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Department of Real Estate
320 West Fourth Street, Ste. 350
Los Angeles, California 90013

(213) 576-6982

FILED
MAR 29 2011
DEPARTMENT OF REAL ESTATE

By [Signature]

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

| | | |
|--------------------------------|---|------------------------|
| To: |) | No. H-37181 LA |
| |) | |
| CAPITAL DIRECT FINANCIAL, INC. |) | <u>ORDER TO DESIST</u> |
| |) | <u>AND REFRAIN</u> |
| |) | |
| |) | |

The Real Estate Commissioner of the State of California has caused an investigation to be made of CAPITAL DIRECT FINANCIAL, INC.'s activities as a real estate broker, and based on the findings of that investigation is of the opinion that CAPITAL DIRECT FINANCIAL, INC. has violated Sections 10235.5, 10236.4 and 10140.6 of the Business and Professions Code ("Code") as well as Sections 2847.3 and 2848 of Chapter 6, Title 10, California Code of Regulations ("Regulations").

1.

At all times mentioned herein, CAPITAL DIRECT FINANCIAL, INC., was licensed by the Department of Real Estate of the State of California ("Department") as a real estate corporation. Constance Carlisle Glenn was the designated officer of CAPITAL DIRECT FINANCIAL, INC.

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2.

At all times mentioned herein, CAPITAL DIRECT FINANCIAL, INC. knowingly published, circulated, distributed, or caused to be published, circulated or distributed, in a newspaper or periodical, or by mail, matter pertaining to an activity for which a real estate license is required which did not contain a designation disclosing that CAPITAL DIRECT FINANCIAL, INC. was performing acts for which a real estate license is required in violation of Section 10140.6 of the Code.

3.

From on or about May, 2009 through June, 2009, CAPITAL DIRECT FINANCIAL, INC. knowingly advertised, printed, displayed, published, distributed, or caused or permitted to be advertised, printed, displayed, published, distributed, statements or representations with regard to the rates, terms, or conditions for making, purchasing, or negotiating loans on real property which were false, misleading, or deceptive in violation of Section 2847.3 and Section 2848, subdivisions (4), (12), and (16), of the Regulations.

(a) CAPITAL DIRECT FINANCIAL, INC. placed one or more advertisements disseminated primarily in the State of California for the making or arranging of a loan, including a solicitation for borrowers or potential investors, that failed to disclose within the printed text of the advertisement, or the oral text in the case of a radio or television advertisement, the real estate broker license number under which the loan would be made or arranged in violation of Code Sections 10235.5, 10236.4 and Section 2847.3 of the Regulations.

(b) CAPITAL DIRECT FINANCIAL, INC. placed one or more advertisements disseminated primarily in the State of California for the making or arranging of a loan, including a solicitation for borrowers or potential investors, that misleads or implies that the advertisement is from a lender without noting that all loans are to be funded as the principal lender, used or contained a term or symbol that reasonably could be interpreted or construed as implying a state or local government connection, approval, or endorsement without including language to avoid misleading consumers, and failed to disclose within the printed text of the advertisement, or the

1 oral text in the case of a radio or television advertisement, an interest rate with an equally
2 prominent Annual Percentage Rate, in violation of Section 2848, subdivisions (4), (12), and (16)
3 of the Regulations.

4 4.

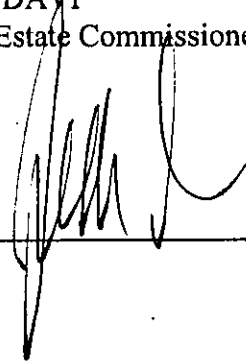
5 CAPITAL DIRECT FINANCIAL, INC.'s conduct, as alleged in Paragraphs 2 and
6 3, above, is in violation of Code Sections 10235.5, 10236.4 and 10140.6 and Sections 2847.3 and
7 2848 of the Regulations.

8 NOW, THEREFORE, CAPITAL DIRECT FINANCIAL, INC. IS ORDERED TO
9 DESIST AND REFRAIN from performing any and all activities for which a real estate broker
10 license is required until CAPITAL DIRECT FINANCIAL, INC. complies with all provisions of
11 the Real Estate Law as discussed in this Order.

12 DATED: _____ 4/23, 2011.

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14 JEFF DAVI
Real Estate Commissioner

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cc: Capital Direct Financial, Inc.
34875 Pourroy Road, Apt. 1603
Winchester, CA 92596

Constance Carlisle Glenn
34875 Pourroy Road, Apt. 1603
Winchester, CA 92596