

2.

From August 7, 2007, through the present, Respondent ASPYRATION CAPITAL ADVISORS, INC. ("ASPYRATION") has been licensed by the Department of Real Estate ("Department") as a corporate real estate broker, Department ID 01525979.

3.

From October 12, 1982, through the present, Respondent GEORGE HENRY DEVINNA ("DEVINNA") has been licensed by the Department as a real estate broker, Department ID 00754339.

4.

At all times relevant herein, Respondent ASPYRATION was acting by and through Respondent DEVINNA as its officer pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

5.

Respondent ASPYRATION is a California corporation formed on March 22, 2007. Respondent DEVINNA is the Secretary of ASPYRATION. ASPYRATION is owned and directed by Richard "R.K." Khalfani ("Khalfani"). Khalfani has never been licensed in any capacity by the Department.

FIRST CAUSE OF ACCUSATION

(Suspended Corporate Status)

6.

On March 1, 2011, the California Franchise Tax Board suspended the corporate powers, rights and privileges of Respondent ASPYRATION pursuant to the provisions of the

1 California Revenue and Taxation Code. ASPYRATION's corporate
2 status remains suspended.

3 7.

4 The suspension of Respondent ASPYRATION's corporate
5 status is in violation of California Code of Regulations, Title
6 10, Chapter 6, ("Regulations") Regulation 2742, subdivision (c)
7 and constitutes grounds to suspend or revoke Respondent
8 ASPYRATION's corporate real estate broker license pursuant to
9 Code Section 10177(d).

10 8.

11 The conduct, acts and/or omissions of Respondent
12 DEVINNA as set forth in Paragraphs 6 and 7, above, in failing to
13 adequately supervise the activities of Respondent ASPYRATION, is
14 in violation of Code Section 10159.2 and constitutes grounds to
15 discipline the license and/or license rights of Respondent
16 DEVINNA pursuant to Code Sections 10177(h), 10177(d) and/or
17 10177(g).

18 SECOND CAUSE OF ACCUSATION

19 (Failure to Disclose)

20 9.

21 There is hereby incorporated in this Second, separate,
22 Cause of Accusation, all of the allegations contained in
23 Paragraphs 1 through 8, above, with the same force and effect as
24 if herein fully set forth.

25 10.

26 On or about June 15, 2011, Respondent DEVINNA
27 submitted an Officer Renewal Application on behalf of himself
28 and ASPYRATION. In response to Question No. 17 on the Officer

1 Renewal Application, to wit: "[I]s the corporation currently in
2 good standing with the Office of the Secretary of State?",
3 Respondent DEVINNA marked the answer box denoting "Yes", and
4 failed to reveal ASPYRATION's suspended corporate status
5 described above in Paragraph 6. Respondent DEVINNA certified
6 under penalty of perjury under the laws of the State of
7 California that the information that he provided on the Officer
8 Renewal Application to the Department was true and correct.

9 11.

10 Respondent DEVINNA's failure to reveal ASPYRATION's
11 suspended corporate status on the Officer Renewal Application as
12 set forth in Paragraph 10, above, constitutes the procurement of
13 a real estate license by fraud, misrepresentation or deceit, or
14 by making a material misstatement of fact, knowing
15 misrepresentation of a material fact, or by knowingly omitting
16 to state a material fact, in an application, which constitutes
17 cause under Code Sections 498 and 10177(a) for the suspension or
18 revocation of Respondents ASPYRATION and DEVINNA's licenses and
19 license rights of under the Real Estate Law.

20 THIRD CAUSE OF ACCUSATION

21 (Employment or Compensation of Unlicensed Person/
22 Fraud or Dishonest Dealing)

23 12.

24 There is hereby incorporated in this Third, separate
25 Cause of Accusation, all of the allegations contained in
26 Paragraphs 1 through 11, above, with the same force and effect
27 as if herein fully set forth.

28 ///

1 13.

2 Business and Professions Code ("Code") Section 10132
3 defines a real estate salesperson as a person who, for
4 compensation or in expectation of compensation, is employed by a
5 licensed real estate broker to do one or more of the acts set
6 forth in Code Sections 10131, 10131.1, 10131.2, 10131.3,
7 10131.4, and 10131.6.

8 14.

9 Pursuant to Code Section 10131, a real estate broker
10 is defined as a person who: (a) sells or offers to sell, buys or
11 offers to buy, solicits prospective sellers or purchasers of,
12 solicits or obtains listings of, or negotiates the purchase,
13 sale or exchange of real property or a business opportunity; or
14 (e) sells or offers to sell, buys or offers to buy or exchanges
15 or offers to exchange a real property sales contract, or a
16 promissory note secured directly or collaterally by a lien on
17 real property or on a business opportunity, and performs
18 services for the holders thereof.

19 15.

20 Code Section 10137 states that it is unlawful for any
21 licensed real estate broker to employ or compensate, directly or
22 indirectly, any person for performing any acts that require a
23 real estate license who is not a licensed real estate broker, or
24 a real estate salesperson licensed under the broker employing or
25 compensating him or her.

26 16.

27 Within the three year period prior to the filing of
28 this Accusation, R.K. Khalfani, while acting as an agent on

1 behalf of Respondents, solicited and offered to perform services
2 for potential purchaser of real property, Claudette O., in
3 connection with the purchase of real property located at 1224 W.
4 107th Street, Los Angeles, California ("subject property").
5 Khalfani negotiated the sale and purchase of the subject
6 property as a dual agent for both the buyer and sellers of the
7 subject property.

