

Jim

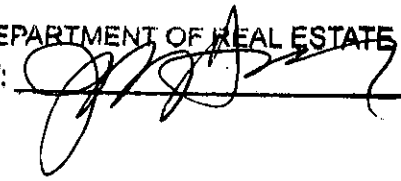
1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982

FILED

DEC 15 2011

DEPARTMENT OF REAL ESTATE

BY: 

9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation

No. H-37140 LA
No. L-2011040503

13 FIRST FUNDING MORTGAGE INC.;)
14 JESSE JOSE SANDOVAL, indivi-)
15 dually, and as designated)
16 officer for First Funding)
17 Mortgage Inc.; and GILBERT)
18 M. MELGOZA,)
Respondents.)

STIPULATION & AGREEMENT

19 It is hereby stipulated by and between JESSE JOSE
20 SANDOVAL (sometimes referred to as "Respondent") and the
21 Complainant, acting by and through Cheryl Keily, Counsel for
22 the Department of Real Estate, as follows for the purpose of
23 settling and disposing of the First Amended Accusation
24 ("Accusation") filed on July 7, 2011, in this matter.

26 1. All issues which were to be contested and all
27 evidence which was to be presented by Complainant and Respondent
at a formal hearing on the Accusation, which hearing was to be

1 held in accordance with the provisions of the Administrative
2 Procedure Act (APA), shall instead and in place thereof be
3 submitted solely on the basis of the provisions of this
4 Stipulation and Agreement.

5
6 2. Respondent has received, read and understood the
7 Statement to Respondent, the Discovery Provisions of the APA and
8 the Accusation filed by the Department of Real Estate in this
9 proceeding.

10 3. On April 5, 2011, Respondent filed a Notice of
11 Defense, pursuant to Section 11506 of the Government Code for
12 the purpose of requesting a hearing on the allegations in the
13 Accusation. Respondent hereby freely and voluntarily withdraws
14 said Notice of Defense. Respondent acknowledges that he
15 understands that by withdrawing said Notice of Defense he will
16 thereby waive his right to require the Commissioner to prove the
17 allegations in the Accusation at a contested hearing held in
18 accordance with the provisions of the APA and that he will waive
19 other rights afforded to him in connection with the hearing,
20 such as the right to present evidence in defense of the
21 allegations in the Accusation and the right to cross-examine
22 witnesses.
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24

25 4. This Stipulation is based on the factual
26 allegations contained in the Accusation. In the interest of
27 expedience and economy, Respondent chooses not to contest these

1 suspension. Should no such determination be made, the stay
2 imposed herein shall become permanent.

3 2. Respondent shall, within six months from the
4 effective date of this Decision, take and pass the Professional
5 Responsibility Examination administered by the Department
6 including the payment of the appropriate examination fee. If
7 Respondent fails to satisfy this condition, the Commissioner may
8 order suspension of Respondent's license until Respondent passes
9 the examination.

10
11 DATED:

November 4, 2011

Cheryl D. Kelly
CHERYL D. KELLY, Counsel
DEPARTMENT OF REAL ESTATE


12
13 * * *

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

25 Respondent can signify acceptance and approval of the
26 terms and conditions of this Stipulation and Agreement by faxing
27 a copy of its signature page, as actually signed by Respondent,
to the Department at the following telephone/fax number (213)

1 576-6917. Respondent agrees, acknowledges, and understands that
2 by electronically sending to the Department a fax copy of his
3 actual signature as it appears on the Stipulation and Agreement,
4 that receipt of the faxed copy by the Department shall be as
5 binding on Respondent as if the Department had received the
6 original signed Stipulation and Agreement.

7
8 DATED: November 4, 2011


9 JESSE JOSE SANDOVAL
Respondent

10 * * *

11 The foregoing Stipulation and Agreement is hereby
12 adopted as my Decision in this matter and shall become effective
13 at 12 o'clock noon on _____, 2011.

14 IT IS SO ORDERED _____, 2011.

15
16
17 _____
18 BARBARA BIGBY
Acting Real Estate Commissioner
19
20
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1 576-6917. Respondent agrees, acknowledges, and understands that
2 by electronically sending to the Department a fax copy of his
3 actual signature as it appears on the Stipulation and Agreement,
4 that receipt of the faxed copy by the Department shall be as
5 binding on Respondent as if the Department had received the
6 original signed Stipulation and Agreement.


7
8 DATED: _____

JESSE JOSE SANDOVAL
Respondent

9
10 * * *

11 The foregoing Stipulation and Agreement is hereby
12 adopted as my Decision in this matter and shall become effective
13 at 12 o'clock noon on JAN 04 2012, 2011.

14 IT IS SO ORDERED 12/7, 2011.

15
16 
17 BARBARA J. BIGBY
18 Acting Real Estate Commissioner
19
20
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26
27

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE

DEC 15 2011

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

BY: 

* * * *

In the Matter of the Accusation of

No. H-37140 LA

FIRST FUNDING MORTGAGE INC.;)
 JESSE JOSE SANDOVAL, indivi-)
 dually, and as designated)
 officer for First Funding)
 Mortgage Inc.; and GILBERT)
M. MELGOZA,)
)
 Respondents.)
 _____)

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on November 1, 2011, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

This Decision suspends or revokes one or more real estate licenses on the ground of the violation of the Real Estate Law (commencing with Section 10000 of the Business and Professions Code (Code)) or Chapter 1 (commencing with Section 11000 of the Code) 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 the Code) of Part 2.

FINDINGS OF FACT

I

On July 7, 2011, Maria Suarez made the First Amended Accusation ("Accusation") in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were

mailed, by certified mail, to Respondents' last known mailing addresses on file with the Department on July 7, 2011.

Neither Respondent FIRST FUNDING MORTGAGE INC. ("FIRST FUNDING") nor Respondent GILBERT M. MELGOZA ("MELGOZA") filed a Notice of Defense within the time required by Section 11506 of the Government Code. Respondents' defaults were entered herein on November 1, 2011.

II

Respondent FIRST FUNDING is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a real estate corporation. The license of FIRST FUNDING expired on May 8, 2010. Pursuant to Code Section 10201 FIRST FUNDING retains renewal rights. Pursuant to Section 10103 the Department retains jurisdiction.

At all times material herein FIRST FUNDING engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate broker in the State of California, within the meaning of Section 10131 subpart (a) and (d) of the Code, including soliciting prospective sellers or purchasers of real property, negotiating for the purchase, sale or exchange of real property, soliciting borrowers and lenders and negotiating loans on real property.

