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1 The Complainant, Robin Trujillo, acting in her official
2 capacity as a Deputy Real Estate Commissioner of the State of
3 California, makes this Accusation against LOAN PROCESSING CENTER
4 INC. ("LPCI") and MASHEED S. GHAZI ("GHAZI"), DANNY R. HAYNES
5 ("HAYNES") and LOUIS LEON PACIFIC ("PACIFIC").
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7 2.

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

11 License History

12 3.

13 a. At all times mentioned, LPCI and GHAZI were
14 licensed or had license rights issued by the Department of Real
15 Estate ("Department") as real estate brokers.

16 b. At all times herein mentioned, LPCI was licensed or
17 had license rights issued by the Department as a real estate
18 broker. On November 9, 2007, LPCI was originally licensed as a
19 corporate real estate broker.

20 c. At all times herein mentioned, GHAZI was licensed
21 or had license rights issued by the Department as a real estate
22 broker. On October 5, 2006, GHAZI was originally licensed as a
23 real estate broker. From February 3, 2009 to April 23, 2009,
24 GHAZI was licensed as the designated officer of LPCI.

25 d. At all times herein mentioned, HAYNES was licensed
26 or had license rights issued by the Department as a real estate
27 broker. On July 30, 2008, HAYNES was originally licensed as a

1 real estate broker. From October 23, 2008 to February 09, 2009,
2 HAYNES was licensed as the designated officer of LPCI.

3 d. At all times herein mentioned, PACIFIC was licensed
4 or had license rights issued by the Department as a real estate
5 broker. On September 26, 1997 to October 23, 2008, PACIFIC was
6 originally licensed as a real estate broker. From October 23,
7 2008 to October 23, 2008, PACIFIC was licensed as the designated
8 officer of LPCI.

9 f. At all times material herein, LPCI was licensed by
10 the Department as a corporate real estate broker by and through
11 GHAZI, HAYNES and PACIFIC, excluding Daniel J. Moletz, who is not
12 a Respondent in this Accusation, as the former, designated
13 officers and broker responsible, pursuant to Code Sections 10211
14 and 10159.2 of the Business and Professions Code for supervising
15 the activities requiring a real estate license conducted on
16 behalf said corporation's officers, agents and employees,
17 including GHAZI, HAYNES and PACIFIC.

18 g. LPCI is a corporate real estate broker originally
19 licensed on November 9, 2007. On April 27, 2009, LPCI became
20 non-broker affiliated due to the cancellation of GHAZI's status
21 as designated officer. Shahriar Kolahi aka Shawn Kolahi is the
22 President and Chief Executive Officer. GHAZI is the Vice
23 President of LPCI. Maziar Bordbor aka Maziar Bordar, M. Bordbor
24 and Matt Bordbor, is the Secretary and Chief Executive Officer.

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| Designated Officers | From | To |
|---------------------|-------------------|-------------------|
| Masheed S. Ghazi | February 03, 2009 | April 23, 2009 |
| Danny R. Haynes | October 23, 2008 | February 09, 2009 |
| Daniel J. Moltez | February 11, 2009 | March 17, 2008 |
| Louis Leon Pacific | November 9, 2007 | October 23, 2008 |

Brokerage

4.

At all times mentioned, in City of Irvine, County of Orange, LPCI, GHAZI, HAYNES and PACIFIC, acted as real estate brokers and conducted licensed activities within the meaning of:

a. Code Section 10131(d). LPCI, GHAZI, HAYNES and PACIFIC engaged in the business of a loan modification and an advanced fee brokerage. 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 as well as at the conclusion of transactions; and

b. Code Section 10131.2. LPCI, GHAZI, HAYNES and PACIFIC engaged in the business of a loan modification and an advance fee brokerage dba Applyloanmod.com, iloanmod.com and LPC. Respondents solicited economically distressed homeowner-borrowers

1 seeking adjustments of the terms and conditions of their home
2 loans, interest and/or principal reduction, foreclosure
3 abatement, loan restructuring, and/or short sale services, and
4 offered to negotiate with lenders on behalf of the homeowners for
5 a fee payable in advance.

