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FILED

OCT 18 2011

DEPARTMENT OF REAL ESTATE
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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
CENTURY PLUS REALTORS INC.; and)
CARLOS CASTRO, individually and as)
as designated officer of Century Plus)
Realtors Inc.,)
)
Respondents.)

No. H-36167 LA

In the Matter of the Accusation of)
)
DOWNEY LENDING CORPORATION;)
doing business as Downey Lending)
Group, and CARLOS CASTRO,)
individually and as designated)
officer of Downey Lending)
Corporation,)
)
Respondents.)

No. H-36168 LA

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On August 10, 2009, an Accusation was filed in this matter against Respondent CARLOS CASTRO re Century Plus Realtors Inc., and on August 11, 2009, an Accusation was filed re Downey Lending Corporation.

1 On August 11, 2011, Respondent petitioned the
2 Commissioner to voluntarily surrender his real estate broker
3 license rights pursuant to Section 10100.2 of the Business and
4 Professions Code.

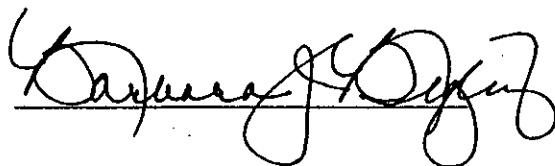
5 IT IS HEREBY ORDERED that Respondent CARLOS CASTRO's
6 petition for voluntary surrender of his real estate broker
7 license rights is accepted as of the effective date of this Order
8 as set forth below, based upon the understanding and agreement
9 expressed in Respondent's Declaration dated August 11, 2011,
10 (attached as Exhibit "A" hereto). Respondent's license
11 certificate, pocket card and any branch office license
12 certificate shall be sent to the below listed address so that
13 they reach the Department on or before the effective date of this
14 Order:
15

16 Department of Real Estate
17 Atten: Licensing Flag Section
18 P.O. Box 187000
19 Sacramento, CA 95818-7000

20 This Order shall become effective at 12 o'clock noon on
21 November 7, 2011.

22 DATED: 9/26, 2011

23 BARBARA J. BIGBY
24 Acting Real Estate Commissioner

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"EXHIBIT A"

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
CENTURY PLUS REALTORS INC.; and)
CARLOS CASTRO, individually and as)
as designated officer of Century Plus)
Realtors Inc.,)
)
Respondents.)

No. H-36167 LA

In the Matter of the Accusation of)
)
DOWNEY LENDING CORPORATION;)
doing business as Downey Lending)
Group, and CARLOS CASTRO,)
individually and as designated)
officer of Downey Lending)
Corporation,)
)
Respondents.)

No. H-36168 LA

DECLARATION

My name is CARLOS CASTRO. and I am currently licensed
as a real estate broker and/or have license rights with respect
to said license. I am represented by Yolanda Franco, Esq.

1 In lieu of proceeding in this matter in accordance with
2 the provisions of the Administrative Procedure Act (Sections
3 11400 et seq., of the Government Code), I wish to voluntarily
4 surrender my real estate license(s) issued by the Department of
5 Real Estate ("Department"), pursuant to Business and Professions
6 Code Section 10100.2.

7 I understand that by so voluntarily surrendering my
8 license(s), I may be relicensed as a broker or as a salesperson
9 only by petitioning for reinstatement pursuant to Section 11522
10 of the Government Code. I also understand that by so voluntarily
11 surrendering my license(s), I agree to the following:

12 1. The filing of this Declaration shall be deemed as
13 my petition for voluntary surrender.

14 2. It shall also be deemed to be an understanding and
15 agreement by me that I waive all rights I have to require the
16 Commissioner to prove the allegations contained in the
17 Accusations filed in these matters at a hearing held in
18 accordance with the provisions of the Administrative Procedure
19 Act (Government Code Sections 11400 et seq.), and that I also
20 waive other rights afforded to me in connection with the hearing
21 such as the right to discovery, the right to present evidence in
22 defense of the allegations in the Accusation and the right to
23 cross-examine witnesses.

