

mail, to Respondent's last known mailing addresses on file with the Department on March 14, 2011. All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

2.

On September 22, 2011, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent ALL STAR HOME LOANS INC.'s default was entered herein.

3.

A. ALL STAR HOME LOANS INC. ("ASHLI"). At all times mentioned, Respondent ASHLI was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On August 29, 2007, ASHLI was originally licensed as a corporate real estate broker. Respondent ASHLI was authorized to act by and through Respondent CAROLINA GIARGIA as ASHLI's broker designated pursuant to Business and Professions Code (hereinafter "Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

B. CAROLINA GIARGIA ("CAROLINA GIARGIA"). At all times mentioned, Respondent GIARGIA was licensed or had license rights issued by the Department as a real estate broker. On July 19, 1990 GIARGIA was originally licensed as a real estate salesperson. On June 13, 2000 GIARGIA was originally licensed as a real estate broker. On October 4, 2003, GIARGIA became the designated officer of ASHLI.

C. ALL STAR HOME LOANS INC. is owned by Yamel Delgado, its president and secretary.

D. Yamel Delgado and "Mathilda" aka Mia are not now and have never been licensed by the Department as a salesperson or broker.

4.

At all times mentioned, in the City of Maywood, County of Los Angeles, ASHLI and GIARGIA acted as real estate brokers conducting licensed activities within the meaning of:

A. Code Section 10131(d). Respondents engaged in activities with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

During the final twelve months of the audit period, Respondents closed approximately twenty-four (40) mortgage loans totaling \$5,376,456.

B. Code Section 10131(d) and 10131.2. Respondents advertised, solicited and offered to provide loss mitigation and loan modification services to economically distressed homeowners seeking adjustments to the terms and conditions of their home loans including, but not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or interest, extenuations, foreclosure prevention and short sales.

During the audit period, Respondents attempted unsuccessfully to process several loan modifications using the name "California's Loan Resolution" charging advance fees from economically distressed homeowner-borrowers, including Armando Moreno, and depositing his \$500 advance fee for services to be rendered into ASHLI's general account, B/A #1 below.

FIRST CAUSE OF ACCUSATION

(Audit)

5.

On September 3, 2010, the Department completed an audit examination of the books and records of ASHLI pertaining to the mortgage loan brokerage, loan modification and advance fee activities only described in Finding 4, which require a real estate license. The audit examination covered a period of time beginning on July 1, 2007 to April 30, 2010. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 090214 and the exhibits and work papers attached to said audit report.

6.

At all times mentioned, in connection with the activities described in Finding 4, above, ASHLI accepted or received funds including funds in trust (hereinafter "trust funds") in the form of advance fees on behalf of actual or prospective parties, including lenders, borrowers, homeowners for mortgage loans and loan modifications handled by ASHLI and ASHLI's dba California's Home Resolution. Thereafter ASHLI made deposits and or disbursements of such trust funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by ASHLI in the bank accounts as follows:

"All Star Home Loans Inc.
Account No. XXXXXXXXX296-7

WaMu Bank
(AHSLI's general business account) (B/A #1)

"All Star Home Loans Inc.
Account No. XXXXXXXXX295-9
WaMu Bank
(AHSLI's general business checking account) (B/A #2)

"All Star Home Loans Inc.
Account No. XXXXXXXXX023-1
WaMu Bank
(AHSLI's general business interest-bearing account) (B/A #3)

"All Star Home Loans Inc.
Account No. XXXXXXXXX4060
Cal National Bank
(AHSLI's general business operations account) (B/A #4)

7.

In the course of activities described in Findings 4 and 6, above, and during the examination period described in Finding 5, Respondents ASHLI acted in violation of the Code and the Regulations in which Respondent:

(a) Used the fictitious name of "All Stars Home Loans", to conduct licensed activities including a mortgage loan brokerage, without first obtaining from the Department a license bearing said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731.