6 FIRST CAUSE OF ACTION
7 (Interim Audit of Loan Modification Activities)

8 5.

9 On April 7, 2009, the Department has completed an
10 interim audit report of the Department's audit examination of the
11 books and records of LPCI pertaining to the loan modification
12 activities and collection of advance fee described in Paragraph 4
13 that require a real estate license. The interim audit
14 examination covers a period of time beginning on September 11,
15 2007 to February 27, 2009. The interim examination revealed
16 violations of the Code and the Regulations as set forth in the
17 following Paragraphs, and more fully discussed in Audit Report LA
18 080168 and the exhibits and work papers attached to said audit
19 report.

20 Trust Account

21 6.

22 At all times mentioned, in connection with the
23 activities described in Paragraph 4, above, LPCI accepted or
24 received funds including funds in trust (hereinafter "trust
25 funds") from homeowner-borrowers loan modifications handled by
26 LPCI and thereafter made deposits and/or disbursements of such
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1 trust funds. From time to time herein mentioned during the audit
2 period, trust funds were deposited and/or maintained by LPCI in
3 the bank account as follows:

4 "Loan Processing Center Inc.
5 Account No. 29346-03807"
6 Bank of America (trust account)
7 San Francisco, CA 91437-0176

8 Violations - Interim Audit

9 7.

10 In the course of activities described in Paragraphs 4
11 and 6, above, and during the examination period described in
12 Paragraph 5, Respondents LPCI, and GHAZI, acted in violation of
13 the Code and the Regulations in that they:

14 (a) Permitted, allowed or caused the disbursement of
15 trust funds from the LPCI's trust account used for the deposit of
16 trust funds, where the disbursement of funds reduced the total of
17 aggregate funds in LPCI's bank account, to an amount which, on
18 February 27, 2009, was \$21,331.00, less than the existing
19 aggregate trust fund liability of LPCI to every principal who was
20 an owner of said funds, without first obtaining the prior written
21 consent of the owners of said funds, in violation of Code Section
22 10145 and Regulation 2832.1; and

23 (b) Placed a false, deceitful and misleading
24 advertisement on LPCI's website which represented that the
25 Department of Real Estate conducted an audit on LPCI and
26 determined that LPCI was in compliance with the Real Estate Laws
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1 and Regulations. In truth and in fact, the Department's audit
2 was ongoing and found, as of the audit report date of April 7,
3 2009 found a substantial trust fund violation, to wit, a
4 \$21,331.00 shortage in LPCI's bank account used to deposit trust
5 funds received from homeowner-borrowers, herein mentioned above
6 and violations of Code Sections 10176(a), 10176(i) and/or
7 10177(j), 10235 and Regulation 2848.

8 Disciplinary Statutes

9 8.

10 The conduct of Respondents LPCI and GHAZI described in
11 Paragraph 7, violated the Code and the Regulations as set forth:

12 PARAGRAPH

PROVISIONS VIOLATED

13 7(a)

Code Section 10145 and Regulation
14 2832.1

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16 7(b)

Code Sections 10176(a), 10176(i)
17 and/or 10177(j), 10235 and
18 Regulation 2848

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20 The foregoing violations constitute cause for the discipline of
21 the real estate license and license rights of LPCI and GHAZI,
22 under the provisions of Code Sections 10176(a) for
23 misrepresentation, 10176(i) and/or 10177(j) for fraud or
24 dishonest dealing, 10177(d) for willful disregard or violation of
25 the Real Estate Law, and/or 10177(g) for negligence and 10177(h)
26 for negligent or lack of supervision of LPCI's brokerage.
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1 SECOND CAUSE OF ACTION
2 (Final Audit of Loan Modification Activities)

3 9.