8 17.

9 Escrow opened on April 21, 2009. Claudette O.
10 provided a \$59,500 earnest money deposit to Khalfani toward the
11 purchase of the subject property. Unbeknownst to Claudette O.,
12 Khalfani thereafter prepared, or caused to be prepared, an
13 amended escrow instruction bearing Claudette O.'s forged
14 signature which directed the escrow company to release \$25,000
15 to the sellers of the subject property regardless of whether or
16 not escrow ever actually completed or closed. Khalfani directed
17 the escrow company to wire the \$25,000 intended for the sellers
18 of the subject property to ASPYRATION's bank account. Claudette
19 O. cancelled escrow on the purchase of the subject property on
20 August 3, 2009, upon discovering Khalfani's misappropriation of
21 her earnest money deposit funds. The escrow company returned
22 \$39,500, the balance of Claudette O.'s earnest money deposit to
23 ASPYRATION, which ASPYRATION failed to return to Claudette O.

24 18.

25 Khalfani's activities described in Paragraphs 16 and
26 17, above, require a real estate license under Code Sections
27 10131 and 10132. Respondent ASPYRATION violated Code Section
28 10137 by employing and/or compensating Khalfani, an unlicensed

1 individual, to perform activities requiring a real estate
2 license.

3 19.

4 Respondent ASPYRATION and Khalfani's conduct, acts
5 and/or omissions as set forth above constitute grounds for the
6 suspension or revocation of the license and license rights of
7 Respondent ASPYRATION pursuant to Code Sections 10176(a) (making
8 any substantial misrepresentation), 10176(i) (conduct...which
9 constitutes fraud or dishonest dealing), 10177(d) (violation of
10 the Real Estate Law), and/or 10177(g) (negligence).

11 20.

12 The conduct, acts and/or omissions of Respondent
13 DEVINNA, in allowing Respondent ASPYRATION to violate the Real
14 Estate Law, as set forth above, constitutes a failure by
15 Respondent DEVINNA, as the officer designated by the corporate
16 broker licensee, to exercise the supervision and control over
17 the activities of Respondent ASPYRATION, as required by Code
18 Section 10159.2 and Regulation 2725, and is cause to suspend or
19 revoke the real estate license and license rights of Respondent
20 DEVINNA under Code Sections 10177(h), 10177(d) and/or 10177(g).

21 FOURTH CAUSE OF ACCUSATION

22 (Audit)

23 21.

24 There is hereby incorporated in this Fourth, separate,
25 Cause of Accusation, all of the allegations contained in
26 Paragraphs 1 through 20, above, with the same force and effect
27 as if herein fully set forth.

1 (b) Failed to retain records in connection with its
2 real estate activities as required pursuant to Code Section
3 10148.

4 25.

5 The conduct of Respondent ASPYRATION, described in
6 Paragraph 24, above, violated the Code and the Regulations as
7 set forth below:

8

9 PARAGRAPH	PROVISIONS VIOLATED
10 24(a)	Code Section 10159.5 and Regulation 2731
11 24(b)	Code Section 10148

12

13 The foregoing violations constitute cause for the
14 suspension or revocation of the real estate license and license
15 rights of Respondent ASPYRATION under the provisions of Code
16 Sections 10177(d).

17 26.

18 The overall conduct of Respondent ASPYRATION
19 constitutes negligence or incompetence. This conduct and
20 violations are cause for the suspension or revocation of the
21 real estate license and license rights of Respondent ASPYRATION
22 pursuant to Code Section 10177(g).

23 27.

24 The overall conduct of Respondent DEVINNA constitutes
25 a failure on his part, as officer designated by a corporate
26 broker licensee, to exercise the reasonable supervision and
27 control over the licensed activities of ASPYRATION as required
28 by Code Section 10159.2, and to keep ASPYRATION in compliance

1 with the Real Estate Law, and is cause for the suspension or
2 revocation of the real estate license and license rights of
3 DEVINNA pursuant to the provisions of Code Sections 10177(h),
4 10177(d) and/or 10177(g).

5 28.

6 Code Section 10106 provides, in pertinent part, that
7 in any order issued in resolution of a disciplinary proceeding
8 before the Department of Real Estate, the Commissioner may
9 request the administrative law judge to direct a licensee found
10 to have committed a violation of this part to pay a sum not to
11 exceed the reasonable costs of the investigation and enforcement
12 of the case.

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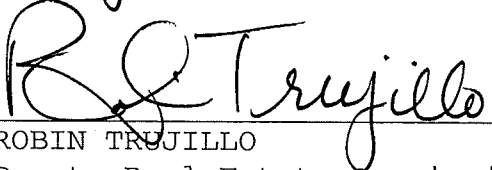
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondents
5 ASPYRATION CAPITAL ADVISORS, INC. and GEORGE HENRY DEVINNA,
6 individually and as designated officer of Aspyration Capital
7 Advisors, Inc. under the Real Estate Law (Part 1 of Division 4
8 of the Business and Professions Code), for the cost of
9 investigation and enforcement as permitted by law, and for such
10 other and further relief as may be proper under other provisions
11 of law.

12 Dated at Los Angeles, California

13 this 24 day of July, 2012.

14 
15
16 ROBIN TRUJILLO
17 Deputy Real Estate Commissioner
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22

23 cc: Aspyration Capital Advisors, Inc.
24 George Henry Devinna
25 Robin Trujillo
26 Sacto
27 Audits - Chona Picayo
28