24 3. I further agree that upon acceptance by the
25 Commissioner, as evidenced by an appropriate order, all
26 affidavits and all relevant evidence obtained by the Department
27 in this matter prior to the Commissioner's acceptance, and all

1 allegations contained in the Accusations filed in the Department
2 Case Nos. H-36167 LA and H-36168 LA, may be considered by the
3 Department to be true and correct for the purpose of deciding
4 whether to grant relicensure or reinstatement pursuant to
5 Government Code Section 11522.

6 4. This Declaration is not an admission as to the
7 allegations in the Accusation. This Declaration is made for the
8 purpose of reaching a resolution of allegations contained in the
9 DRE Case Nos. H-36167 LA and H-36168 LA, and is expressly
10 limited to this proceeding and any other proceeding or case in
11 which the Department of Real Estate is a party and shall not
12 otherwise be admissible or relied upon by any third parties for
13 any purpose.

14 5. I further agree on behalf of CENTURY PLUS REALTORS
15 INC. and DOWNEY LENDING CORPORATION, to pay the Commissioner's
16 reasonable cost for the audits which led to this action. In
17 calculating the amount of the Commissioner's reasonable cost,
18 the Commissioner may use the estimated average hourly salary for
19 all persons performing audits of real estate brokers, and shall
20 include an allocation for travel time to and from the auditor's
21 place of work. I will pay such cost within 60 days of receiving
22 an invoice from the Commissioner detailing the activities
23 performed during the audit and the amount of time spent
24 performing those activities.


25 I am aware that if I, CENTURY PLUS REALTORS INC. or
26 DOWNEY LENDING CORPORATION petition for reinstatement in the
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future, that payment of the audit costs will be a condition of reinstatement.

I freely and voluntarily surrender all my licenses and license rights under the Real Estate Law.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this declaration was executed on 08/11/11, 2011, at 08/11/11 Los Angeles, California.


CARLOS CASTRO.

Josh

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FILED

OCT 18 2011

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	
<u>DOWNEY LENDING CORPORATION</u> ; and)	No. H-36168 LA
CARLOS CASTRO, individually and as)	
designated officer of Downey Lending)	
Corporation,)	
)	
Respondents.)	
)	
)	
)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On August 11, 2009, an Accusation was filed in this matter against Respondent DOWNEY LENDING CORPORATION.

On August 11, 2011, Respondent petitioned the Commissioner to voluntarily surrender its real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that DOWNEY LENDING CORPORATION's petition for voluntary surrender of its real estate broker

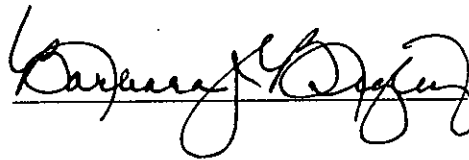
1 license and/or license rights are accepted as of the effective
2 date of this Order as set forth below, based upon the
3 understanding and agreement expressed in Respondent's Declaration
4 dated August 11, 2011, (attached as Exhibit "A" hereto).
5 Respondents' license certificate, pocket card and any branch
6 office license certificate shall be sent to the below listed
7 address so that they reach the Department on or before the
8 effective date of this Order:

9
10 Department of Real Estate
11 Atten: Licensing Flag Section
12 P.O. Box 187000
13 Sacramento, CA 95818-7000

14 This Order shall become effective at 12 o'clock noon on
15 November 7, 2011.

16 DATED: 9/26, 2011

17 BARBARA J. BIGBY
18 Acting Real Estate Commissioner

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"EXHIBIT A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
 DOWNEY LENDING CORPORATION;)
 doing business as Downey Lending)
 Group, and CARLOS CASTRO,)
 individually and as designated)
 officer of Downey Lending)
 Corporation,)
 Respondents.)
)
)

No. H-36168 LA

DECLARATION

My name is Carlos Castro and I am the designated officer of DOWNEY LENDING CORPORATION which is licensed as a real estate broker and/or has license rights with respect to said license. I am acting on behalf of and am authorized and empowered to sign this declaration on behalf of DOWNEY LENDING CORPORATION. DOWNEY LENDING CORPORATION is represented in this matter by Yolanda Franco, Esq.

