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FILED

JAN 22 2009

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-35643 LA

12 DINORAH INC. doing business as the)
13 Financial Funding Network,)
14 Properties by Dinorah, and)
15 Foreclosure Help Center Inc.; and)
16 DINORAH ANNETTE CARMENATE,)
17 individually and as designated)
18 officer of Dinorah Inc.,)

A C C U S A T I O N

19 Respondents.)

20 The Complainant, Robin Trujillo, a Deputy Real Estate
21 Commissioner of the State of California, for cause of Accusation
22 against DINORAH INC. dba Financial Funding Network, Properties by
23 Dinorah, and Foreclosure Help Center Inc. aka Foreclosure Help
24 Center; and CARMENATE ANNETTE DINORAH, individually and as
25 designated officer of Dinorah Inc., alleges as follows:

26 1.

27 The Complainant, Robin Trujillo, acting in her official
capacity as a Deputy Real Estate Commissioner of the State of

1 California, makes this Accusation against DINORAH INC. and
2 CARMENATE ANNETTE DINORAH.

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 3.

8 LICENSE HISTORY

9 A. DINORAH INC. At all times mentioned, DINORAH INC.
10 was licensed or had license rights issued by the Department of
11 Real Estate ("Department") as a real estate broker. On March 20,
12 2000, DINORAH INC. was originally licensed as a corporate real
13 estate broker by and through DINORAH ANNETTE CARMENATE.

14 B. DINORAH ANNETTE CARMENATE. At all times mentioned,
15 DINORAH ANNETTE CARMENATE ("CARMENATE") was licensed or had
16 license rights issued by the Department as a real estate broker.
17 On December 12, 1991, CARMENATE was originally licensed as a real
18 estate broker; and

19 C. Foreclosure Help Center Inc. aka Foreclosure Help
20 Center. Foreclosure Help Center Inc. is an unlicensed
21 corporation owned by CARMENATE. Foreclosure Help Center is a
22 fictitious business name of DINORAH INC., as of August 4, 2008.
23 These two are unlicensed entities are included herein as
24 convenience of reference only. At all times mentioned, DINORAH
25 INC. and CARMENATE are the sole Respondents herein. At no time
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1 mentioned, was Foreclosure Help Center Inc. aka Foreclosure Help
2 Center licensed or in possession of license rights issued by the
3 Department as a real estate broker.

4 Loan modification services were conducted by DINORAH
5 INC. from the beginning of the audit period on July 1, 2007 to
6 May 18, 2008. Thereafter, from May 19, 2008 through June 30,
7 2008, the end of the audit period loan modification services were
8 conducted by Foreclosure Help Center Inc.

9 BROKERAGE

10 4.

11 At all times mentioned, in the City of Costa Mesa,
12 County of Orange, DINORAH INC. and CARMENATE acted as real estate
13 brokers conducting licensed activities within the meaning of:

14 A. Code Section 10131(a). DINORAH INC. and CARMENATE
15 operated a residential resale brokerage dba Properties by
16 Dinorah.

17 B. Code Section 10131(d). DINORAH INC. and CARMENATE
18 operated a mortgage and loan brokerage dba Financial funding
19 Network; and
20

21 C. Code Section 10131(d). DINORAH INC. and CARMENATE
22 operated loan modification service dba Foreclosure Help Center.
23 For compensation or in expectation of compensation and for fees
24 often collected in advance, Respondents contacted lenders on
25 behalf of distressed homeowners seeking modification of the terms
26 of their home loans,
27

AUDIT EXAMINATION

5.

On September 17, 2008, the Department completed an audit examination of the books and records of DINORAH INC. pertaining to the loan modification service activities described in Paragraph 4, which require a real estate license. The audit examination covered a period of time beginning on July 1, 2007 to June 30, 2008. 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 070410 and the exhibits and work papers attached to said audit report.

BANK AND TRUST ACCOUNTS

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, DINORAH INC. accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties, including lenders, borrowers, homeowners and escrow holders, to mortgage loan modification transactions handled by DINORAH INC. by and through Foreclosure Help Center Inc. aka Foreclosure Help Center, and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by DINORAH INC. in the bank and trust accounts as follows:

///

1 "Dinorah Inc.
Account No. 374-340038-9"
2 Washington Mutual Bank
Tustin, California (B/A #1)

3
4 "Foreclosure Help Center Inc. Trust Account
5 Account No. 492-413327-8"
Washington Mutual Bank
6 Tustin, California (T/A #1)

7
8 "Foreclosure Help Center Inc.
9 Account No. 492-413326-0"
Washington Mutual Bank
10 Tustin, California (B/A #2)

11 VIOLATIONS OF THE REAL ESTATE LAW

12 7.