(b)(1) Failed to retain a true and complete copy of a Department of Real Estate approved Mortgage Loan Disclosure Statements which were:

(1) Signed by ASHLI for borrowers Somsanith, Bounleuth, Maria Pzano and Sergio Pivaral;

(2) Not provided to the aforesaid borrowers within three (3) business days of submission of aforesaid borrowers loan applications;

(3) Not disclosed, to wit, the Yield Spread Premium rebate from the lender for borrower Jareerat Saensawas in the amount of \$350.00 was not disclosed; all in violation of Code Sections 10240(a) and (c) and Regulation 2840.

(b)(2) Failed to retain a true and complete copy of a Department of Real Estate approved Good Faith Estimate signed by the broker for borrowers Jareerat Saensawas, Amara Tuncharoen, Nattawach Phoonsawat, Sandra Ballesteros, Chweewan Janjareanand Ahmad Daouk, in violation of Code Sections 10240(c) and Regulation 2840. Respondents failed to disclose ASHLI's:

- (1) Good Faith Estimate did not constitute a loan commitment;
- (2) Corporate broker license number; and
- (3) Yield Spread Premium rebate from lenders.

(c) After notice and subpoena on May 11, 2010, failed to retain all records of ASHLI's activity during the audit period requiring a real estate broker license, in violation of Code Section 10148.

SECOND CAUSE OF ACCUSATION
(Negligence)

8.

The overall conduct of Respondent ASHLI constitutes negligence and is cause for the suspension or revocation of the real estate license and license rights of said Respondent pursuant to the provisions of Code Section 10177(g).

THIRD CAUSE OF ACCUSATION
(Fiduciary Duty)

9.

The conduct, acts and omissions of Respondent ASHLI constitutes a breach of fiduciary duty, in violation of Code Sections 10176(i) and/or 10177(g).

DETERMINATION OF ISSUES

1.

The conduct, acts and/or omissions of Respondent ALL STAR HOME LOANS INC., as described in Findings 5 through 7, herein above, is in violation of Code Sections 10148, 10159.5 and 10240, and is cause for disciplinary action pursuant to Code Sections 10177(d) and 10177(g).

2.

The conduct, acts and/or omissions of Respondent ALL STAR HOME LOANS INC., as described in Finding 8, herein above, is in violation of Code Section 10177(g) and is cause for disciplinary action pursuant to Code Section 10177(g).

3.

The conduct, acts and/or omissions of Respondent ALL STAR HOME LOANS INC., as described in Finding 9, herein above, is in violation of Code Sections 10177(g) and is cause for disciplinary action pursuant to Code Sections 10177(g) and 10176(i).

4.

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

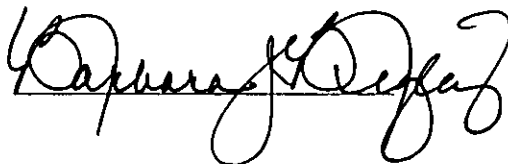
ORDER

The real estate broker license and license rights of Respondent ALL STAR HOME LOANS INC., 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 on January 9, 2012.

DATED: 12/13, 2011

BARBARA J. BIGBY
Acting Real Estate Commissioner



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

4 (213) 576-6982

FILED

SEP 22 2011

DEPARTMENT OF REAL ESTATE
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of

No. H-37134 LA

12 ALL STAR HOME LOANS INC.; and
13 CAROLINA GIARGIA, individually
14 and as designated officer of
All Star Home Loans Inc.,

15 Respondents,

16
17 DEFAULT ORDER

18 Respondent ALL STAR HOME LOANS INC., having failed to file a Notice of
19 Defense within the time required by Section 11506 of the Government Code, is now in default. It
20 is, therefore, ordered that a default be entered on the record in this matter.