4 On April 7, 2009, the Department has completed a final
5 audit of the Department's ongoing audit examination of the books
6 and records of LPCI pertaining to the loan modification
7 activities and collection of advance fee described in Paragraph 4
8 that require a real estate license. The final audit examination
9 covers a period of time beginning on September 11, 2007 to
10 February 27, 2009. The final audit examination revealed
11 violations of the Code and the Regulations as set forth in the
12 following Paragraphs, and more fully discussed in Audit Report LA
13 080168 and the exhibits and work papers attached to said audit
14 report.

15 10.

16 In the course of activities described in Paragraphs 4
17 and 6, above, and during the examination period described in
18 Paragraph 9, Respondents LPCI, GHAZI, HAYNES and PACIFIC, acted
19 in violation of the Code and the Regulations in that they:

20 (a) Permitted, allowed or caused the disbursement of
21 trust funds from the trust fund wherein the disbursement of funds
22 reduced the total of aggregate funds in the trust fund, as set
23 forth below, to an amount which was less than the existing
24 aggregate trust fund liability of LPCI to every homeowner-
25 borrower who was an owner of said funds, without first obtaining
26 the prior written consent of the homeowner-beneficiaries who own
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1 said funds, in violation of Code Section 10145 and Regulation
2 2832.1.

- 3 • \$21,331.00 as of February 27, 2009 (GHAZI)
- 4 • \$14,376.50 as of February 2, 2009 (HAYNES)
- 5 • \$ 6,745.00 as of October 22, 2008 (PACIFIC)

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7 (b) (1) (PACIFIC)

8 (i) Fannie/Cornell Scaifes Loan Modification.

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10 On June 17, 2008, homeowner-borrowers Fannie/Cornell Scaifes Loan
11 Modification entered into a Loan Modification Disclosure &
12 Agreement with Bryco Financial Services (Bryco) to modify their
13 mortgage loan secured by their home located at 7232 Blue Springs
14 Way in Citrus Heights, California.

15 (ii) Bryco is an unlicensed company engaged in
16 the business of providing an analysis of real estate debt, income
17 and an examination the potential for restructuring and lowering
18 borrower's general debt and real property-secured debt. Based on
19 an Affiliate Agreement with LPCI of May 12, 2008, Bryco
20 transferred the Scaifes loan modification to LPCI.

21 (iii) On July 19, 2008, LPCI, acting as a loan
22 modification processor, received the loan modification package
23 from Bryco accompanied by a fee of \$695 from Bryco. On July 2,
24 2008, Scaifes paid \$2,000 to LPCI. Per the Bryco-LPCI agreement,
25 Scaifes \$2,000 was supposed to be paid to Bryco. However, Bryco
26 did not have a merchant bank account to accept credit card
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1 payment. Therefore, the \$2,000 credit card payment from Scaifes
2 was deposited into LPCI's Merchant bank account, not set up for
3 or designated as a trust fund for the deposit of advance fees
4 collected from homeowners. LPCI subsequently forwarded the
5 \$2,000 to Bryco.

6 (iv) LPCI failed to provide the payment records
7 of Scaifes, including the merchant bank account statement showing
8 the deposit and trust funds forwarded to Bryco, pursuant to the
9 Department's request and by subpoena, as set forth below in
10 Paragraph 10(m)(2), below.

11 (v) LPCI submitted the loan modification to
12 Scaifes' lender, Downey Savings, by phone. Based on the "Loan
13 Log Entries", Scaifes' loan modification package was submitted to
14 the lender, Downey Savings.

15 (vi) On August 7, 2008, Scaifes' loan
16 modification was denied by Downey Savings due to a \$10,328.22
17 judgment recorded against Cornell Scaife.

18 (b) (2) (PACIFIC)

19 (i) Patricia Clark (Clark) Loan Modification.
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21 On April 19, 2008, Clark signed a Loan Modification Disclosure &
22 Agreement and Authorization Form with LPCI to obtain a loan
23 modification for the mortgage loan secured by her home located at
24 650 The Village #312 in Redondo Beach, California.

