DreamLife money rejected
Legal, financial woes cause university and hospital to abandon Daniloos’ pledges

By Todd Milbourn, Bee Staff Writer

Turlock’s Emanuel Medical Center and California State University, Stanislaus, announced Tuesday that they will not accept millions of dollars in pledges from Tony and Nansi Masihi Danilo and Modesto-based DreamLife Financial.

"Given the information that has come out, the hospital thought it was in everyone's best interest not to proceed with DreamLife and the Daniloos," said Pennie Rorex, a hospital spokeswoman.

The moves came after Sunday's report in The Bee that the Daniloos have a history of legal and financial troubles, including bankruptcies, late payments and accusations of fraud.

The Daniloos and DreamLife had pledged $4.5 million to Emanuel Medical Center to help fund a cancer center and remodel the pediatric wing. The center was to be named DreamLife Cancer Center, and the pediatric wing was to be named after Nansi Masihi Daniloo.

The cancer center will break ground next month as planned, Rorex said.

"The cancer center was going to be built even before the (Daniloo-DreamLife) pledge," she said. The pediatric wing will not be named for Nansi Masihi Daniloo.

The Stanislaus State announcement came shortly after the university was told Tuesday of a lawsuit filed this week in Stanislaus County Superior Court alleging that Tony Daniloo diverted more than $4 million from homeowners' escrow accounts for his personal use.

University officials announced that they were returning the first $250,000 installment, rescinding the naming rights and ending the school's association with the Modesto-based mortgage company and Tony Daniloo, 30, the company's chief executive officer.
In a brief statement, the university said the decision to end the partnership, made by President Marvalene Hughes, was "a decision to which both parties agree, without judgment."

University officials previously said the $1 million gift, one of the largest ever for a Division II school, would be used for scholarships, equipment and coaches' salaries. In exchange, the school's athletics arena was renamed DreamLife Arena.

Tuesday, Daniloo declined to comment. He referred questions to an attorney who did not return a call placed late Tuesday.

"Obviously, it would've been nice, anything to help the student-athlete is appreciated," said Kenny Leonesio, Stan State baseball coach. "But it's not like we're losing anything. We're basically back to where we started."

University officials said the DreamLife name and logo will be removed from the arena, but didn't say when that will happen.

Hughes could not be reached for comment Tuesday. Milt Richards, Stanislaus State's athletics director, refused to comment.

Neither university nor Emanuel officials did a background check into the Daniloos or DreamLife when the donations were offered.

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