21 IT IS SO ORDERED

September 21, 2011
22 BARBARA J. BIGBY

23 Acting Real Estate Commissioner

24 *Dolores Weeks*

25 By: DOLORES WEEKS
26 Regional Manager

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

4 Telephone: (213) 576-6982

FILED

AUG - 8 2011

DEPARTMENT OF REAL ESTATE
BY: [Signature]

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)	No. H-37134 LA
)	
12 ALL STAR HOME LOANS INC.; and)	
13 <u>CAROLINA GIARGIA</u> , individually)	<u>STIPULATION</u>
14 and as designated officer of)	
15 All Star Home Loans Inc.,)	<u>AND</u>
)	<u>AGREEMENT</u>
16 Respondent.)	

17 It is hereby stipulated by and between Respondent
18 CAROLINA GIARGIA (sometimes referred to as "Respondent"), and the
19 Complainant, acting by and through Elliott Mac Lennan, Counsel
20 for the Department of Real Estate, as follows for the purpose of
21 settling and disposing of the Accusation ("Accusation") filed on
22 March 14, 2011, in this matter:

- 23 1. All issues which were to be contested and all
- 24 evidence which was to be presented by Complainant and Respondent
- 25 at a formal hearing on the Accusation, which hearing was to be
- 26 held in accordance with the provisions of the Administrative
- 27

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

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

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

21 4. This Stipulation is based on the factual
22 allegations contained in the Accusation. In the interest of
23 expedience and economy, Respondent chooses not to contest these
24 allegations, but to remain silent and understands that, as a
25 result thereof, these factual allegations, without being admitted
26 or denied, will serve as a prima facie basis for the disciplinary
27

1 action stipulated to herein. The Real Estate Commissioner shall
2 not be required to provide further evidence to prove said factual
3 allegations.

4 5. This Stipulation is made for the purpose of
5 reaching an agreed disposition of this proceeding and is
6 expressly limited to this proceeding and any other proceeding or
7 case in which the Department of Real Estate ("Department"), the
8 state or federal government, or any agency of this state, another
9 state or federal government is involved, and otherwise shall not
10 be admissible in any other criminal or civil proceedings.

11 6. It is understood by the parties that the Real
12 Estate Commissioner may adopt this Stipulation as his Decision in
13 this matter thereby imposing the penalty and sanctions on
14 Respondent's real estate licenses and license rights as set forth
15 in the "Order" herein below. In the event that the Commissioner
16 in his discretion does not adopt the Stipulation, it shall be
17 void and of no effect and Respondent shall retain the right to a
18 hearing and proceeding on the Accusation under the provisions of
19 the APA and shall not be bound by any stipulation or waiver made
20 herein.
21

22 7. The Order or any subsequent Order of the Real
23 Estate Commissioner made pursuant to this Stipulation shall not
24 constitute an estoppel, merger or bar to any further
25 administrative or civil proceedings by the Department of Real
26 Estate with respect to any matters which were not specifically
27 alleged to be causes for Accusation in this proceeding but do

1 constitute a bar, estoppel and merger as to any allegations
2 actually contained in the Accusations against Respondent herein.

3 DETERMINATION OF ISSUES

4 By reason of the foregoing, it is stipulated and agreed
5 that the following determination of issues shall be made:

6 The conduct, acts and omissions of CAROLINA GIARGIA, as
7 described in Paragraph 4, hereinabove, is in violation of
8 Business and Professions Code Section 10159.2 and 10240 and
9 Section 2840 of Title 10, Chapter 6 of the California Code of
10 Regulations ("Regulations") and is a basis for discipline of
11 Respondent's license and license rights as a violation of the
12 Real Estate Law pursuant to Code Sections 10177(d), 10177(g) and
13 10177(h).

14 ORDER

15 WHEREFORE, THE FOLLOWING ORDER is hereby made:

16 The real estate broker license of Respondent CAROLINA
17 GIARGIA, under the Real Estate Law is revoked; provided, however,
18 a restricted real estate broker license shall be issued to said
19 Respondent, pursuant to Section 10156.5 of the Business and
20 Professions Code if Respondent:

21 (A) Make application thereof and pays to the Department
22 of Real Estate the appropriate fee for the restricted license
23 within ninety (90) days from the effective date of this Decision.