III

MELGOZA was formerly licensed under the Real Estate Law as a real estate salesperson. On or about January 12, 2009, the license of MELGOZA was suspended pursuant to the provisions of Family Code Section 17520. The license of MELGOZA expired on July 11, 2010. Pursuant to Section 10103 the Department retains jurisdiction.

At all times relevant herein MELGOZA was employed under the broker license of FIRST FUNDING.

IV

In or around April, 2008, Jesus Toscano Tamayo ("Tamayo") was interested in purchasing real property. In early April, 2008, Tamayo met with MELGOZA at 9064 Van Nuys

Boulevard, Suite 5, Panorama City, California 91402. At that time MELGOZA represented to Tamayo that he was employed by All Pro Realty, an authorized fictitious business name of SANDOVAL.

On or about April 18, 2008, MELGOZA took Tamayo to view the real property at 764 Lashburn Street, Sylmar, California 91342 (the "Property"). At that time MELGOZA represented to Tamayo that Tamayo could purchase the Property if he gave MELGOZA a check in the amount of \$3,000 made payable to "Primo Realty." MELGOZA represented that this payment would be the initial deposit for the purchase of the Property. MELGOZA also represented that he, MELGOZA, would do everything necessary to permit Tamayo to purchase the Property, including arranging financing for Tamayo's purchase by obtaining a thirty (30) year mortgage loan with a monthly payment of \$2,800 for Tamayo.

In reliance on MELGOZA's representations, on or about April 18, 2008, Tamayo obtained a cashier's check in the amount of \$3,000 made payable to Primo Realty, which he gave to MELGOZA.

On or about June 2, 2008, MELGOZA represented to Tamayo that Tamayo needed to make an additional deposit to escrow in the amount of \$14,550 to lower the monthly payment on the mortgage loan from \$2,800 per month to \$2,200. In reliance on MELGOZA's representations, Tamayo gave MELGOZA an additional cashier's check in the amount of \$14,550 made payable to Primo Realty.

On or about June 2, 2008, MELGOZA contacted Tamayo and told him that an additional \$6,000 was needed for what he described as "reserves" so that the escrow for the purchase of the Property could close. On this occasion MELGOZA instructed Tamayo to have the check for \$6,000 made payable to "SFV Professionals," which Tamayo did.

In or around July, 2008, Tamayo discovered that the representations made to him by MELGOZA were false. The true facts were that MELGOZA did not intend to use Tamayo's payments for Tamayo's purchase of the Property. MELGOZA's true intention was to induce Tamayo to deliver to him the checks alleged above, and to convert Tamayo's funds to MELGOZA's own benefit. In July, 2008, Tamayo went to the escrow office handling the transaction for his purchase of the Property where he discovered that the checks totaling

\$23,550 given by him to MELGOZA for the purchase of the Property had not been deposited into the escrow. Instead, only \$1,000 had been deposited on Tamayo's behalf, and that amount had not come from one of the checks Tamayo had given MELGOZA, but was instead a check written on a Primo Financial account signed by MELGOZA's wife, Bernice Melgoza ("Bernice"). Bernice was a licensed real estate salesperson licensed to SANDOVAL at all times relevant herein.

Despite Tamayo's execution of a document purporting to cancel the transaction for the purchase of the Property provided to him by MELGOZA, MELGOZA has failed and refused to refund Tamayo's payments in the amount of \$23,550.

The conduct, acts and/or omissions of MELGOZA, as described herein above, constitute making a substantial misrepresentation, the making of false promise(s) of a character likely to influence, persuade or induce, and engaging in fraud or dishonest dealing.

V

The evidence established that the conduct of MELGOZA alleged in Paragraph IV, above, violates Code Sections 10176(a), 10176(b), 10176(i) and 10145(c).

VI

In or around June, 2007, Odalis V. Jones ("Jones") caused \$50,000 to be delivered to "Primo Financial" a fictitious business name being used by MELGOZA. Jones delivered the foregoing sum to MELGOZA based on MELGOZA's representation to Jones that the money would be placed in a trust account to be available for deposit to an escrow for Jones' purchase of the residential property at 6704 Escondido Canyon Road, Acton, California (the "Property").

In or around June, 2008, an escrow was opened for Jones' purchase of the Property. By the terms of the purchase and sale agreement the purchase price for the property was agreed to be \$565,000. Jones was required to provide a down payment of 3% of the purchase price. The balance of the purchase price was to be funded from the proceeds of a loan to be obtained by MELGOZA on Jones'

behalf.

In accordance with the terms of Jones' agreement with MELGOZA the total sum of \$16,950 from Jones' funds, which had previously been delivered to MELGOZA in trust, was deposited into escrow as the down payment for Jones' purchase of the Property. MELGOZA also represented to Jones that \$2,000 of her funds had already been deposited into escrow as Jones' initial deposit for the purchase of the Property. MELGOZA was to return to Jones the remaining balance of the funds Jones had transferred to him in 2007.

On or about July 8, 2008, MELGOZA gave Jones a document entitled "Promissory Note" in which MELGOZA promised that all commissions payable to All Pro Realty, an authorized fictitious business name of SANDOVAL, as a result of the transaction for the purchase of the Property would be given to Jones at the close of escrow. The foregoing document, which was notarized by Bernice, MELGOZA's wife, further provided that "[t]his is money owed her [Jones] from her investments made to Primo Financial."

Thereafter, despite Jones' repeated calls to MELGOZA, MELGOZA failed and refused to return Jones' calls or to update Jones on the status of the escrow for the purchase of the Property or the mortgage loan necessary for completion of the purchase.

On or about September 23, 2008, Jones learned that MELGOZA had advised the other parties to the transaction for the purchase of the Property that the sale was "not going to happen." Jones further learned that MELGOZA had failed to represent her interests in the transaction in that MELGOZA did not timely deliver the seller's "Notice to Perform" to Jones for her signature. As a result of MELGOZA's breach of his fiduciary duties to Jones she lost her opportunity to purchase the Property.

Though Jones demanded that MELGOZA return to her the funds she had transferred to him in trust, MELGOZA has failed to return all but \$4,000 of Jones' funds to her.

MELGOZA failed to deliver the funds MELGOZA collected from Jones to FIRST FUNDING or into a neutral escrow depository or to the trust account of FIRST FUNDING as required by Code Section 10145(c).

The conduct, acts and/or omissions of MELGOZA, as described herein above, constitute making a substantial misrepresentation, the making of false promise(s) of a character likely to influence, persuade or induce, and engaging in fraud or dishonest dealing.

VII

The evidence established that the conduct of MELGOZA alleged in Paragraph VI, above, violates Code Sections 10176(a), 10176(b), 10176(i) and 10145(c).

