

1 DEPARTMENT OF REAL ESTATE
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FILED

AUG 17 2010

DEPARTMENT OF REAL ESTATE

By 

8
9 STATE OF CALIFORNIA

10 DEPARTMENT OF REAL ESTATE

11 To:)
12)
13 REZN8 SYSTEMS INCORPORATED)
14 MIRZA ZULFIQAR ALI, and)
ED CHUI.)

NO. H-10986 SF

ORDER TO DESIST AND REFRAIN
(B&P Code Section 10086)

15 The Commissioner (hereinafter "Commissioner") of the California Department
16 of Real Estate (hereinafter "Department") caused an investigation to be made of the activities of
17 REZN8 SYSTEMS INCORPORATED (hereinafter "REZN8"), MIRZA ZULFIQAR ALI
18 (hereinafter "ALI"), and ED CHUI (hereinafter "CHUI"). Based on that investigation, the
19 Commissioner has determined that REZN8, ALI, and CHUI, have engaged in, is engaging in, or
20 is attempting to engage in, acts or practices constituting violations of the California Business
21 and Professions Code (hereinafter "the Code") and/or Title 10, Chapter 6, California Code of
22 Regulations (hereinafter "the Regulations"), including the business of, acting in the capacity of,
23 and/or advertising or assuming to act as, a real estate broker in the State of California within the
24 meaning of Sections 10131(d) (performing services for borrowers and/or lenders in connection
25 with loans secured by real property) and 10131.2 (real estate broker license required to charge
26 and collect an advance fee) of the Code. Furthermore, based on the investigation, the

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1 Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist
2 and Refrain Order under the authority of Section 10086 of the Code.

3 Whenever acts referred to below are attributed to REZN8 those acts are alleged to
4 have been done by ALI, and/or CHUI, acting by himself, or by and/or through one or more
5 agents, associates, affiliates, and/or co-conspirators, and using the names "Rezn8 Systems
6 Incorporated", "Rezn8 Financial Services", or other names or fictitious names unknown at this
7 time.

8 FINDINGS OF FACT

9 1. REZN8 is a corporation registered with the California Secretary of
10 State's Office.

11 2. At all times mentioned from and after September 16, 2009, REZN8 was
12 and is licensed by the Department as a real estate corporation. At no time prior to September
13 16, 2009 was REZN8 licensed by the Department as a real estate broker corporation.

14 3. At no time did REZN8 obtain a "letter of no objection" from the
15 Department for its use of an advance fee agreement.

16 4. ALI and CHUI are owners, officers, and/or directors of REZN8. At no
17 time mentioned has ALI and CHUI been licensed by the Department in any capacity.

18 5. During the period of time set forth below, ALI, and/or CHUI, and/or other
19 agents or employees of REZN8 whose identifies are unknown at this time, on behalf of REZN8
20 solicited borrowers and negotiated to do one or more of the following acts for another or others,
21 for or in expectation of compensation; negotiate one or more loans for, or perform services for,
22 borrowers and/or lenders in connection with loans secured directly or collaterally by one or more
23 liens on real property; and charge, demand or collect an advance fee for any of the services
24 offered.

25 6. On or about February 2009, ALI and/or CHUI, and/or other agents or
26 employees of REZN8 whose identifies are unknown at this time, on behalf of REZN8, solicited
27 Mufid S. (hereinafter "Mufid") in order to provide a loan modification/refinance on behalf of

1 Mufid in connection with a loan secured by real property located at 150 Tiptoe Lane,
2 Burlingame, California. In furtherance of REZN8's plan and scheme to provide loan
3 modification services to Mufid, REZN8 requested an advance fee of \$6,000 from Mufid.