13 In the course of activities described in Paragraphs 4
14 and 6, above, and during the examination period described in
15 Paragraph 5, Respondents DINORAH INC. acting through Foreclosure
16 Help Center Inc. aka Foreclosure Help Center, and CARMENATE,
17 acted in violation of the Code and the Regulations in that they:

18 (a) (1) DINORAH INC. Permitted, allowed or caused the
19 disbursement of trust funds from the DINORAH INC.'s general bank
20 account, B/A #1, where the disbursement of funds reduced the
21 total of aggregate funds in B/A #1, to an amount which, on June
22 30, 2008, was \$8,271.02, less than the existing aggregate trust
23 fund liability of DINORAH INC. to every principal who was an
24 owner of said funds, without first obtaining the prior written
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1 consent of the owners of said funds, as required by Code Section
2 10145 and Regulation 2832.1.

3 (a) (2) Foreclosure Help Center Inc. Permitted, allowed
4 or caused the disbursement of trust funds from Foreclosure Help
5 Center Inc.'s trust account, T/A #1, where the disbursement of
6 funds reduced the total of aggregate funds in T/A #1, to an
7 amount which, on June 30, 2008, was \$4,043.30, less than the
8 existing aggregate trust fund liability of Foreclosure Help
9 Center Inc. to every principal who was an owner of said funds,
10 without first obtaining the prior written consent of the owners
11 of said funds, as required by Code Section 10145 and Regulation
12 2832.1.

13 (b) Mixed and commingled trust funds and personal funds
14 by depositing advance fees for loan modification services to be
15 rendered for borrowers, including but not limited to Juan Galvan,
16 Ignacio/Fernando Ruiz, Raul Davila, Mario/Laura Lopes, Yolanda
17 Garcia and Antonio Lopez, received via credit card payments, cash
18 and check from said borrowers and deposited into DINORAH INC.'s
19 general operating account, B/A #1, instead of depositing said
20 trust funds into a trust account in the name of the broker, in
21 violation of Code Sections 10145 and 10176(e) and Regulation
22 2832(a).
23

24 (c) (1) DINORAH INC. failed to maintain a separate
25 record for each beneficiary or transaction, thereby failing to
26 account for all advance fees collected from the borrowers June
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1 Galvan, Ignacio/Fernando Ruiz, Raul Davila, Mario/Laura Lopes,
2 Yolanda Garcia ad Antonio Lopez for loan modification services,
3 as required by Code Section 10145 and Regulation 2831.1.

4 (c)(2) Foreclosure Help Center Inc. failed to maintain
5 a separate record for each beneficiary or transaction, thereby
6 failing to account for all advance fees collected from the
7 borrowers Cesar Ponce, Victor Lopez, Feliciano Mena, Jorge
8 Partida, Jeronimo Merida and Carol Russell for loan modification
9 services, as required by Code Section 10145 and Regulation
10 2831.1.

11 (d)(1) DINORAH INC. failed to perform a monthly
12 reconciliation of the balance of all separate beneficiary or
13 transaction records maintained pursuant to Regulation 2831.1 with
14 the record of all trust funds received and disbursed by B/#1 for
15 loan modification services, as required by Code Section 10145 and
16 Regulation 2831.2.

17 (d)(2) Foreclosure Help Center Inc. failed to perform a
18 monthly reconciliation of the balance of all separate beneficiary
19 or transaction records maintained pursuant to Regulation 2831.1
20 with the record of all trust funds received and disbursed by T/#1
21 and B/#2, as required by Code Section 10145 and Regulation 2831.2

22 (e) DINORAH INC. and Foreclosure Help Center Inc.
23 collected advance fees within the meaning of Code Section 10026
24 from homeowners seeking loan modification services wherein
25 DINORAH INC. and Foreclosure Help Center Inc. failed to provide
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1 homeowners Juan Galvan, Ignacio/Fernando Ruiz, Raul Davila,
2 Mario/Laura Lopes, Yolanda Garcia and Antonio Lopez a pre-
3 approved advance fee agreement by the Department. The failure of
4 DINORAH INC. acting through Foreclosure Help Center Inc. to
5 submit an advance fee agreement to the Department five days prior
6 to its use as required by Code Section 10085 and Regulation 2970,
7 as required by and in violation of Code Section 10177(d).