VIII

In the course of the activities described above, FIRST FUNDING failed to retain all records of its activities requiring a real estate broker license during the past three years including sales and loan transaction files for its real estate clients and further including listings, real estate contracts, canceled checks, escrow and trust records, and specifically including the sale and/or loan documentation pertaining to the supposed purchase and sale transaction of Tamayo, as required by Code Section 10148.

DETERMINATION OF ISSUES

I

Cause for disciplinary action against MELGOZA exists pursuant to Code Sections 10176(a), 10176(b), 10177(d) for violation of Code Section 10145(c), and 10176(i).

II

Cause for disciplinary action against FIRST FUNDING exists pursuant to Code Section 10177(d) for violation of Code Section 10148.

III

The standard of proof applied was clear and convincing proof to a reasonable certainty.

///

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ORDER

The license and license rights of Respondents FIRST FUNDING MORTGAGE INC. and GILBERT M. MELGOZA under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon JAN 04 2012

DATED: _____

12/5/11

BARBARA J. BIGBY
Acting Real Estate Commissioner

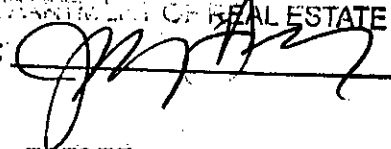


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4 (213) 576-6982

FILED

NOV 01 2011

DEPARTMENT OF REAL ESTATE

BY: 

7 BEFORE THE DEPARTMENT OF REAL ESTATE

8 STATE OF CALIFORNIA

9 * * * *

10
11 In the Matter of the Accusation of)
12 FIRST FUNDING MORTGAGE INC.;)
13 JESSE JOSE SANDOVAL, indivi-)
14 dually, and as designated)
15 officer for First Funding)
16 Mortgage Inc.; and GILBERT M.)
MELGOZA,)
Respondent(s).)

NO. H-37140 LA

DEFAULT ORDER

17 Respondents, FIRST FUNDING MORTGAGE INC., and GILBERT
18 M. MELGOZA, having failed to file a Notice of Defense within
19 the time required by Section 11506 of the Government Code, are
20 now in default. It is, therefore, ordered that a default be
21 entered on the record in this matter.
22

23 IT IS SO ORDERED NOVEMBER 1, 2011.

24 BARBARA J. BIGBY
25 Acting Real Estate Commissioner

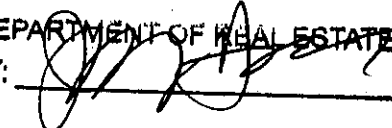
26 
27 By: PHILLIP IHDE
Regional Manager

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE

DEC 15 2011

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE
BY: 

* * * *

In the Matter of the Accusation of

No. H-37140 LA

FIRST FUNDING MORTGAGE INC.;)
 JESSE JOSE SANDOVAL, indivi-)
 dually, and as designated)
 officer for First Funding)
 Mortgage Inc.; and GILBERT)
M. MELGOZA)
)
 Respondents.)
 _____)

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on November 1, 2011, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

This Decision suspends or revokes one or more real estate licenses on the ground of the violation of the Real Estate Law (commencing with Section 10000 of the Business and Professions Code (Code)) or Chapter 1 (commencing with Section 11000 of the Code) 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 the Code) of Part 2.

FINDINGS OF FACT

I

On July 7, 2011, Maria Suarez made the First Amended Accusation ("Accusation") in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were

mailed, by certified mail, to Respondents' last known mailing addresses on file with the Department on July 7, 2011.

Neither Respondent FIRST FUNDING MORTGAGE INC. ("FIRST FUNDING") nor Respondent GILBERT M. MELGOZA ("MELGOZA") filed a Notice of Defense within the time required by Section 11506 of the Government Code. Respondents' defaults were entered herein on November 1, 2011.

II

Respondent FIRST FUNDING is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a real estate corporation. The license of FIRST FUNDING expired on May 8, 2010. Pursuant to Code Section 10201 FIRST FUNDING retains renewal rights. Pursuant to Section 10103 the Department retains jurisdiction.

At all times material herein FIRST FUNDING engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate broker in the State of California, within the meaning of Section 10131 subpart (a) and (d) of the Code, including soliciting prospective sellers or purchasers of real property, negotiating for the purchase, sale or exchange of real property, soliciting borrowers and lenders and negotiating loans on real property.

III

MELGOZA was formerly licensed under the Real Estate Law as a real estate salesperson. On or about January 12, 2009, the license of MELGOZA was suspended pursuant to the provisions of Family Code Section 17520. The license of MELGOZA expired on July 11, 2010. Pursuant to Section 10103 the Department retains jurisdiction.

At all times relevant herein MELGOZA was employed under the broker license of FIRST FUNDING.

IV

In or around April, 2008, Jesus Toscano Tamayo ("Tamayo") was interested in purchasing real property. In early April, 2008, Tamayo met with MELGOZA at 9064 Van Nuys

Boulevard, Suite 5, Panorama City, California 91402. At that time MELGOZA represented to Tamayo that he was employed by All Pro Realty, an authorized fictitious business name of SANDOVAL.

On or about April 18, 2008, MELGOZA took Tamayo to view the real property at 764 Lashburn Street, Sylmar, California 91342 (the "Property"). At that time MELGOZA represented to Tamayo that Tamayo could purchase the Property if he gave MELGOZA a check in the amount of \$3,000 made payable to "Primo Realty." MELGOZA represented that this payment would be the initial deposit for the purchase of the Property. MELGOZA also represented that he, MELGOZA, would do everything necessary to permit Tamayo to purchase the Property, including arranging financing for Tamayo's purchase by obtaining a thirty (30) year mortgage loan with a monthly payment of \$2,800 for Tamayo.

In reliance on MELGOZA's representations, on or about April 18, 2008, Tamayo obtained a cashier's check in the amount of \$3,000 made payable to Primo Realty, which he gave to MELGOZA.

On or about June 2, 2008, MELGOZA represented to Tamayo that Tamayo needed to make an additional deposit to escrow in the amount of \$14,550 to lower the monthly payment on the mortgage loan from \$2,800 per month to \$2,200. In reliance on MELGOZA's representations, Tamayo gave MELGOZA an additional cashier's check in the amount of \$14,550 made payable to Primo Realty.

On or about June 2, 2008, MELGOZA contacted Tamayo and told him that an additional \$6,000 was needed for what he described as "reserves" so that the escrow for the purchase of the Property could close. On this occasion MELGOZA instructed Tamayo to have the check for \$6,000 made payable to "SFV Professionals," which Tamayo did.