4 7. On or about May 2009, ALI and/or CHUI, and/or other agents or
5 employees of REZN8 whose identifies are unknown at this time, on behalf of REZN8 solicited
6 Anthony B. (hereinafter "Anthony") in order to provide a loan modification/refinance on behalf
7 of Anthony in connection with loans secured by real property located at: 900 Corsair Lane, Foster
8 City, California; 16881 Genevieve Place, San Lorenzo, California; and 1256 Sierra Boulevard,
9 South Lake Tahoe, California. In furtherance of REZN8's plan and scheme to provide loan
10 modification services to Anthony, REZN8 requested an advance fee of \$6,250 from Anthony.

11 8. On or about July 2009, ALI and/or CHUI, and/or other agents or
12 employees of REZN8 whose identifies are unknown at this time, on behalf of REZN8 solicited
13 George A. (hereinafter "George") in order to provide a loan modification/refinance on behalf of
14 George in connection with a loan secured by real property located at 5177 Fern Ridge Circle,
15 Discovery Bay, California. In furtherance of REZN8's plan and scheme to provide loan
16 modification services to Anthony, REZN8 requested an advance fee of \$3,995 from George.

17 CONCLUSIONS OF LAW

18 9. Based on the findings of fact contained in paragraphs 1 through 8,
19 REZN8, ALI, and CHUI, solicited one or more borrowers to perform services for those
20 borrowers and/or those borrowers' lenders in connection with loans secured directly or
21 collaterally by one or more liens on real property located within the State of California, and
22 charged, demanded or collected advance fees for the services to be provided, which acts require
23 a real estate broker license under Sections 10131(d) (real estate license required for enumerated
24 acts) and 10131.2 (real estate broker license required to charge or collect an advance fee) of the
25 Code.

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1 10. REZN8, ALI, and CHUI, used a form of advance fee agreement which
2 had not been provided to the Department for its prior review and consideration, in violation of
3 Section 10085 of the Code (prior submission of advance fee materials required) and Section
4 2970 (details for prior submission of advance fee materials) of the Regulations.

5 DESIST AND REFRAIN ORDER

6 Based on the Findings of Fact and Conclusions of Law stated herein, REZN8,
7 ALI, and CHUI, whether doing business under your own name, or any other name or fictitious
8 name, ARE HEREBY ORDERED to:

9 1. Immediately desist and refrain from charging, demanding, claiming,
10 collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code,
11 for any of the services you offer to others, unless and until you demonstrate and provide
12 evidence satisfactory to the Commissioner that you are properly licensed by the Department as a
13 real estate broker, and that REZN8, ALI, and CHUI:

14 (A) Have an advance fee agreement which has been submitted to the
15 Department and which is in compliance with Sections 2970 and 2972 of the Regulations;

16 (B) Have placed all previously collected advance fees into a trust account
17 for that purpose and are in compliance with Section 10146 of the Code;

18 (C) Have provided an accounting to trust fund owner-beneficiaries
19 pursuant to Section 2972 of the Regulations; and

20 (D) Are in compliance with California law, as amended effective as of
21 October 11, 2009, with respect to loan modification and/or forbearance services. Under the
22 amended law, you can only collect advance fees for loan modification or other mortgage loan
23 forbearance services related to commercial loans and loans for residential properties
24 containing five or more dwelling units.

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1 2. Immediately desist and refrain from demanding, claiming, collecting and/or
2 receiving advance fees, as that term is defined in Section 10026 of the Code, in any form, and
3 under any conditions, with respect to the performance of loan modification or any other form of
4 mortgage loan forbearance services in connection with loans on residential property containing
5 four or fewer dwelling units.

6 DATED: _____

8-18-2008

7 JEFF DAVI
8 Real Estate Commissioner

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10 By _____
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12 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a
13 real estate broker or real estate salesperson without a license or who advertises using words
14 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
15 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by
16 imprisonment in the county jail for a term not to exceed six months, or by both fine and
17 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
18 (\$60,000)."

19 cc: ED CHUI
20 MIRZA ZULFIQAR ALI
21 REZN8 SYSTEMS INCORPORATED
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23 FREMONT, CA 94536
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