24 (B) Respondent shall, prior to and as a condition of
25 the issuance of the restricted license, submit proof satisfactory

26 ///

1 to the Commissioner of having taken and successfully completed
2 the continuing education course on trust fund accounting and
3 handling specified in paragraph (3) of subdivision (a) of Section
4 10170.5 of the Business and Professions Code. Proof of
5 satisfaction of this requirement includes evidence that
6 Respondent has successfully completed the trust fund account and
7 handling continuing education course within 120 days prior to the
8 date of issuance of the restricted license.

9 The restricted license issued to Respondent shall be
10 subject to all of the provisions of Section 10156.7 of the
11 Business and Professions Code and to the followings limitations,
12 conditions and restrictions imposed under authority of Section
13 10156.6 of that Code.

14 1. The restricted license issued to Respondent may be
15 suspended prior to hearing by Order of the Real Estate
16 Commissioner in the event of Respondent's conviction or plea of
17 nolo contendere to a crime which is substantially related to a
18 Respondent's fitness or capacity as a real estate licensee.

19 2. The restricted license issued to Respondent may
20 be suspended prior to hearing by Order of the Real Estate
21 Commissioner on evidence satisfactory to the Commissioner that
22 Respondent has violated provisions of the California Real Estate
23 Law, the Subdivided Lands Law, Regulations of the Real Estate
24 Commissioner or conditions attaching to the restricted license.

25 3. Respondent shall not be eligible to apply for the
26 issuance of an unrestricted real estate license nor for the
27 removal of any of the conditions, limitations or restrictions of

1 a restricted license until two (2) years have elapsed from the
2 date of issuance of the restricted license.

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

10 5. Respondent shall, within nine (9) months from the
11 effective date of this Decision, present evidence satisfactory to
12 the Real Estate Commissioner that Respondent has, since the most
13 recent issuance of an original or renewal real estate license,
14 taken and successfully completed the continuing education
15 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
16 for renewal of a real estate license. If Respondent fails to
17 satisfy this condition, the Commissioner may order the suspension
18 of the restricted license until Respondent presents such
19 evidence. The Commissioner shall afford Respondent the
20 opportunity for a hearing pursuant to the Administrative
21 Procedure Act to present such evidence.

22 6. During the restricted period, Respondent shall not
23 serve as the designated broker at any corporate real estate
24 broker unless and until Respondent is the sole owner of record of
25 the shares of the corporation.

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DATED: 6-26-11

EJL
ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

* * *

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

Respondent (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Additionally, Respondent shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan. A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation.

DATED: 07/05/2011


CAROLINA GIARGIA, Respondent

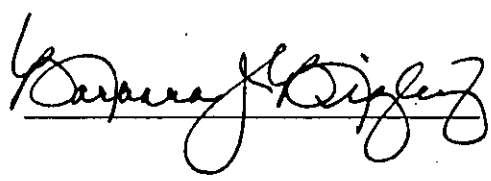
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* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondent CAROLINA GIARGIA and
shall become effective at 12 o'clock noon on
September 7, 2011.

IT IS SO ORDERED 8/1, 2011.

BARBARA J. BIGBY
Acting Real Estate Commissioner



FILED

1 ELLIOTT MACLENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

MAR 14 2011

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

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

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

12 ALL STAR HOME LOANS INC.; and)
13 CAROLINA GIARGIA, individually)
14 and as designated officer of)
All Star Home Loans Inc.,)

No. H- 37134 LA

A C C U S A T I O N

15 Respondents.)

16
17 The Complainant, Maria Suarez, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against ALL STAR HOME LOANS INC. and CAROLINA GIARGIA,
20 individually and as designated officer of Noury Corporation,
21 alleges as follows:

22 1.

