

FILED

MAY 27 2009

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

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

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

No. H-34637 LA

LOANS UNLIMITED MORTGAGE GROUP INC.,
doing business as 1st Family
Escrow/Service, Loans Unlimited
Mortgage Group, and Service 1st Real
Estate Services; and, JUAN ANTONIO
SALAS, individually and as
designated officer of Loans
Unlimited Mortgage Group Inc.,

STIPULATION
AND
AGREEMENT

Respondents,

It is hereby stipulated by and between Respondents
LOANS UNLIMITED MORTGAGE GROUP INC., and JUAN ANTONIO SALAS,
individually and as designated officer of Loans Unlimited
Mortgage Group Inc. (sometimes collectively referred to as
"Respondents"), represented by Frank M. Buda, 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
January 15, 2008, 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 and the right to cross-
23 examine witnesses.
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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 is made for the purpose of
11 reaching an agreed disposition of this proceeding and is
12 expressly limited to this proceeding and any other proceeding or
13 case in which the Department of Real Estate ("Department"), the
14 state or federal government, or any agency of this state, another
15 state or federal government is involved.

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 licenses 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.
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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 agree to pay, pursuant to Business and
11 Professions Code Section 10148, the cost of the audit. The
12 amount of said cost for the audit is \$5,977.48.

13 9. Respondents have received, read, and understand the
14 "Notice Concerning Costs of Subsequent Audit". Respondents
15 further understand that by agreeing to this Stipulation, the
16 findings set forth below in the Determination of Issues become
17 final, and the Commissioner may charge Respondents for the cost
18 of any subsequent audit conducted pursuant to Business and
19 Professions Code Section 10148 to determine if the violations
20 have been corrected. The maximum cost of the subsequent audit
21 will not exceed \$5,977.48.

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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, acts or omissions of LOANS UNLIMITED MORTGAGE GROUP INC. and JUAN ANTONIO SALAS, as described in Paragraph 4, above, are in violation of Section 10145 of the Business and Professions Code ("Code") and Sections 2831, 2831.1, 2834 and 2950(h) of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for discipline of Respondents' license and license rights as violation of the Real Estate Law pursuant to Code Sections 10177(d).

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

A. The license and licensing rights of Respondents LOANS UNLIMITED MORTGAGE GROUP INC. and JUAN ANTONIO SALAS, under the Real Estate Law, are suspended for a period of sixty (60) days from the effective date of this Decision; provided, however, that sixty (60) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

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

2. That no final subsequent determination be made,

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

8 II.

9 Pursuant to Section 10148 of the Business and
10 Professions Code, Respondents LOANS UNLIMITED MORTGAGE GROUP INC.
11 and JUAN ANTONIO SALAS shall pay the Commissioner's reasonable
12 cost for (a) the audit which led to this disciplinary action (b)
13 a subsequent audit to determine if Respondents are now in
14 compliance with the Real Estate Law. The cost of the audit which
15 led to this disciplinary action is \$5,997.48. In calculating the
16 amount of the Commissioner's reasonable cost, the Commissioner
17 may use the estimated average hourly salary for all persons
18 performing audits of real estate brokers, and shall include an
19 allocation for travel time to and from the auditor's place of
20 work. Said amount for the prior and subsequent audits shall not
21 exceed \$11,994.96.

22
23 Respondents shall pay such cost within 60 days of
24 receiving an invoice from the Commissioner detailing the
25 activities performed during the audit and the amount of time
26 spent performing those activities.
27

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

10 III.

11 All licenses and licensing rights of Respondent JUAN
12 ANTONIO SALAS are indefinitely suspended unless or until
13 Respondent provides proof satisfactory to the Commissioner, of
14 having taken and successfully completed the continuing education
15 course on trust fund accounting and handling specified in
16 paragraph (3) of subdivision (a) of Section 10170.5 of the
17 Business and Professions Code. Proof of satisfaction of this
18 requirement includes evidence that respondent has successfully
19 completed the trust fund account and handling continuing
20 education course within 120 days prior to the effective date of
21 the Decision in this matter.

23 IV.

24 Prior to the effective of the Decision herein,
25 Respondent JUAN ANTONIO SALAS shall first provide evidence
26 satisfactory to the Commissioner that the trust fund deficit set
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1 forth in the Accusation and in Audit Report therein, in the
2 amount of \$540, has been restored, including the identification
3 of the source of funds used to cure the deficit.
4

5 DATED: 3-19-89

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ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

7 * * *

8 EXECUTION OF THE STIPULATION

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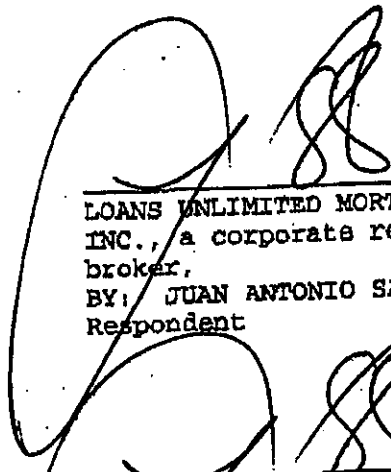
21 MAILING AND FACSIMILE

