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FILED

OCT 10 2012

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

DEPARTMENT OF REAL ESTATE

BY: Jana B. Iron

5 Telephone: (213) 576-6982
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7

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 G & G FINANCIAL GROUP, INC and)
13 GEORGE GALLARDO, individually,)
14 and as designated officer)
15 of G & G Financial Group, Inc,)
16 Respondents.)

No. H-38449 LA

FIRST AMENDED
ACCUSATION

17 This Accusation amends the Accusation filed on October
18 1, 2012, by changing the case number from "H-38449 ILA" to
19 "H-38449 LA." The Complainant, Maria Suarez, a Deputy Real
20 Estate Commissioner of the State of California, for cause of
21 Accusation against G & G FINANCIAL GROUP, INC and GEORGE
22 GALLARDO, individually and as designated officer of G & G
23 Financial Group, Inc, alleges as follows:

24 1.

25 The Complainant, Maria Suarez, acting in her official
26 capacity as a Deputy Real Estate Commissioner of the State of
27

1 California, makes this Accusation against G & G FINANCIAL GROUP,
2 INC and GEORGE GALLARDO.

3 2.

4 All references to the "Code" are to the California
5 Business and Professions Code and all references to "Regulations"
6 are to Title 10, Chapter 6, California Code of Regulations.

7 LICENSE HISTORY

8 3.

9 A. At all times mentioned, G & G FINANCIAL GROUP, INC
10 ("G & G") was licensed and/or has license rights issued by the
11 Department of Real Estate ("Department") as a corporate real
12 estate broker. G & G was originally licensed as a corporate real
13 estate broker on October 8, 2009.

14 B. At all times mentioned, GEORGE GALLARDO
15 ("GALLARDO") was licensed and/or had license rights issued by the
16 Department as a real estate broker. GALLARDO was originally
17 licensed as a real estate broker on February 20, 2008.

18 C. From October 8, 2009, through the present, G & G
19 has been licensed by the Department as a corporate real estate
20 broker by and through GALLARDO, as the designated officer and
21 broker responsible, pursuant to Code Section 10159.2 for
22 supervising the activities requiring a real estate license
23 conducted on behalf of G & G, or by G & G's officers, agents and
24 employees.

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BROKERAGE

G & G FINANCIAL GROUP, INC

4.

At all times mentioned, in the Cities of El Monte and Los Angeles, County of Los Angeles, G & G and GALLARDO acted as real estate brokers, conducting licensed activities within the meaning of Code Section 10131(d): soliciting borrowers or lenders, negotiating loans, collecting payments or performing services for borrowers, in connections with loans secured by real property.

AUDIT

G & G FINANCIAL GROUP, INC

5.

On January 31, 2012, the Department completed an audit examination of the books and records of G & G pertaining to the activities described in Paragraph 4 which require a real estate license. The audit examination covered a period of time from January 1, 2009 to May 31, 2011. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and as more fully discussed in Audit Report LA100263 and the exhibits and workpapers attached to said audit report.

VIOLATIONS OF THE REAL ESTATE LAW

6.

In the course of activities described in Paragraph 4 above and during the examination period described in Paragraph 5,

1 Respondents G & G and GALLARDO acted in violation of the Code and
2 the Regulations in that:

3 (a) As of May 31, 2011, G & G has a shortage of \$3,106
4 in the bank account used for handling trust receipts and
5 disbursements. There were also unidentified/ unaccounted for
6 funds totaling \$14,000 in this bank account, in violation of Code
7 Section 10145 and Regulation 2832.1.

8 (b) G & G did not maintain an accurate and complete
9 record of trust funds received and disbursed for its loan
10 modification activities, in violation of Code Section 10145 and
11 Regulation 2831.

12 (c) G & G did not maintain separate records for each
13 beneficiary of trust funds received and disbursed for loan
14 modification activities. G&G also failed to maintain a separate
15 record for the \$14,000 in unidentified/unaccounted for funds, in
16 violation of Code Section 10145 and Regulation 2831.1.