23 The Complainant, Maria Suarez, acting in her official
24 capacity as a Deputy Real Estate Commissioner of the State of
25 California, makes this Accusation.

26 ///

1 2.

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

5 3.

6 License History

7 A. ALL STAR HOME LOANS INC. ("ASHLI"). At all times
8 mentioned, Respondent ASHLI was licensed or had license rights
9 issued by the Department of Real Estate ("Department") as a real
10 estate broker. On August 29, 2007, ASHLI was originally licensed
11 as a corporate real estate broker. Respondent ASHLI was
12 authorized to act by and through Respondent CAROLINA GIARGIA as
13 ASHLI's broker designated pursuant to Business and Professions
14 Code (hereinafter "Code") Section 10159.2 to be responsible for
15 ensuring compliance with the Real Estate Law.

16 B. CAROLINA GIARGIA ("CAROLINA GIARGIA"). At all
17 times mentioned, Respondent GIARGIA was licensed or had license
18 rights issued by the Department as a real estate broker. On July
19 19, 1990 GIARGIA was originally licensed as a real estate
20 salesperson. On July 19, 1990 GIARGIA was originally licensed as
21 a real estate salesperson. On June 13, 2000 GIARGIA was
22 originally licensed as a real estate broker. On October 4, 2003,
23 GIARGIA became the designated officer of ASHLI.

24 C. ALL STAR HOME LOANS INC. is owned by Yamel Delgado,
25 its president and secretary.

26 D. Yamel Delgado and "Mathilda" aka Mia are not now
27 and have never been licensed by the Department as a salesperson

1 or broker.

2 Brokerage

3 4.

4 At all times mentioned, in the City of Maywood, County
5 of Los Angeles, ASHLI and GIARGIA acted as real estate brokers
6 conducting licensed activities within the meaning of:

7 B. Code Section 10131(d). Respondents engaged in
8 activities with the public wherein lenders and borrowers were
9 solicited for loans secured directly or collaterally by liens on
10 real property, wherein such loans were arranged, negotiated,
11 processed and consummated on behalf of others for compensation or
12 in expectation of compensation and for fees often collected in
13 advance.

14 During the final twelve months of the audit period,
15 Respondents closed approximately twenty-four (40) mortgage loans
16 totaling \$5,376,456.

17 C. Code Section 10131(d) and 10131.2. Respondents
18 advertised, solicited and offered to provide loss mitigation and
19 loan modification services to economically distressed homeowners
20 seeking adjustments to the terms and conditions of their home
21 loans including, but not limited to, repayment plans, forbearance
22 plans, partial claims, and reduction in principal or interest,
23 extenuations, foreclosure prevention and short sales.

24 During the audit period, Respondents attempted
25 unsuccessfully to process several loan modifications using the
26 name "California's Loan Resolution" charging advance fees from
27 economically distressed homeowner-borrowers, including Armando

1 Moreno, and depositing his \$500 advance fee for services to be
2 rendered into ASHLI's general account, B/A #!, below.

3 FIRST CAUSE OF ACCUSATION
4 (Audit Examination)

5 5.

6 On September 3, 2010, the Department completed an audit
7 examination of the books and records of ASHLI pertaining to the
8 mortgage loan brokerage, loan modification and advance fee
9 activities only described in Paragraph 4, which require a real
10 estate license. The audit examination covered a period of time
11 beginning on July 1, 2007 to April 30, 2010. The audit
12 examination revealed violations of the Code and the Regulations
13 as set forth in the following paragraphs, and more fully
14 discussed in Audit Report LA 090214 and the exhibits and work
15 papers attached to said audit report.

16 Bank Accounts

17 6.