1 In lieu of proceeding in this matter in accordance
2 with the provisions of the Administrative Procedures Act
3 (Sections 11400 et seq., of the Government Code) DOWNEY LENDING
4 CORPORATION wishes to voluntarily surrender its real estate
5 license issued by the Department of Real Estate ("Department"),
6 pursuant to Business and Professions Code Section 10100.2.

7 I understand that DOWNEY LENDING CORPORATION, by so
8 voluntarily surrendering its license, can only have it
9 reinstated in accordance with the provisions of Section 11522 of
10 the Government Code. I also understand that by so voluntarily
11 surrendering its license rights, DOWNEY LENDING CORPORATION
12 agrees to the following:

13 The filing of this Declaration shall be deemed as
14 DOWNEY LENDING CORPORATION's petition for voluntary surrender.
15 It shall also be deemed to be an understanding and agreement by
16 DOWNEY LENDING CORPORATION that, it waives all rights it has to
17 require the Commissioner to prove the allegations contained in
18 the Accusation ("Accusation") filed in this matter at a hearing
19 held in accordance with the provisions of the Administrative
20 Procedures Act (Government Code Sections 11400 et seq.), and
21 that it also waives other rights afforded to it in connection
22 with the hearing such as the right to discovery, the right to
23 present evidence in defense of the allegations in the Accusation
24 and the right to cross examine witnesses.

25 I further agree on behalf of DOWNEY LENDING
26 CORPORATION that upon acceptance by the Commissioner, as
27 evidenced by an appropriate order, all affidavits and all

1 relevant evidence obtained by the Department in this matter
2 prior to the Commissioner's acceptance, and all allegations
3 contained in the Accusation filed in the Department Case No.
4 H-36168 LA, may be considered by the Department to be true and
5 correct for the purpose of deciding whether or not to grant
6 reinstatement of DOWNEY LENDING CORPORATION's license pursuant
7 to Government Code Section 11522.

8 This Declaration is not an admission by DOWNEY LENDING
9 CORPORATION as to the allegations in the Accusation. This
10 Declaration is made for the purpose of reaching a resolution of
11 allegations contained in the DRE Case number H-36168 LA, and is
12 expressly limited to this proceeding and any other proceeding or
13 case in which the Department of Real Estate is a party and shall
14 not otherwise be admissible or relied upon by any third parties
15 for any purpose.

16
17 I further agree on behalf of DOWNEY LENDING
18 CORPORATION to pay the Commissioner's reasonable cost for the
19 audit which led to this action. In calculating the amount of the
20 Commissioner's reasonable cost, the Commissioner may use the
21 estimated average hourly salary for all persons performing
22 audits of real estate brokers, and shall include an allocation
23 for travel time to and from the auditor's place of work. DOWNEY
24 LENDING CORPORATION will pay such cost within 60 days of
25 receiving an invoice from the Commissioner detailing the
26 activities performed during the audit and the amount of time
27 spent performing those activities.

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I am aware that if DOWNEY LENDING CORPORATION petitions for reinstatement in the future, that payment of the audit costs will be a condition of reinstatement.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that I am acting freely and voluntarily on behalf of DOWNEY LENDING CORPORATION to surrender its license and all license rights attached thereto.