17 (d) G & G did not maintain a monthly trust fund
18 reconciliation of all separate records to the columnar records of
19 trust funds received and disbursed. Furthermore, the
20 unidentified/ unaccounted for funds of \$14,000 were not
21 reconciled, in violation of Code Section 10145 and Regulation
22 2831.2.

23 (e) As of May 31, 2011, G&G had commingled \$7,600 of
24 its own funds in its trust account, in violation of Code Sections
25 10145, 10177(e) and Regulation 2835.

26 (f) G & G collected advance fees from borrowers before
27 G&G had fully performed the services promised to borrowers,

1 during the period of October 30, 2009 to July 31, 2010, in
2 violation of Code Sections 10085.5 and 10085.6.

3 (g) G & G did not always maintain and provide a
4 verified accounting to borrowers, describing the services to be
5 rendered, into which trust account the funds were deposited and
6 details of how the funds were dispersed, in violation of Code
7 Sections 10146 and 2972.

8 (h) G & G failed to provide a separate statement
9 regarding the necessity of paying a third party for a loan
10 modification, in violation of Code Section 10147.6(a).

11 (i) G & G compensated Mayra Martinez, Erwin Salazar
12 and Selene D. Gonzalez for providing loan modification services
13 requiring a real estate license, when none of them were licensed
14 by the Department, in violation of Code Section 10137.

15 (j) G & G failed to timely notify the Department of
16 its employment of salespersons Marlyn Elizabeth Llonthrop and
17 Carter Josue Hernandez, in violation of Code Section 10161.8 and
18 Regulation 2752.

19 (k) G & G conducted loan modification activities using
20 the fictitious business names "Tribaldos Residential Realty",
21 "Tribaldos Real Estate" and "George Gallardo G & G Financial"
22 which were not licensed with the Department, in violation of Code
23 Section 10159.2 and Regulation 2731.

24 7.

25 The conduct of Respondents G & G and GALLARDO,
26 described in Paragraph 6, above, violated the Code and the
27 Regulations as set forth below:

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PARAGRAPH

PROVISIONS VIOLATED

- 6(a) Code Section 10145 and Regulation 2832.1
- 6(b) Code Section 10145 and Regulation 2831
- 6(c) Code Section 10145 and Regulation 2831.1
- 6(d) Code Section 10145 and Regulation 2831.2
- 6(e) Code Sections 10145, 10177(e) and Regulation 2835
- 6(f) Code Sections 10085.5 and 10085.6
- 6(g) Code Sections 10146 and 2972
- 6(h) Code Section 10147.6(a)
- 6(i) Code Section 10137
- 6(j) Code Section 10161.8 and Regulation 2752
- 6(k) Code Section 10159.2 and Regulation 2731

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of G & G and GALLARDO, under the provisions of Code Sections 10137, 10165, 10177(e), 10177(d) and/or 10177(g).

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1 SUPERVISION AND COMPLIANCE

2 8.

3 The overall conduct of Respondent GALLARDO constituted
4 a failure on his part, as an officer designated by a corporate
5 broker licensee, to exercise reasonable supervision and control
6 over the licensed activities of G & G as required by Code Section
7 10159.2, and to keep G & G in compliance with the Real Estate
8 Law, and is cause for the suspension or revocation of the real
9 estate license and license rights of GALLARDO pursuant to the
10 provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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1 WHEREFORE, Complainant prays that a hearing be
2
3 conducted on the allegations of this Accusation and that upon
4 proof thereof, a decision be rendered imposing disciplinary
5 action against all licenses and license rights of Respondents
6 G & G FINANCIAL GROUP, INC and GEORGE GALLARDO, individually and
7 as designated officer of G & G Financial Group, Inc, under the
8 Real Estate Law, that Complainant be awarded its costs of
9 investigation and prosecution of this case, and for such other
10 and further relief as may be proper under the provisions of law.