18 At all times mentioned, in connection with the
19 activities described in Paragraph 4, above, ASHLI accepted or
20 received funds including funds in trust (hereinafter "trust
21 funds") in the form of advance fees on behalf of actual or
22 prospective parties, including lenders, borrowers, homeowners for
23 mortgage loans and loan modifications handled by ASHLI and
24 ASHLI's dba California's Home Resolution. Thereafter ASHLI made
25 deposits and or disbursements of such trust funds. From time to
26 time herein mentioned during the audit period, said trust funds
27

1 were deposited and/or maintained by ASHLI in the bank accounts as
2 follows:

3
4 "All Star Home Loans Inc.
Account No. XXXXXXXXX296-7
5 WaMu Bank (B/A #1)
(ASHLI's general business account)

6
7
8 "All Star Home Loans Inc.
Account No. XXXXXXXXX295-9
9 WaMu Bank (B/A #2)
(ASHLI's general business checking account)

10
11
12 "All Star Home Loans Inc.
Account No. XXXXXXXXX023-1
13 WaMu Bank (B/A #3)
(ASHLI's general business interest-bearing account)

14
15
16 "All Star Home Loans Inc.
Account No. XXXXXXXXX4060
17 Cal National Bank (B/A #4)
(ASHLI's general business operations account)

18
19
20 Audit Violations

21 7.

22 In the course of activities described in Paragraphs 4
23 and 6, above, and during the examination period described in
24 Paragraph 5, Respondents ASHLI and GIARGIA acted in violation of
25 the Code and the Regulations in which Respondents:

26 (a) Used the fictitious name of "All Stars Home Loans",
27 to conduct licensed activities including a mortgage loan

1 brokerage, without first obtaining from the Department a license
2 bearing said fictitious business name, in violation of Code
3 Section 10159.5 and Regulation 2731.

4 (b) (1) Failed to retain a true and complete copy of a
5 Department of Real Estate approved Mortgage Loan Disclosure
6 Statements which were:

7 (1) Signed by ASHLI for borrowers Somsanith, Bounleuth,
8 Maria Pzano and Sergio Pivaral;

9 (2) Not provided to the aforesaid borrowers within
10 three (3) business days of submission of aforesaid borrowers loan
11 applications;

12 (3) Not disclosed, to wit, the Yield Spread Premium
13 rebate from the lender for borrower Jareerat Saensawas in the
14 amount of \$350.00 was not disclosed; all in violation of Code
15 Sections 10240(a) and (c) and Regulation 2840.

16 (b) (2) Failed to retain a true and complete copy of a
17 Department of Real Estate approved Good Faith Estimate signed by
18 the broker for borrowers Jareerat Saensawas, Amara Tuncharoen,
19 Nattawach Phoosawat, Sandra Ballesteros, Chweewan Janjareanand
20 Ahmad Daouk, in violation of Code Sections 10240(c) and
21 Regulation 2840.

22 Respondents failed to disclose ASHLI's:

23 (1) Good Faith Estimate did not constitute a loan
24 commitment;

25 (2) Corporate broker license number; and

26 (3) Yield Spread Premium rebate from lenders.
27

1 (c) GIARGIA had no system in place for regularly
2 monitoring ASHLI's compliance with the Real Estate Law especially
3 in regard to establishing, systems, policies and procedures to
4 review trust fund handling, in violation of Code Sections
5 10159.2, 10177(h) and Regulation 2725. GIARGIA failed to
6 appropriate policies, rules or procedures in place to review,
7 oversee, inspect and manage and especially to prevent the deposit
8 of trust funds into ASHLI's general operating accounts which were
9 not designated as trust accounts, or to maintain any trust fund
10 handling records, in the form of advance fees, which were
11 improperly deposited into a general bank account; and

12 (d) After notice and subpoena on May 11, 2010, failed
13 to retain all records of ASHLI's activity during the audit period
14 requiring a real estate broker license, in violation of Code
15 Section 10148.

16 8.

