

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

**FILED**

FEB 15 2008

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

DEPARTMENT OF REAL ESTATE

BY: *D. G. [Signature]*

6  
7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

\* \* \*

10 TO: )  
11 )  
12 GEORGE GERARD GRACHEN )  
13 )  
14 )

No. H-34711 LA  
ORDER TO DESIST  
AND REFRAIN

15 The Real Estate Commissioner of the State of California  
16 (Commissioner) has caused an investigation to be conducted of  
17 your activities, as described herein, and based upon the findings  
18 of that investigation, is of the opinion that:

19 YOU, GEORGE GERARD GRACHEN ("GRACHEN"), have violated  
20 Section 10130 of the California Business and Professional Code  
21 ("Code").

22 1.

23 At no time herein mentioned, were YOU, GRACHEN licensed  
24 by the Department of Real Estate of the State of California  
25 (Department) as a real estate broker or a real estate salesperson  
26 employed by a real estate broker. You were formerly licensed as  
27

1 a real estate salesperson on May 9, 1997. On May 8, 2001, in  
2 case number H-27900 LA, your real estate salesperson license was  
3 revoked for violations of Code Section 10130.

4 2.

5 At all times mentioned, in the City of Cypress, County  
6 of Orange, you, GRACHEN, President of R&G Lending Inc., acted as  
7 a real estate broker and as an unlicensed loan officer where you  
8 conducted mortgage loan activities pursuant to Code Section  
9 10131(d) requiring a real estate license including soliciting  
10 borrowers or lenders and for negotiating loans and performing  
11 services for borrowers.

12 3.

13 On December 6, 2005, the Department completed a follow-  
14 up audit examination of the original audit (LA 030100) of the  
15 books and records of R&G Lending Inc., pertaining to its mortgage  
16 and loan activities that require a real estate license. The  
17 audit examination covered a period of time beginning on June 17,  
18 2005 to October 24, 2005. The audit examination revealed  
19 violations of the Code as set forth in the following paragraphs,  
20 and more fully discussed in the follow-up audit (LA 050121) and  
21 the exhibits and workpapers attached to said audit report,  
22 including your unlicensed loan agent activity.

23 4.

24 In the course of activities described in Paragraph 2  
25 above, and during the examination period described in Paragraph  
26  
27

1 3, you, GRACHEN acted in violation of the Code in that you acted  
2 in the capacity as an loan agent and interviewer for the  
3 following loan transactions.

<u>Borrower</u>	<u>Loan Application Signed</u>	<u>Date Funded</u>
4 Frank Chavez	June 2, 2005	September 1, 2005
5 V&W Griffin	May 5, 2005	July 13, 2005
6 R&C Castro	June 2, 2005	July 8, 2005
7 Charles Powell	July 26, 2005	September 23, 2005
8 S. Lawrence	June 30, 2005	August 24, 2005

9  
10 5.

11 Your conduct, GRACHEN, as described in Paragraphs 2  
12 through 4, is in violation of Code Section 10130.

13 NOW, THEREFORE, YOU, GEORGE GERARD GRACHEN, ARE ORDERED  
14 TO DESIST AND REFRAIN from performing any and all acts requiring  
15 a real estate license in California unless and until you are  
16 licensed by the Department of Real Estate.  
17

18  
19 DATED 2/4/08

20 JEFF DAVI  
21 Real Estate Commissioner  
22  
23  
24

25 cc: George Gerard Grachen  
26 c/o Joseph A. Weiss D.O.  
27 R&G Lending Inc.  
10953 Meridan Drive, Suite G  
Cypress, CA 90630