In or around July, 2008, Tamayo discovered that the representations made to him by MELGOZA were false. The true facts were that MELGOZA did not intend to use Tamayo's payments for Tamayo's purchase of the Property. MELGOZA's true intention was to induce Tamayo to deliver to him the checks alleged above, and to convert Tamayo's funds to MELGOZA's own benefit. In July, 2008, Tamayo went to the escrow office handling the transaction for his purchase of the Property where he discovered that the checks totaling

\$23,550 given by him to MELGOZA for the purchase of the Property had not been deposited into the escrow. Instead, only \$1,000 had been deposited on Tamayo's behalf, and that amount had not come from one of the checks Tamayo had given MELGOZA, but was instead a check written on a Primo Financial account signed by MELGOZA's wife, Bernice Melgoza ("Bernice"). Bernice was a licensed real estate salesperson licensed to SANDOVAL at all times relevant herein.

Despite Tamayo's execution of a document purporting to cancel the transaction for the purchase of the Property provided to him by MELGOZA, MELGOZA has failed and refused to refund Tamayo's payments in the amount of \$23,550.

The conduct, acts and/or omissions of MELGOZA, as described herein above, constitute making a substantial misrepresentation, the making of false promise(s) of a character likely to influence, persuade or induce, and engaging in fraud or dishonest dealing.

V

The evidence established that the conduct of MELGOZA alleged in Paragraph IV, above, violates Code Sections 10176(a), 10176(b), 10176(i) and 10145(c).

VI

In or around June, 2007, Odalis V. Jones ("Jones") caused \$50,000 to be delivered to "Primo Financial" a fictitious business name being used by MELGOZA. Jones delivered the foregoing sum to MELGOZA based on MELGOZA's representation to Jones that the money would be placed in a trust account to be available for deposit to an escrow for Jones' purchase of the residential property at 6704 Escondido Canyon Road, Acton, California (the "Property").

In or around June, 2008, an escrow was opened for Jones' purchase of the Property. By the terms of the purchase and sale agreement the purchase price for the property was agreed to be \$565,000. Jones was required to provide a down payment of 3% of the purchase price. The balance of the purchase price was to be funded from the proceeds of a loan to be obtained by MELGOZA on Jones'

behalf.

In accordance with the terms of Jones' agreement with MELGOZA the total sum of \$16,950 from Jones' funds, which had previously been delivered to MELGOZA in trust, was deposited into escrow as the down payment for Jones' purchase of the Property. MELGOZA also represented to Jones that \$2,000 of her funds had already been deposited into escrow as Jones' initial deposit for the purchase of the Property. MELGOZA was to return to Jones the remaining balance of the funds Jones had transferred to him in 2007.

On or about July 8, 2008, MELGOZA gave Jones a document entitled "Promissory Note" in which MELGOZA promised that all commissions payable to All Pro Realty, an authorized fictitious business name of SANDOVAL, as a result of the transaction for the purchase of the Property would be given to Jones at the close of escrow. The foregoing document, which was notarized by Bernice, MELGOZA's wife, further provided that "[t]his is money owed her [Jones] from her investments made to Primo Financial."

Thereafter, despite Jones' repeated calls to MELGOZA, MELGOZA failed and refused to return Jones' calls or to update Jones on the status of the escrow for the purchase of the Property or the mortgage loan necessary for completion of the purchase.

On or about September 23, 2008, Jones learned that MELGOZA had advised the other parties to the transaction for the purchase of the Property that the sale was "not going to happen." Jones further learned that MELGOZA had failed to represent her interests in the transaction in that MELGOZA did not timely deliver the seller's "Notice to Perform" to Jones for her signature. As a result of MELGOZA's breach of his fiduciary duties to Jones she lost her opportunity to purchase the Property.

Though Jones demanded that MELGOZA return to her the funds she had transferred to him in trust, MELGOZA has failed to return all but \$4,000 of Jones' funds to her.

MELGOZA failed to deliver the funds MELGOZA collected from Jones to FIRST FUNDING or into a neutral escrow depository or to the trust account of FIRST FUNDING as required by Code Section 10145(c).

The conduct, acts and/or omissions of MELGOZA, as described herein above, constitute making a substantial misrepresentation, the making of false promise(s) of a character likely to influence, persuade or induce, and engaging in fraud or dishonest dealing.

VII

The evidence established that the conduct of MELGOZA alleged in Paragraph VI, above, violates Code Sections 10176(a), 10176(b), 10176(i) and 10145(c).

VIII

In the course of the activities described above, FIRST FUNDING failed to retain all records of its activities requiring a real estate broker license during the past three years including sales and loan transaction files for its real estate clients and further including listings, real estate contracts, canceled checks, escrow and trust records, and specifically including the sale and/or loan documentation pertaining to the supposed purchase and sale transaction of Tamayo, as required by Code Section 10148.

DETERMINATION OF ISSUES

I

Cause for disciplinary action against MELGOZA exists pursuant to Code Sections 10176(a), 10176(b), 10177(d) for violation of Code Section 10145(c), and 10176(i).

II

Cause for disciplinary action against FIRST FUNDING exists pursuant to Code Section 10177(d) for violation of Code Section 10148.

III

The standard of proof applied was clear and convincing proof to a reasonable certainty.

///

///

ORDER

The license and license rights of Respondents FIRST FUNDING MORTGAGE INC. and GILBERT M. MELGOZA under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon JAN 04 2012.

DATED: _____

12/5/11

BARBARA J. BIGBY
Acting Real Estate Commissioner

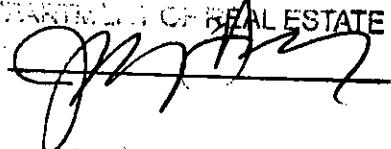


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NO. H-37140 LA

DEFAULT ORDER

17 Respondents, FIRST FUNDING MORTGAGE INC., and GILBERT
18 M. MELGOZA, having failed to file a Notice of Defense within
19 the time required by Section 11506 of the Government Code, are
20 now in default. It is, therefore, ordered that a default be
21 entered on the record in this matter.
22

23 IT IS SO ORDERED NOVEMBER 1, 2011.

24 BARBARA J. BIGBY
25 Acting Real Estate Commissioner

26 
27 By: PHILLIP IHDE
Regional Manager

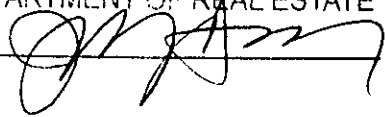
12/16

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FILED

JUL 07 2011

DEPARTMENT OF REAL ESTATE
BY: 

9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation

No. H-37140 LA

13 FIRST FUNDING MORTGAGE INC.;)
14 JESSE JOSE SANDOVAL, indivi-)
15 dually, and as designated)
16 officer for First Funding)
17 Mortgage Inc.; and GILBERT)
18 B. M. MELGOZA,)
19 Respondents.)

