section 10240 and 10241 and
16 Regulation 2840.

17 (e) (2) Failed to disclose yield spread premiums from
18 lenders on the approved Mortgage Loan Disclosure Statement for
19 the aforesaid borrowers excluding Gamboa and Arevalo, in
20 violation of Code Sections 10240, 10241 and Regulation 2840.

21 (f) After notice and subpoena on April 28, 2006,
22 failed to produce or retain all records of ADFI's activity
23 during the audit period requiring a real estate broker license,
24 including invoices along with cancelled checks/proof of payments
25 for the credit reports for borrowers, Gamboa, Flores, Arevalo,
26
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1 Rosales, Gonzalez, Padilla, Castro and Gutierrez, in violation
2 of Code Section 10148.

3 (g) On or about May 1, 2002, AFFI's corporate status
4 was suspended by the California Franchise Tax Board, yet AFFI
5 continued to conduct operations to date, in violation of Code
6 Section 10177(f) and Regulation 2742(c).

7 (h) Failed to maintain a signed broker salesperson
8 agreement with real estate salespersons, in violation of Section
9 2726 of the Regulations.

10 (i) With respect to ADFI only, the signature of
11 QUIAMBAO as interviewer on the Uniform Residential Loan
12 Applications for Castro, Hildago, Flores, Gonzalez, Gamboa and
13 Arevalo are each different from one another and different from
14 the true signature of QUIAMBAO, in violation of Code Sections
15 10176(a), 10177(j) and 10177(g).

16 8.

17
18 The conduct of Respondents ADFI and QUIAMBAO,
19 described in Paragraph 7, above, violated the Code and the
20 Regulations as set forth below:

21 PARAGRAPH

PROVISIONS VIOLATED

22 7(a)

Code Section 10145 and Regulation
23 2832(a)

24
25 7(b)

Code Section 10145 and Regulation
26 2831

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7(c)

Code Section 10145 and Regulation
2831.1

7(d)

Code Section 10145 and Regulation
2831.2

7(e)

Code Section 10240 and 10241 and
Regulation 2840

7(f)

Code Section 10148

7(g)

Code Section 10177(f) and
Regulation 2742(c)

7(h)

Regulation 2726

7(i)

(ADFI) Code Sections 10177(g),
10176(a), 10177(j)

The foregoing violations constitutes cause for the suspension or
revocation of the real estate license and license rights of ADFI
and QUIAMBAO, under the provisions of Code Sections 10176(a),
10177(j) and 10177(d) and/or 10177(g).

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NEGLIGENCE

9.

The overall conduct of ADFI and QUIAMBAO constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to Code Section 10177(g).

CORPORATE COMPLIANCE AND SUPERVISION

10.

The overall conduct of Respondent QUIAMBAO constitutes a failure on his part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of ADFI as required by Code Section 10159.2, and to keep ADFI in compliance with the Real Estate Law, and is cause for the suspension or revocation of the real estate license and license rights of QUIAMBAO pursuant to the provisions of Code Sections 10177(d), 10177(g) and/or 10177(h).

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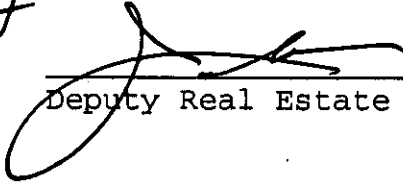
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents
5 AMERICAN DREAM FUNDING INC. and ROMEO MACLANG QUIAMBAO, under
6 the Real Estate Law (Part 1 of Division 4 of the Business and
7 Professions Code) and for such other and further relief as may
8 be proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this *29 June 2007*

11 
12 Deputy Real Estate Commissioner
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23

24 cc: American Dream Funding Inc.
25 c/o Romeo Maclang Quiambao D.O.
26 Janice Waddell
27 Sacto
Audits - Manijeh Khazrai