11 Dated at Los Angeles, California

12
13 this 9th day of October, 2012

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15 
16 _____
17 Maria Suarez
18 Deputy Real Estate Commissioner

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25 cc: G & G FINANCIAL GROUP, INC
26 GEORGE GALLARDO
27 Maria Suarez
Sacto
Audits

FILED

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DEPARTMENT OF REAL ESTATE
BY Jane B. Olm

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17 Respondents.)

No. H-38449 ILA

A C C U S A T I O N

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19 Commissioner of the State of California, for cause of Accusation
20 against G & G FINANCIAL GROUP, INC and GEORGE GALLARDO,
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20 supervising the activities requiring a real estate license
21 conducted on behalf of G & G, or by G & G's officers, agents and
22 employees.

23 BROKERAGE

24 G & G FINANCIAL GROUP, INC

25 4.

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27 Los Angeles, County of Los Angeles, G & G and GALLARDO acted as

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7 G & G FINANCIAL GROUP, INC

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14 (k) G & G conducted loan modification activities using
15 the fictitious business names "Tribaldos Residential Realty",
16 "Tribaldos Real Estate" and "George Gallardo G & G Financial"
17 which were not licensed with the Department, in violation of Code
18 Section 10159.2 and Regulation 2731.

19 7.

20 The conduct of Respondents G & G and GALLARDO,
21 described in Paragraph 6, above, violated the Code and the
22 Regulations as set forth below:

23
24 PARAGRAPH

PROVISIONS VIOLATED

25 6(a)

Code Section 10145 and Regulation
26 2832.1

- 1 6(b) Code Section 10145 and Regulation
2 2831
- 3 6(c) Code Section 10145 and Regulation
4 2831.1
- 5 6(d) Code Section 10145 and Regulation
6 2831.2
- 7 6(e) Code Sections 10145, 10177(e) and
8 Regulation 2835
- 9 6(f) Code Sections 10085.5 and 10085.6
- 10 6(g) Code Sections 10146 and 2972
- 11 6(h) Code Section 10147.6(a)
- 12 6(i) Code Section 10137
- 13 6(j) Code Section 10161.8 and Regulation
14 2752
- 15 6(k) Code Section 10159.2 and Regulation
16 2731

17

18 The foregoing violations constitute cause for the
19 suspension or revocation of the real estate license and license
20 rights of G & G and GALLARDO, under the provisions of Code
21 Sections 10137, 10165, 10177(e), 10177(d) and/or 10177(g).

22 SUPERVISION AND COMPLIANCE

23 8.

24 The overall conduct of Respondent GALLARDO constituted
25 a failure on his part, as an officer designated by a corporate
26 broker licensee, to exercise reasonable supervision and control
27 over the licensed activities of G & G as required by Code Section

1 10159.2, and to keep G & G in compliance with the Real Estate
2 Law, and is cause for the suspension or revocation of the real
3 estate license and license rights of GALLARDO pursuant to the
4 provisions of Code Sections 10177(d), 10177(g) and 10177(h).

5
6 WHEREFORE, Complainant prays that a hearing be
7 conducted on the allegations of this Accusation and that upon
8 proof thereof, a decision be rendered imposing disciplinary
9 action against all licenses and license rights of Respondents
10 G & G FINANCIAL GROUP, INC and GEORGE GALLARDO, individually and
11 as designated officer of G & G Financial Group, Inc, under the
12 Real Estate Law, that Complainant be awarded its costs of
13 investigation and prosecution of this case, and for such other
14 and further relief as may be proper under the provisions of law.

15 Dated at Los Angeles, California

16
17 this 24th day of September 2012

18
19
20 
21 Maria Suarez
22 Deputy Real Estate Commissioner

23 cc: G & G FINANCIAL GROUP, INC
24 GEORGE GALLARDO
25 Maria Suarez
26 Sacto
27 Audits