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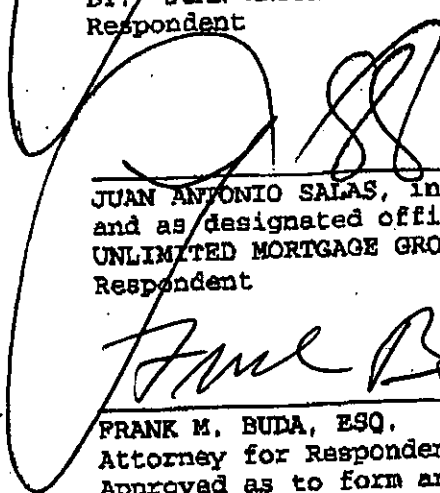
1 signed signature page, to the Department at the following
2 telephone/fax number: (213) 576-6917, Attention: Elliott Mac
3 Lennan.

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

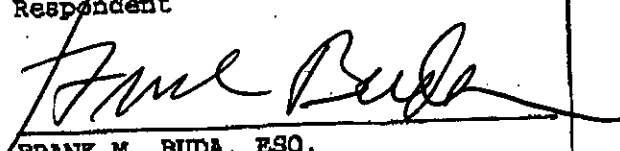
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14 DATED: 8/25/08


LOANS UNLIMITED MORTGAGE GROUP
INC., a corporate real estate
broker,
BY: JUAN ANTONIO SALAS D.O.,
Respondent

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19 DATED: 8/25/08


JUAN ANTONIO SALAS, individually
and as designated officer of LOANS
UNLIMITED MORTGAGE GROUP INC.,
Respondent

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23 DATED: 8-25-08


FRANK M. BUDA, ESQ.
Attorney for Respondents
Approved as to form and content

1 * * *

2 The foregoing Stipulation and Agreement is hereby
3 adopted as my Decision as to Respondents LOANS UNLIMITED MORTGAGE
4 GROUP INC. and JUAN ANTONIO SALAS, individually and as designated
5 officer of Loans Unlimited Mortgage Group Inc., and shall become
6 effective at 12 o'clock noon on June 26, 2009.

7 IT IS SO ORDERED 5-15-09, 2009.
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9 JEFF DAVI
10 Real Estate Commissioner
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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)

FILED

JAN 15 2008

DEPARTMENT OF REAL ESTATE

BY: *H. Hoyle*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of

No. H-34637 LA

LOANS UNLIMITED MORTGAGE GROUP INC.)
doing business as 1st Family)
Escrow/Service, Loans Unlimited)
Mortgage Group, and Service 1st)
Real Estate Services; and,)
JUAN ANTONIO SALAS, individually)
and as designated officer of)
Loans Unlimited Mortgage Group Inc.)

A C C U S A T I O N

Respondents.

The Complainant, Robin Trujillo, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against LOANS UNLIMITED MORTGAGE GROUP INC. dba 1st Family
Escrow/Service, Loans Unlimited Mortgage Group, and Service 1st
Real Estate Services; and JUAN ANTONIO SALAS, individually and as
designated officer of Loans Unlimited Mortgage Group Inc.,
alleges as follows:

1.

The Complainant, Robin Trujillo, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against LOANS UNLIMITED MORTGAGE GROUP INC. and JUAN ANTONIO SALAS.

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. LOANS UNLIMITED MORTGAGE GROUP INC. At all times mentioned, LOANS UNLIMITED MORTGAGE GROUP INC. ("LUMGI") was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On January 13, 2006, LUMGI was originally licensed as a real estate broker via JUAN ANTONIO SALAS as the designated officer.

B. JUAN ANTONIO SALAS. At all times mentioned, JUAN ANTONIO SALAS ("SALAS") was licensed or had license rights issued by the Department as a real estate salesperson. On July 16, 2003, SALAS was originally licensed as a real estate broker. On December 21, 2004, SALAS was originally licensed as a real estate broker.

C. At all times material herein, LUMGI was licensed by the Department as a corporate real estate broker by and through SALAS, as the designated officer and broker responsible, pursuant

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

5 BROKERAGE

6 LOANS UNLIMITED MORTGAGE GROUP INC.

7 4.

8 At all times mentioned, in the City of La Habra, County
9 of Los Angeles, LUMGI acted as a real estate broker and conducted
10 licensed activities within the meaning of:

11 A. Code Section 10131(d). LUMGI operated a mortgage
12 and loan brokerage; and

13 B. In addition, LUMGI conducted broker-controlled
14 escrows through its escrow division, 1st Family Escrow/Service,
15 under the exemption set forth in California Financial Code
16 Section 17006(a)(4) for real estate brokers performing escrows
17 incidental to a real estate transaction where the broker is a
18 party and where the broker is performing acts for which a real
19 estate license is required.
20

21 AUDIT EXAMINATION

22 LOANS UNLIMITED MORTGAGE GROUP INC.

23 5.