FIRST AMENDED
ACCUSATION

19 This First Amended Accusation amends the Accusation
20 filed on March 16, 2011.

21 The Complainant, Maria Suarez, a Deputy Real Estate
22 Commissioner of the State of California, for cause of Accusation
23 against FIRST FUNDING MORTGAGE INC. ("FIRST FUNDING"), JESSE JOSE
24 SANDOVAL ("SANDOVAL"), individually, and as designated officer
25 for FIRST FUNDING, and GILBERT M. MELGOZA ("MELGOZA"), is
26 informed and alleges as follows:
27

1.

1 The Complainant, Maria Suarez, a Deputy Real Estate
2 Commissioner of the State of California, makes this Accusation in
3 her official capacity.
4

2.

5
6 Respondent FIRST FUNDING is presently licensed and/or
7 has license rights under the Real Estate Law (Part 1 of Division
8 4 of the Business and Professions Code, hereinafter "Code"), as
9 a real estate corporation. The license of FIRST FUNDING expired
10 on May 8, 2010. Pursuant to Code Section 10201 FIRST FUNDING
11 retains renewal rights. Pursuant to Section 10103 the
12 Department retains jurisdiction.
13

3.

14 Respondent SANDOVAL is presently licensed and/or has
15 license rights under the Real Estate Law as a real estate broker.
16 and at all times relevant herein was the designated officer for
17 FIRST FUNDING.
18

4.

19
20 Respondent SANDOVAL, as the officer designated by
21 Respondent FIRST FUNDING pursuant to Section 10211 of the Code,
22 was responsible for the supervision and control of the activities
23 conducted on behalf of Respondent FIRST FUNDING by its officers
24 and employees as necessary to secure full compliance with the
25 Real Estate Law as set forth in Section 10159.2 of the Code,
26 including the supervision of salespersons licensed to the
27 corporation in the performance of acts for which a real estate

1 license is required.

2 5.

3 Respondent MELGOZA was formerly licensed under the Real
4 Estate Law as a real estate salesperson. On or about January 12,
5 2009, the license of MELGOZA was suspended pursuant to the
6 provisions of Family Code Section 17520. The license of MELGOZA
7 expired on July 11, 2010. Pursuant to Section 10103 the
8 Department retains jurisdiction.

9 6.

10 At all times relevant herein Respondent MELGOZA was
11 employed under the license of Respondent FIRST FUNDING.

12 7.

13 At all times herein mentioned, Respondents FIRST
14 FUNDING and SANDOVAL, on behalf of others and in expectation of
15 compensation, engaged in the business, acted in the capacity of,
16 advertised or assumed to act as a real estate broker in the State
17 of California within the meaning of Section 10131 subparts (a)
18 and (d) of the Code, including soliciting prospective sellers or
19 purchasers of real property, negotiating for the purchase, sale
20 or exchange of real property, soliciting borrowers and lenders
21 and negotiating loans on real property.

22
23 FIRST CAUSE OF ACCUSATION

24 (Code Section 10176(a), 10176(b), 10176(i)
25 against Respondent MELGOZA)

26 8.

27 In or around April, 2008, Jesus Toscano Tamayo

1 ("Tamayo") was interested in purchasing real property. In early
2 April, 2008, Tamayo met with MELGOZA at 9064 Van Nuys Boulevard,
3 Suite 5, Panorama City, California 91402. At that time MELGOZA
4 represented to Tamayo that he was employed by All Pro Realty, an
5 authorized fictitious business name of SANDOVAL.

6 9.

7 On or about April 18, 2008, MELGOZA took Tamayo to view
8 the real property at 764 Lashburn Street, Sylmar, California
9 91342 (the "Property"). At that time MELGOZA represented to
10 Tamayo that Tamayo could purchase the Property if he gave MELGOZA
11 a check in the amount of \$3,000 made payable to "Primo Realty."
12 MELGOZA represented that this payment would be the initial
13 deposit for the purchase of the Property. MELGOZA also
14 represented that he, MELGOZA, would do everything necessary to
15 permit Tamayo to purchase the Property, including arranging
16 financing for Tamayo's purchase by obtaining a thirty (30) year
17 mortgage loan with a monthly payment of \$2,800 for Tamayo.
18

19 10.

20 In reliance on MELGOZA's representations, on or about
21 April 18, 2008, Tamayo obtained a cashier's check in the amount
22 of \$3,000 made payable to Primo Realty, which he gave to MELGOZA.

23 11.

24 On or about June 2, 2008, MELGOZA represented to Tamayo
25 that Tamayo needed to make an additional deposit to escrow in the
26 amount of \$14,550 to lower the monthly payment on the mortgage
27 loan from \$2,800 per month to \$2,200. In reliance on MELGOZA's

1 representations, Tamayo gave MELGOZA an additional cashier's
2 check in the amount of \$14,550 made payable to Primo Realty.

3 12.

4 On or about June 2, 2008, MELGOZA contacted Tamayo and
5 told him that an additional \$6,000 was needed for what he
6 described as "reserves" so that the escrow for the purchase of
7 the Property could close. On this occasion MELGOZA instructed
8 Tamayo to have the check for \$6,000 made payable to "SFV
9 Professionals," which Tamayo did.

10 13.

11 In or around July, 2008, Tamayo discovered that the
12 representations made to him by MELGOZA were false. The true
13 facts were that MELGOZA did not intend to use Tamayo's payments
14 for Tamayo's purchase of the Property. MELGOZA's true intention
15 was to induce Tamayo to deliver to him the checks alleged in
16 Paragraphs 9, 10, 11, and 12, above, and to convert Tamayo's
17 funds to MELGOZA's own benefit. In July, 2008, Tamayo went to the
18 escrow office handling the transaction for his purchase of the
19 Property where he discovered that the checks totaling \$23,550
20 given by him to MELGOZA for the purchase of the Property had not
21 been deposited into the escrow. Instead, only \$1,000 had been
22 deposited on Tamayo's behalf, and that amount had not come from
23 one of the checks Tamayo had given MELGOZA, but was instead a
24 check written on a Primo Financial account signed by MELGOZA's
25 wife, Bernice Melgoza ("Bernice"). Bernice was a licensed real
26 estate salesperson licensed to SANDOVAL at all times relevant
27

herein.