17 The conduct of Respondents ASHLI and GIARGIA described
18 in Paragraph 7, violated the Code and the Regulations below:

19 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
20 7(a)	Code Section 10159.5 and Regulation 21 2731
22	
23 7(b)	Code Section 10240 and Regulation 24 2840
25	
26 7(c)	Code Sections 10159.2 and 10177(h) 27 and Regulation 2725 (GIARGIA)

1 7(d)

.Code Section 10148

2
3 The foregoing violations constitutes cause for discipline of the
4 real estate license and license rights of ASHLI and GIARGIA, as
5 aforesaid, under the provisions of Code Sections 10177(d) for
6 violation of the Real Estate Law and/or 10177(g) for negligence.

7 SECOND CAUSE OF ACCUSATION
(Loan Modification Services)

8 9.

9 At all times mentioned herein, Respondents ASHLI and
10 GIARGIA engaged in the business of a loan modification and
11 advance fee brokerage requiring a real estate license to operate,
12 within the definition of Code Sections 10131(d) and 10131.2.

13 General Allegations

14 10.

15 During 2009 and continuing thereafter to date, ASHLI
16 and GIARGIA, solicited economically distressed homeowners facing
17 foreclosure and eviction from their homes, offered loss
18 mitigation and loan modification services, and charged and
19 collected advance fees.

20 Specific Allegations

21 11.

22 Using the name "California Loan Resolution", a
23 unlicensed loan modification company owned by Yamel Delgado,
24 ASHLI's owner and president Respondents ASHLI and GIARGIA offered
25 loss mitigation and loan modification services to homeowner-
26 borrowers, including but not limited to, Armando Moreno, seeking
27

1 downward adjustments or payment extenuations to their home
2 mortgages. Respondents collected advanced fees from said
3 homeowner-borrowers without possessing a pre-approved advance fee
4 agreement from the Department. Selectively thereafter,
5 Respondents obtained or failed to obtain the loan modification
6 services to the borrowers tabled below:

7 Table: Loan Modification Services

8

9 Homeowner	Date	Status	Advance Fee
10			
11 Armando Moreno	April 1, 2009	Not obtained	\$500 Not refunded

12

13 Loan Modification Violations and Disciplinary Statutes

14 12.

15 The conduct of Respondents ASHLI and GIARGIA violated
16 the Code and the Regulations as set forth below with respect to
17 the Armando Moreno:

18 13.

19 13(a) Code Section 10176(a) for substantial
20 misrepresentation.

21 13(b) Code Section 10176(b) for making false promises
22 of a character likely to influence, persuade or induce the tabled
23 homeowner-borrowers.

24 13(c) Code Section 10137 for employing and/or
25 compensating Yamel Delgado and Mat Hilda aka Mia, of California's
26 Home Resolution, to perform loan modification services requiring
27

1 a real estate license.

2 13(d) Code Section 10177(d) for violation of the Real
3 Estate Law.

4 13(e) Code Section 10177(g) for negligence.

5 13(f) Code Section 10176(i) for, by collecting a \$500
6 advance fee from Armando Moreno for loan modification services
7 (Check #289) and depositing it into ASHLI'S general business
8 account, B/A #1, on January 30, 2009, without refund. To date,
9 said \$500 remains due and owing.

10 13(g) Code Section 10176(i) for fraud and dishonest
11 dealing by receiving payment from Armando Moreno for loan
12 modification services, promising to process a loan modification
13 within forty (40) days, abandoning California's Loan Resolution
14 office without notice to Mr. Moreno, and for refusing to refund
15 Mr. Moreno's \$500 upon wholesale failure to perform services.

16

17 Additional Loan Modification Violations and Disciplinary Statutes

18

14.