8 (f) DINORAH INC. and Foreclosure Help Center Inc.
9 failed to establish and maintain a trust account at a bank or
10 other recognized financial institution in the name of the broker
11 for deposit of advance fees collected by DINORAH INC. and
12 Foreclosure Help Center Inc., as required by and in violation of
13 Code Section 10146.

14 (g) With reference to the lack of an advance fee
15 agreement, DINORAH INC. acting through Foreclosure Help Center
16 Inc., failed to provide a complete description of services to be
17 rendered provided to each prospective tenant; 10 point type font;
18 and, an allocation and disbursement of the amount collected as
19 the advance fee, as required by Code Section 10085 and Regulation
20 2972, and in violation of Code Section 10177(d); and

21 (h) Used the fictitious name of "Foreclosure Help
22 Center", to conduct licensed activities including loan
23 modification services without holding a license bearing said
24 fictitious business name until August 4, 2008, after the close of
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1 the audit examination, in violation of Code Section 10159.5 and
2 Regulation 2731.

3 DISCIPLINE STATUTES AND REGULATIONS

4 8.

5 The conduct of Respondents DINORAH INC. and CARMENATE,
6 including DINORAH INC. acting through Foreclosure Help Center
7 Inc. dba Foreclosure Help Center, described in Paragraph 7,
8 above, violated the Code and the Regulations as set forth below:

9 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
10 7(a)	11 Code Section 10145 and Regulation 12 2832.1
13 7(b)	14 Code Sections 10145 and 10176(e) 15 and Regulation 2832(a)
16 7(c)	17 Code Section 10145 and Regulation 18 2831.1
19 7(d)	20 Code Section 10145 and Regulation 21 2831.2
22 7(e)	23 Code Sections 10085 and 10177(d) 24 and Regulation 2970
25 7(f)	26 Code Section 10146 27

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7(g) Code Sections 10085 and 10177(d)
and Regulation 2972

7(h) Code Section 10159.5 and Regulation
2731

The foregoing violations constitutes cause for the suspension or
revocation of the real estate license and license rights of
DINORAH INC. and CARMENATE, including DINORAH INC. acting through
unlicensed Foreclosure Help Center Inc. as aforesaid, under the
provisions of Code Sections 10177(d) for willful disregard or for
violation of the Real Estate Law and/or 10177(g) for negligence
or incompetence.

NEGLIGENCE

9.

The overall conduct of Respondents DINORAH INC. and
CARMENATE constitutes negligence or incompetence. This conduct
and violation are cause for the suspension or revocation of the
real estate license and license rights of said Respondents
pursuant to the provisions of Code Section 10177(g).

SUPERVISION AND COMPLIANCE

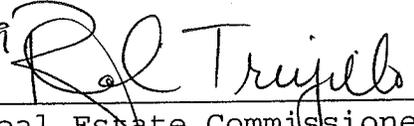
10.

The overall conduct of Respondent CARMENATE constitutes
a failure on Respondent's part, as officer designated by a
corporate broker licensee, to exercise the reasonable supervision

1 and control over the licensed activities of DINORAH INC. as
2 required by Code Section 10159.2 and Regulation 2725, and to keep
3 DINORAH INC. in compliance with the Real Estate Law, with
4 specific regard to trust fund handling, advance fee handling, and
5 acting through Foreclosure Help Center Inc., an unlicensed
6 corporation conducting loan modification services for homeowners
7 requiring a real estate license and is cause for the suspension
8 or revocation of the real estate license and license rights of
9 DINORAH pursuant to the provisions of Code Sections 10177(d),
10 10177(g) and 10177(h).

11 WHEREFORE, Complainant prays that a hearing be
12 conducted on the allegations of this Accusation and that upon
13 proof thereof, a decision be rendered imposing disciplinary
14 action against the license and license rights of Respondents
15 DINORAH INC. and DINORAH ANNETTE CARMENATE, under the Real Estate
16 Law (Part 1 of vision 4 of the Business and Professions Code) and
17 for such other and further relief as may be proper under other
18 applicable provisions of law.

19 Dated at Los Angeles, California

20 this 22 day of January 2009 
21 Deputy Real Estate Commissioner

22
23
24 cc: Dinorah Inc.
25 c/o Dinorah Annette Carmenate D.O.
26 Robin Trujillo
27 Sacto
Audits - Lisa Kwong