14.

Despite Tamayo's execution of a document purporting to cancel the transaction for the purchase of the Property provided to him by MELGOZA, MELGOZA has failed and refused to refund Tamayo's payments in the amount of \$23,550.

15.

The conduct, acts and/or omissions of Respondent MELGOZA, as described herein above, constitute making a substantial misrepresentation, the making of false promise(s) of a character likely to influence, persuade or induce, engaging in fraud or dishonest dealing and are cause for the suspension or revocation of all real estate licenses and license rights of Respondent MELGOZA under the provisions of Code Sections 10176(a), 10176(b), 10176(i) and 10145(c) and/or Code Sections 10130 and 10177(j).

SECOND CAUSE OF ACCUSATION

(Record Retention Violation Code Section 10148 Against FIRST FUNDING and SANDOVAL (Tamayo))

16.

Complainant incorporates by this reference the allegations set forth in Paragraphs 1 through 15, above.

17.

In the course of activities described in Paragraph 7, above, Respondents FIRST FUNDING and SANDOVAL acted in violation of the Code in that they failed to retain all records of their

1 activities requiring a real estate broker license during the past
2 three years including sales and loan transaction files for their
3 real estate clients and further including listings, real estate
4 contracts, canceled checks, escrow and trust records, and
5 specifically including the sale and/or loan documentation
6 pertaining to Tamayo and/or the Property, as required by Code
7 Section 10148.

8 18.

9 The conduct, acts and/or omissions of Respondents FIRST
10 FUNDING and SANDOVAL, as set forth above, are in violation of
11 Code Section 10148, and are cause for the suspension or
12 revocation of the licenses and license rights of Respondents
13 FIRST FUNDING and SANDOVAL pursuant to Code Sections 10177(d) and
14 10177(g).

15 THIRD CAUSE OF ACCUSATION

16 (Code Section 10176(a), 10176(b), 10176(i) and 10145(c)
17 Against MELGOZA)

18 19.

19 Complainant incorporates by this reference the
20 allegations set forth in Paragraphs 1 through 18, above.

21 20.

22 In or around June, 2007, Odalis V. Jones ("Jones")
23 caused \$50,000 to be delivered to "Primo Financial" a fictitious
24 business name being used by MELGOZA. Jones delivered the
25 foregoing sum to MELGOZA based on MELGOZA's representation to
26 Jones that the money would be placed in a trust account to be
27 available for deposit to an escrow for Jones' purchase of the

1 residential property at 6704 Escondido Canyon Road, Acton,
2 California (the "Property").

3 21.

4 In or around June, 2008, an escrow was opened for
5 Jones' purchase of the Property. By the terms of the purchase and
6 sale agreement the purchase price for the property was agreed to
7 be \$565,000. Jones was required to provide a down payment of 3%
8 of the purchase price. The balance of the purchase price was to
9 be funded from the proceeds of a loan to be obtained by MELGOZA
10 on Jones' behalf.

11 22.

12 In accordance with the terms of Jones' agreement with
13 MELGOZA the total sum of \$16,950 from Jones' funds, which had
14 previously been delivered to MELGOZA in trust, was deposited into
15 escrow as the down payment for Jones' purchase of the Property.
16 MELGOZA also represented to Jones that \$2,000 of her funds had
17 already been deposited into escrow as Jones' initial deposit for
18 the purchase of the Property. MELGOZA was to return to Jones the
19 remaining balance of the funds Jones had transferred to him in
20 2007.

21 23.

22
23 On or about July 8, 2008, MELGOZA gave Jones a document
24 entitled "Promissory Note" in which MELGOZA promised that all
25 commissions payable to All Pro Realty, an authorized fictitious
26 business name of SANDOVAL, as a result of the transaction for the
27 purchase of the Property would be given to Jones at the close of

1 escrow. The foregoing document, which was notarized by Bernice,
2 MELGOZA's wife, further provided that "[t]his is money owed her
3 [Jones] from her investments made to Primo Financial."

4 24.

5 Thereafter, despite Jones' repeated calls to MELGOZA,
6 MELGOZA failed and refused to return Jones' calls or to update
7 Jones on the status of the escrow for the purchase of the
8 Property or the mortgage loan necessary for completion of the
9 purchase.

10 25.

11 On or about September 23, 2008, Jones learned that
12 MELGOZA had advised the other parties to the transaction for the
13 purchase of the Property that the sale was "not going to happen."
14 Jones further learned that MELGOZA had failed to represent her
15 interests in the transaction in that MELGOZA did not timely
16 deliver the seller's "Notice to Perform" to Jones for her
17 signature. As a result of MELGOZA's breach of his fiduciary
18 duties to Jones she lost her opportunity to purchase the
19 Property.

20 26.

21 Though Jones demanded that MELGOZA return to her the
22 funds she had transferred to him in trust, MELGOZA has failed to
23 return all but \$4,000 of Jones' funds to her.

24 27.

25
26 MELGOZA violated Code Section 10145(c) by failing to
27 deliver the funds MELGOZA collected from Jones to FIRST FUNDING

1 or into a neutral escrow depository or to the trust account of
2 FIRST FUNDING which conduct justifies the suspension or
3 revocation of all real estate licenses and license rights of
4 Respondent MELGOZA under the provisions of Code Section 10177(d).

5 28.

6 Further, the conduct, acts and/or omissions of
7 Respondent MELGOZA, as described herein above, constitute making
8 a substantial misrepresentation, the making of false promise(s)
9 of a character likely to influence, persuade or induce, engaging
10 in fraud or dishonest dealing and are cause for the suspension or
11 revocation of all real estate licenses and license rights of
12 Respondent MELGOZA under the provisions of Code Section 10176(a),
13 10176(b), and 10176(i) and/or Code Sections 10130 and 10177(j).

14 FOURTH CAUSE OF ACCUSATION

15 (Audit Violations Against SANDOVAL)

16 29.

17 Complainant incorporates by this reference the
18 allegations set forth in Paragraphs 1 through 28, above.
19

20 30.

21 On or about May 26, 2011, the Department completed an
22 audit examination of the books and records of SANDOVAL, doing
23 business under the authorized fictitious business names All-Pro
24 Brokers and All-Pro Realty, pertaining to the real estate
25 activities described in Paragraph 7, above, covering a period
26 from April 1, 2008, through April 30, 2011. The audit
27 examination revealed violations of the Code and Title 10, Chapter

1 6, Code of Regulations ("Regulations"), as set forth in the
2 following paragraphs, and more fully discussed in Audit Report
3 No. LA 100257 along with the exhibits and work papers attached to
4 the audit report:

5 (a) Failed to establish and maintain a trust account at
6 a bank or other recognized financial institution in the name of
7 the broker for deposit of trust funds collected by SANDOVAL, in
8 violation of Code Section 10146.