19 In the course of activities described in Paragraphs 4
20 and 6, 9, 10 and 11 above, and during the examination period
21 described in Paragraph 5, Respondents ASHLI and GIARGIA acted in
22 violation of the Code and the Regulations in which Respondents:

23

24 (a) Collected advance fees within the meaning of Code
25 Section 10026 from homeowners seeking loan modification services
26 wherein ASHLI dba California's Home Resolution, did not have and
27 thus failed to provide a pre-approved advance fee agreement from

27

1 the Department, in violation of Code Section 10085 and Regulation
2 2970, for the homeowner-borrower Armando Moreno.

3 (b) ASHLI failed to provide a complete description of
4 services to be rendered provided to each prospective tenant in 10
5 point type font and failed to provide an allocation and
6 disbursement of the amount collected as the advance fee to
7 Armando Moreno, in violation of Code Section 10146 and Regulation
8 2972.

9 (c) Mixed and commingled trust funds and personal funds
10 by depositing Armando Moreno's advance fee check of \$500 for loan
11 modification services into, ASHLI's non trust fund general
12 operating account B/A #1, in violation of Code Sections 10145 and
13 10176(e) and Regulation 2832.

14 15.

15 The conduct of Respondents ASHLI and GIARGIA described
16 in Paragraph 14, above, violated the Code and the Regulations as
17 set forth below:

18	<u>PARAGRAPHS</u>	<u>PROVISIONS VIOLATED</u>
19	14(a)	Code Section 10085 and Regulation
20		2970
21		
22	14(b)	Code Section 10146 and Regulation
23		2972
24		
25	14(c)	Code Sections 10145 and 10176(e)
26		and Regulation 2832
27		

1 The foregoing violations constitutes cause for discipline of the
2 real estate license and license rights of ASHLI and GIARGIA, as
3 aforesaid, under the provisions of Code Sections 10176(e) for
4 commingling, 10177(d) for violation of the Real Estate Law and/or
5 10177(g) for negligence.

6 THIRD CAUSE OF ACCUSATION
7 (Negligence)

8 16.

9 The overall conduct of Respondents ASHLI and GIARGIA
10 constitutes negligence and is cause for the suspension or
11 revocation of the real estate license and license rights of said
12 Respondents pursuant to the provisions of Code Section 10177(g).

13 THIRD CAUSE OF ACCUSATION
14 (Fiduciary Duty)

15 17.

16 The conduct, acts and omissions of Respondents ASHLI
17 and GIARGIA constitute a breach of fiduciary duty, in violation
18 of Code Sections 10176(i) and/or 10177(g).

19 FOURTH CAUSE OF ACCUSATION
20 (Lack of Supervision)

21 18.

22 The overall conduct of Respondent CAROLINA GIARGIA
23 constitutes a failure on said Respondent's part, as officer and
24 former officer designated by a corporate broker licensee, to
25 exercise the reasonable supervision and control over the licensed
26 activities of ASHLI as required by Code Section 10159.2 and
27 Regulation 2725, and to keep ASHLI in compliance with the Real
Estate Law, with specific regard to trust fund and credit report

1 fee handling, mortgage and loan brokering and unlicensed loan
2 modification services, and is cause for discipline of the real
3 estate license and license rights of all Respondents pursuant to
4 the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

5 WHEREFORE, Complainant prays that a hearing be
6 conducted on the allegations of this Accusation and that upon
7 proof thereof, a decision be rendered imposing disciplinary
8 action against the license and license rights of Respondents ALL
9 STAR HOME LOANS INC. and CAROLINA GIARGIA, under the Real Estate
10 Law (Part 1 of vision 4 of the Business and Professions Code) and
11 for such other and further relief as may be proper under other
12 applicable provisions of law including restitution of advanced
13 fees paid for unearned loan modification services, and for costs
14 of audit.

15 Dated at Los Angeles, California

16 this *24 February 2011.*

17 
18 Deputy Real Estate Commissioner

19
20
21
22
23 cc: All Star Home Loans Inc.
24 c/o Carolina Giargia D.O.
25 Maria Suarez
26 Sacto
27 Amelia Nunez
Audits - Anna Hartoonian