8/11/11, 2011
Date and Place
Los Angeles, CA

Carlos Castro
BY: CARLOS CASTRO
Individually and as
Designated Officer of
Downey Lending Corporation

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

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

FILED

AUG 11 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)
12 DOWNEY LENDING CORPORATION;)
13 doing business as Downey Lending)
14 Group; and CARLOS CASTRO,)
15 individually and as designated)
16 officer of Downey Lending)
17 Corporation,)

17 Respondents.)

No. H-36168 LA

A C C U S A T I O N

18
19 The Complainant, Robin Trujillo, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against DOWNEY LENDING CORPORATION dba Downey Lending Group and
22 CARLOS CASTRO, individually and as designated officer of Downey
23 Lending Corporation, alleges as follows:

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1.

The Complainant, Robin Trujillo, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against DOWNEY LENDING CORPORATION (DLC) and CARLOS CASTRO (CASTRO).

2.

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.

License

3.

A. At all times mentioned, DLC and CASTRO were licensed or had license rights issued by the Department of Real Estate (Department) as real estate brokers.

B. On May 17, 2005, DLC was licensed by the Department as a corporate real estate broker by and through CASTRO, pursuant to Code Sections 10211 and 10159.2 for supervising the activities requiring a real estate license conducted on behalf DLC.

C. On June 28, 2004, CASTRO was licensed by the Department as a real estate broker. On May 17, 2005, CASTRO became the designated officer of DLC. On September 24, 2008, CASTRO's affiliation was cancelled. DLC remains non-broker affiliated after September 24, 2008. DLC's corporate broker license expired on May 16, 2009.

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Brokerage

4.

At all times mentioned, in the City of Downey, County of Los Angeles, DLC and CASTRO acted as real estate brokers and conducted licensed activities within the meaning of:

A. Code Section 10131(d). DLC operated a mortgage loan brokerage engaging 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 as well as at the conclusion of transactions; and

B. In addition, DLC conducted broker-controlled escrows through its escrow division under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate license is required.

Broker Escrow Audit

5.

On March 27, 2009, the Department completed an audit examination of the books and records of DLC pertaining to the broker-escrow activities only described in Paragraph 4 that require a real estate license. The audit examination covered a

1 period of time beginning on April 1, 2006 to September 24, 2008.
2 The audit examination revealed violations of the Code and the
3 Regulations as set forth in the following paragraphs, and more
4 fully discussed in Audit Report LA 080164 and the exhibits and
5 work papers attached to said audit report.

6 Trust Account

7 6.

8 At all times mentioned, in connection with the
9 activities described in Paragraph 4, above, DLC accepted or
10 received funds including funds in trust (hereinafter "trust
11 funds") from or on behalf of actual or prospective parties,
12 including lenders, borrowers and homeowners, to real estate
13 transactions handled by DLC and thereafter made deposits and or
14 disbursements of such funds. From time to time herein mentioned
15 during the audit period, said trust funds were deposited and/or
16 maintained by DLC in the bank account as follows:
17

18 "Downey Lending Group Escrow Division Trust Account.
19 Account No. 4010602913"
20 Pacific Western Bank (escrow trust account)
Norwalk, California

21 Violations

22 7.

23 In the course of activities described in Paragraphs 4
24 and 6, above, and during the examination period described in
25 Paragraph 5, Respondents DLC and CASTRO, acted in violation of
26 the Code and the Regulations in that Respondents:
27

1 (a) Permitted, allowed or caused the disbursement of
2 trust funds from the escrow trust account where the disbursement
3 of funds reduced the total of aggregate funds in escrow trust
4 account, to an amount which, on January 31, 2008, was \$19,500,
5 less than the existing aggregate trust fund liability of DLC to
6 every principal who was an owner of said funds, without first
7 obtaining the prior written consent of the owners of said funds,
8 in violation of Code Section 10145 and Regulations 2832.1,
9 2950(g) and 2951.

10 (b) Failed to maintain an accurate and complete control
11 record for each beneficiary or transaction, thereby failing to
12 account for all trust funds received, deposited and disbursed for
13 the escrow trust account, in violation of Code Section 10145 and
14 Regulations 2831, 2950(d) and 2951.