9 (b) Failed to deposit the fees delivered to MELGOZA by
10 Jones as is described in Paragraph 22, above, into a real estate
11 broker trust account in violation of Code Section 10146.

12 (c) In the course of the sales transaction activities
13 undertaken by SANDOVAL in 2008, including the one described in
14 Paragraphs 22 through 28, above, SANDOVAL failed to retain all
15 records of his sales activities requiring a real estate broker
16 license during the past three years including sales transaction
17 files for SANDOVAL's real estate clients and further including
18 listings, real estate contracts, canceled checks, escrow and
19 trust records, and specifically including the sale and/or loan
20 documentation pertaining to the Property as required by Code
21 Section 10148.

22 (d) In the "California Residential Purchase Agreement
23 and Joint Escrow Instructions" for Jones' purchase of the
24 Property misrepresented that the earnest money deposit in the
25 transaction was in the possession of SANDOVAL or his agent at the
26 time the offer was presented to the seller in violation of Code
27

1 Section 10176(a).

2 (e) Failed to disclose SANDOVAL's Nationwide Mortgage
3 Licensing System ID at the first point of contact with consumers
4 as required by Code Section 10140.6 and Section 2773 of the
5 Regulations.

6 DISCIPLINE STATUTES AND REGULATIONS

7 31.

8 The conduct of SANDOVAL described in Paragraph 30,
9 above, violated the Code and the Regulations as set forth below:

10 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
11 30(a)	Code Section 10146
12 30(b)	Code Section 10146
13 30(c)	Code Sections 10148
14 30(d)	Code Section 10176(a)
15 30(e)	Code Sections 10140.6 and Section
16	2773 of the Regulations
17	
18	

19 The foregoing violations constitute cause for the
20 suspension or revocation of the real estate license and license
21 rights of SANDOVAL under the provisions of Code Sections 10177(d)
22 for violation of the Real Estate Law and/or 10177(g) for
23 negligence or incompetence.

24 FIFTH CAUSE OF ACCUSATION
25 (Failure to Supervise Against SANDOVAL)

26 32.

27 Complainant incorporates by this reference the

1 allegations set forth in Paragraphs 1 through 31, above.

2 33.

3 The conduct, acts and/or omissions of Respondent
4 SANDOVAL in failing to exercise reasonable supervision over the
5 activities of Respondents MELGOZA and FIRST FUNDING, as more
6 fully set forth above, are cause for the suspension or revocation
7 of the licenses and license rights of Respondent SANDOVAL
8 pursuant to Code sections 10177(d), (g) and/or (h) for violation
9 of Code section 10159.2.

10 WHEREFORE, Complainant prays that a hearing be
11 conducted on the allegations of this Accusation and that upon
12 proof thereof, a decision be rendered imposing disciplinary
13 action against all the licenses and license rights of Respondents
14 FIRST FUNDING MORTGAGE INC., JESSE JOSE SANDOVAL and GILBERT B.
15 MELGOZA, under the Real Estate Law (Part 1 of Division 4 of the
16 Business and Professions Code), and for such other and further
17 relief as may be proper under other applicable provisions of law.

18 Dated at Los Angeles, California

19 this 7th day of July, 2011.

20
21
22
23 
24 Maria Suarez
Deputy Real Estate Commissioner

25 cc: First Funding Mortgage Inc.
26 Jesse Jose Sandoval
27 Gilbert B. Melgoza
Maria Suarez
Sacto.

1 CHERYL D. KEILY, SBN# 94008
2 Department of Real Estate
3 320 West Fourth Street, Ste. 350
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FILED

MAR 16 2011

DEPARTMENT OF REAL ESTATE

BY: 

7
8
9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation

No. H-37140 LA

13 FIRST FUNDING MORTGAGE INC.;)
14 JESSE JOSE SANDOVAL, indivi-)
15 dually, and as designated)
16 officer for First Funding)
17 Mortgage Inc.; and GILBERT)
18 B. M. MELGOZA,)
19)
20 Respondents.)

A C C U S A T I O N

21 The Complainant, Robin Trujillo, a Deputy Real Estate
22 Commissioner of the State of California, for cause of Accusation
23 against FIRST FUNDING MORTGAGE INC. ("FIRST FUNDING"), JESSE JOSE
24 SANDOVAL ("SANDOVAL"), individually, and as designated officer
25 for FIRST FUNDING, and GILBERT M. MELGOZA ("MELGOZA"), is
26 informed and alleges as follows:

27 1.

The Complainant, Robin Trujillo, a Deputy Real Estate

1 Commissioner of the State of California, makes this Accusation in
2 her official capacity.

3 2.

4 Respondent FIRST FUNDING is presently licensed and/or
5 has license rights under the Real Estate Law (Part 1 of Division
6 4 of the Business and Professions Code, hereinafter "Code"), as
7 a real estate corporation. The license of FIRST FUNDING expired
8 on May 8, 2010. Pursuant to Code Section 10201 FIRST FUNDING
9 retains renewal rights. Pursuant to Section 10103 the
10 Department retains jurisdiction.

11 3.

12 Respondent SANDOVAL is presently licensed and/or has
13 license rights under the Real Estate Law as a real estate broker.
14 and at all times relevant herein was the designated officer for
15 FIRST FUNDING.

16 4.

17 Respondent SANDOVAL, as the officer designated by
18 Respondent FIRST FUNDING pursuant to Section 10211 of the Code,
19 was responsible for the supervision and control of the activities
20 conducted on behalf of Respondent FIRST FUNDING by its officers
21 and employees as necessary to secure full compliance with the
22 Real Estate Law as set forth in Section 10159.2 of the Code,
23 including the supervision of salespersons licensed to the
24 corporation in the performance of acts for which a real estate
25 license is required.
26

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5.

Respondent MELGOZA was formerly licensed under the Real Estate Law as a real estate salesperson. On or about January 12, 2009, the license of MELGOZA was suspended pursuant to the provisions of Family Code Section 17520. The license of MELGOZA expired on July 11, 2010. Pursuant to Section 10103 the Department retains jurisdiction.

6.

At all times relevant herein Respondent MELGOZA was employed under the license of Respondent FIRST FUNDING.

7.