24 On July 26, 2007, the Department completed an audit
25 examination of the books and records of LUMGI pertaining to the
26 mortgage and loan and broker-escrow activities described in
27

Paragraph 4 that require a real estate license. The audit examination covered a period of time beginning on January 1, 2006 to April 30, 2007. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 060319 and LA 060324 and the exhibits and work papers attached to said audit report.

TRUST ACCOUNTS

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, LUMGI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions handled by LUMGI and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by LUMGI in the bank accounts as follows:

"Loans Unlimited Mortgage Group Inc. dba 1st Family Escrow,
Escrow Trust Account
Account No. 0001-788183"
Mellon 1st Business Bank
Los Angeles, CA 90071 (T/A #1)

"Loans Unlimited Mortgage Group Inc. dba Service 1st Real Estate
Services, Escrow Trust Account
Account No. 0001-777335"
Mellon 1st Business Bank
Los Angeles, CA 90071 (T/A #2)

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1 VIOLATIONS OF THE REAL ESTATE LAW

2 7.

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

7 (a) Failed to maintain an adequate control record in
8 the form of a columnar record in chronological order of all trust
9 funds received, deposited and disbursed by the escrow trust fund,
10 T/A #1, as required by Code Section 10145 and Regulations
11 2950(d), 2950(g) and 2951. T/A #1 had an
12 unaccounted/unidentified fund discrepancy in the amount of
13 \$540.00 as of April 30, 2007.

14 (b) Failed to place appraisal and credit report fees
15 collected from borrowers into a trust account in the name of the
16 broker as trustee at a bank or other financial institution, in
17 violation of Code Section 10145 of the Code and Regulations
18 2832(a).

19 (c) Failed to maintain a control record in the form of
20 a columnar record in chronological order of all "Trust Funds
21 Received, Not Placed Broker's Trust Account", in violation of
22 Code Section 10145 and Regulation 2831.

23 (d) Failed to maintain a separate record for each
24 beneficiary or transaction, thereby failing to account for all
25 trust funds received, deposited and disbursed for T/A #1 and T/A
26
27

#2, as required by Code Section 10145 and Regulation 2831.1.

(e) Permitted unlicensed and unbonded person Nora Fuentes, as an authorized signatory on escrow trust accounts T/A #1 and T/A #2, in violation of Code Section 10145 and Regulation 2834.

(f) Failed to disclose in writing to all parties of his financial interest and ownership of its escrow division "1st Family Escrow", as required by Code Section 10176(g) and Regulation 2950(h).

(g) Failed to notify the Department of the employment of salespersons Richard Bates, Rafael Galdamez, Rene Baltazar and Renee Guzman, as required by Code Section 10161.8 and Regulation 2752.

DISCIPLINARY STATUTES AND REGULATIONS

8.

The conduct of Respondents LUMGI and SALAS described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7(a)	Code Section 10145 and Regulations 2950(d), 2950(g) and 2951
7(b)	Code Section 10145 and Regulation 2832(a)

1 7(c) Code Section 10145 and Regulation
2 2831
3
4 7(d) Code Section 10145 and Regulation
5 2831.1
6
7 7(e) Code Section 10145 and Regulations
8 2834, 2950(d) and 2951
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11 7(f) Code Section 10176(g) and
12 Regulation 2950(h)
13
14 7(g) Code Section 10161.8 and Regulation
15 2752

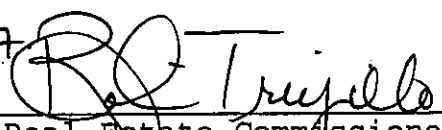
16 The foregoing violations constitute cause for the suspension or
17 revocation of the real estate license and license rights of LUMGI
18 and SALAS, under the provisions of Code Sections 10176(g),
19 10177(d) and/or 10177(g).

20 9.
21
22 The overall conduct of Respondents LUMGI and SALAS
23 constitutes negligence or incompetence. This conduct and
24 violation are cause for the suspension or revocation of the real
25 estate license and license rights of Respondents LUMGI and SALAS
26 pursuant to Code Section 10177(g).

27 ///

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 LOANS UNLIMITED MORTGAGE GROUP INC. and JUAN ANTONIO SALAS, 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 be
8 proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 7 day of December 2007 
11 Deputy Real Estate Commissioner

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24 cc: Loans Unlimited Mortgage Group Inc.
25 c/o Juan Antonio Salas D.O.
26 Robin Trujillo
27 Sacto
Audits - Zaky Wanis