15 (c) Failed to maintain an accurate and complete
16 separate record for each beneficiary or transaction, thereby
17 failing to account for all trust funds received, deposited and
18 disbursed for the escrow trust account, in violation of Code
19 Section 10145 and Regulations 2831.1, 2950(d) and 2951.
20

21 (d) Permitted Angelo Ales, an unlicensed and unbonded
22 person and President/CEO of DLC, and DLC's controlling
23 shareholder, to be an authorized signatory on the escrow trust
24 account, in violation of Code Section 10145 and Regulations 2834,
25 2950(d) and 2951.

26 ///

27

1 (e) Failed to perform a monthly reconciliation of the
2 balance of all separate beneficiary or transaction records
3 maintained pursuant to Regulation 2831.1 with the record of all
4 trust funds received and disbursed by the escrow trust account,
5 in violation of Code Section 10145 and Regulations 2831.2,
6 2950(d) and 2951.

7 (f) Used the fictitious name of "Downey Lending Corp",
8 to conduct licensed activities without first obtaining from the
9 Department a license bearing said fictitious business name, in
10 violation of Code Section 10159.5 and Regulation 2731.

11 (g) Failed to disclose in writing to all parties
12 DLC's financial and ownership interest of DLC's escrow division,
13 in violation of Regulation 2950(h).

14 (h) DLC issued checks totaling \$19,500 from the escrow
15 trust account without the written instruction from the party or
16 parties paying the trust funds into the escrow trust account, in
17 violation of Code Section 10145 and Regulation 2950(g); and

18 (i) After notice and subpoena on January 9, 2009,
19 failed to retain all records of DLC's activity during the audit
20 period requiring a real estate broker license, in violation of
21 Code Section 10148.
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Disciplinary Statues And Regulations

8.

The conduct of Respondents DLC and CASTRO described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
7(a)	Code Section 10145 and Regulations 2832.1, 2950(g) and 2951
7(b)	Code Section 10145 and Regulations 2831, 2950(d) and 2951
7(c)	Code Section 10145 and Regulations 2831.1, 2950(d) and 2951
7(d)	Code Section 10145 and Regulations 2834, 2950(d) and 2951
7(e)	Code Section 10145 and Regulations 2831.2, 2950(d) and 2951
7(f)	Code Section 10159.5 and Regulation 2731
7(g)	Regulation 2950(h)
7(h)	Code Section 10145 and Regulation 2950(g)
7(i)	Code Section 10148

1 The foregoing violations constitute cause for the discipline of
2 the real estate license and license rights of DLC and CASTRO,
3 under the provisions of Code Sections 10177(d) and/or 10177(g).

4 Negligence

5 9.

6 The overall conduct of Respondents DLC and CASTRO
7 constitutes negligence and is cause for the suspension or
8 revocation of the real estate license and license rights of
9 Respondents DLC and CASTRO pursuant to Code Section 10177(g).

10 Supervision and Compliance

11 10.

12 The overall conduct of Respondent CASTRO constitutes a
13 failure on Respondent's part, as officer designated by a
14 corporate broker licensee, to exercise the reasonable supervision
15 and control over the licensed activities of DLC as required by
16 Code Sections 10159.2 and 10211, and to keep DLC in compliance
17 with the Real Estate Law, and is cause for the suspension or
18 revocation of the real estate license and license rights of
19 CASTRO pursuant to the provisions of Code Sections 10177(d),
20 10177(h) and/or 10177(g).

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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 the license and license rights of Respondents
5 DOWNEY LENDING CORPORATION and CARLOS CASTRO, individually and as
6 designated officer of DLC Lending Group, under the Real Estate
7 Law (Part 1 of Division 4 of the Business and Professions Code)
8 and for such other and further relief as may be proper under
9 other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 10 day of August 2009.

12 
13 Deputy Real Estate Commissioner

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23 cc: Downey Lending Corporation
24 c/o Carlos Castro D.O.
25 Robin Trujillo
26 Sacto
27 Summer Bakotich
Audits - Chona T. Soriano