At all times herein mentioned, Respondents FIRST FUNDING and SANDOVAL, on behalf of others and in expectation of compensation, engaged in the business, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California within the meaning of Section 10131 subparts (a) and (d) of the Code, including soliciting prospective sellers or purchasers of real property, negotiating for the purchase, sale or exchange of real property, soliciting borrowers and lenders and negotiating loans on real property.

FIRST CAUSE OF ACCUSATION

(Code Section 10176(a), 10176(b), 10176(i)
against Respondent MELGOZA)

8.

In or around April, 2008, Jesus Toscano Tamayo ("Tamayo") was interested in purchasing real property. In early

1 April, 2008, Tamayo met with MELGOZA at 9064 Van Nuys Boulevard,
2 Suite 5, Panorama City, California 91402. At that time MELGOZA
3 represented to Tamayo that he was employed by All Pro Realty, an
4 authorized fictitious business name of SANDOVAL.

5 9.

6 On or about April 18, 2008, MELGOZA took Tamayo to view
7 the real property at 764 Lashburn Street, Sylmar, California
8 91342 (the "Property"). At that time MELGOZA represented to
9 Tamayo that Tamayo could purchase the Property if he gave MELGOZA
10 a check in the amount of \$3,000 made payable to "Primo Realty."
11 MELGOZA represented that this payment would be the initial
12 deposit for the purchase of the Property. MELGOZA also
13 represented that he, MELGOZA, would do everything necessary to
14 permit Tamayo to purchase the Property, including arranging
15 financing for Tamayo's purchase by obtaining a thirty (30) year
16 mortgage loan with a monthly payment of \$2,800 for Tamayo.
17

18 10.

19 In reliance on MELGOZA's representations, on or about
20 April 18, 2008, Tamayo obtained a cashier's check in the amount
21 of \$3,000 made payable to Primo Realty, which he gave to MELGOZA.

22 11.

23 On or about June 2, 2008, MELGOZA represented to Tamayo
24 that Tamayo needed to make an additional deposit to escrow in the
25 amount of \$14,550 to lower the monthly payment on the mortgage
26 loan from \$2,800 per month to \$2,200. In reliance on MELGOZA's
27 representations, Tamayo gave MELGOZA an additional cashier's

1 check in the amount of \$14,550 made payable to Primo Realty.

2 12.

3 On or about June 2, 2008, MELGOZA contacted Tamayo and
4 told him that an additional \$6,000 was needed for what he
5 described as "reserves" so that the escrow for the purchase of
6 the Property could close. On this occasion MELGOZA instructed
7 Tamayo to have the check for \$6,000 made payable to "SFV
8 Professionals," which Tamayo did.

9 13.

10 In or around July, 2008, Tamayo discovered that the
11 representations made to him by MELGOZA were false. The true
12 facts were that MELGOZA did not intend to use Tamayo's payments
13 for Tamayo's purchase of the Property. MELGOZA's true intention
14 was to induce Tamayo to deliver to him the checks alleged in
15 Paragraphs 9, 10, 11, and 12, above, and to convert Tamayo's
16 funds to MELGOZA's own benefit. In July, 2008, Tamayo went to the
17 escrow office handling the transaction for his purchase of the
18 Property where he discovered that the checks totaling \$23,550
19 given by him to MELGOZA for the purchase of the Property had not
20 been deposited into the escrow. Instead, only \$1,000 had been
21 deposited on Tamayo's behalf, and that amount had not come from
22 one of the checks Tamayo had given MELGOZA, but was instead a
23 check written on a Primo Financial account signed by MELGOZA's
24 wife, Bernice Melgoza.
25

26 14.

27 Despite Tamayo's execution of a document purporting to

1 cancel the transaction for the purchase of the Property provided
2 to him by MELGOZA, MELGOZA has failed and refused to refund
3 Tamayo's payments in the amount of \$23,550.

4 15.

5 The conduct, acts and/or omissions of Respondent
6 MELGOZA, as described herein above, constitute making a
7 substantial misrepresentation, the making of false promise(s)
8 of a character likely to influence, persuade or induce, engaging
9 in fraud or dishonest dealing and are cause for the suspension or
10 revocation of all real estate licenses and license rights of
11 Respondent MELGOZA under the provisions of Code Section 10176(a),
12 10176(b), and 10176(i).

13 SECOND CAUSE OF ACCUSATION

14 (Record Retention Violation Against FIRST FUNDING and SANDOVAL)

15 16.

16 Complainant incorporates by this reference the
17 allegations set forth in Paragraphs 1 through 15, above.

18 17.

19 In the course of activities described in Paragraph 7,
20 above, Respondents FIRST FUNDING and SANDOVAL acted in violation
21 of the Code in that they failed to retain all records of their
22 activities requiring a real estate broker license during the past
23 three years including sales and loan transaction files for their
24 real estate clients and further including listings, real estate
25 contracts, canceled checks, escrow and trust records, and
26 specifically including the sale and/or loan documentation
27 pertaining to Tamayo and/or the Property, as required by Code

1 Section 10148.

2 18.

3 The conduct, acts and/or omissions of Respondents FIRST
4 FUNDING and SANDOVAL, as set forth above, are in violation of
5 Code Section 10148, and are cause for the suspension or
6 revocation of the licenses and license rights of Respondents
7 FIRST FUNDING and SANDOVAL pursuant to Code Sections 10177(d) and
8 10177(g).

9 THIRD CAUSE OF ACCUSATION
10 (Failure to Supervise Against SANDOVAL)

11 19.

12 Complainant incorporates by this reference the
13 allegations set forth in Paragraphs 1 through 18, above.

14 20.

15 The conduct, acts and/or omissions of Respondent
16 SANDOVAL in failing to exercise reasonable supervision over the
17 activities of Respondents MELGOZA and FIRST FUNDING, as more
18 fully set forth above, are cause for the suspension or revocation
19 of the licenses and license rights of Respondent SANDOVAL
20 pursuant to Code sections 10177(d), (g) and/or (h) for violation
21 of Code section 10159.2.

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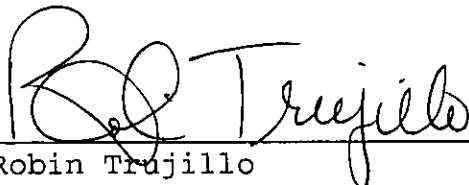
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all the licenses and license rights of Respondents
5 FIRST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

9 Dated at Los Angeles, California

10 this 14 day of March, 2011.

11
12
13
14 
15 Robin Trujillo
16 Deputy Real Estate Commissioner
17
18
19
20
21
22

23 cc: First Funding Mortgage Inc.
24 Jesse Jose Sandoval
25 Gilbert B. Melgoza
26 Robin Trujillo
27 Sacto.