25 (ii) On April 19, 2008, according to Maziar
26 Bordbor aka Matt Bordbar or M. Bordbar, Secretary and Chief
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1 Financial Officer of LPCI, Clark paid \$2,495 with her credit card
2 to LPCI's merchant account on April 19, 2008.

3 (iii) LPCI did not provide the payment records of
4 Clark, including the merchant bank account statement showing the
5 deposit, upon the Department's request and subpoena.

6 (iv) LPCI submitted Clark's loan modification
7 package to lender Wachovia on April 19, 2008 and resubmitted it
8 on June 3, 2008, with updated information.

9 (v) According to the Wachovia's Internal Loan
10 Audit Request maintained in Clark's loan modification file, LPCI
11 did not provide the employment and compensation records related
12 to Clark upon the Department's request and subpoena.

13 (vi) On August 5, 2008, LPCI sent a letter to
14 Clark to notify Clark that her loan modification was denied by
15 Wachovia.

16 (b) (3) The conduct of PACIFIC, as former designated
17 officer of LPCI during the submission of the Scaifes and Clark
18 loan modifications constitutes a violation of 10176(a), 10176(b)
19 and 10176(i) and/or 10177(g).

20 (c) (GHAZI) Placed a false, deceitful and misleading
21 advertisement on LPCI's website which represented that the
22 Department of Real Estate conducted an audit on LPCI and
23 determined that LPCI was in compliance with the Real Estate Laws
24 and Regulations. In truth and in fact, the Department's audit
25 was ongoing and found, as of the interim audit report date of
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1 April 7, 2009 found substantial trust fund violations, to wit,
2 including a \$21,331.00 shortage in LPCI's trust account used to
3 deposit trust funds received from homeowners, as previously
4 recited in Paragraph 7(b), in violation of Code Sections
5 10176(a), 10176(i) and/or 10177(j), 10235 and Regulation 2848.

6 (d) (1) (GHAZI, HAYNES, PACIFIC) Commingled trust funds
7 and personal funds by depositing trust funds in the form of
8 collected advance fees into LPCI's general operating account, in
9 violation of Code Sections 10145 and 10176(e).

10 (d) (2) (GHAZI, HAYNES, PACIFIC) Converted trust funds
11 and personal funds by depositing trust funds in the form of
12 collected advance fees into LPCI's general operating account, in
13 violation of Code Sections 10145 and 10176(i).

14 (e) (GHAZI, HAYNES, PACIFIC) Failed to maintain an
15 accurate and complete separate record for each beneficiary or
16 transaction, thereby failing to account for all trust funds in
17 the form of advance fees collected, in violation of Code Section
18 10145 and Regulation 2831.1.

19 (f) Permitted Maziar Bordbor, corporate secretary and
20 chief financial officer of LPCI, an unlicensed and unbonded
21 person, to be an authorized signatory on the trust account, in
22 violation of Code Section 10145 and Regulation 2834.

23 (g) (GHAZI, HAYNES, PACIFIC) The aforementioned former
24 designated officers of LPCI failed to exercise adequate
25 supervision over LPCI's activities requiring a real estate
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1 license to ensure LPCI's compliance the Real Estate Laws and
2 Regulations and had no system in place for regularly monitoring
3 LPCI's compliance with the Real Estate Law, in violation of Code
4 Sections 10159.2, 10177(h) and Regulation 2725.

5 (h) Collected advance fees within the meaning of Code
6 Section 10026 from homeowners including but not limited to
7 Fannie/Cornell Scaife and Patricia Clark, seeking loan
8 modifications wherein LPCI failed to provide all homeowners, with
9 a pre-approved advance fee agreement from the Department in the
10 form of a no objection letter, in violation of Code Section 10085
11 and Regulation 2970.

12 (i) Failed to establish and maintain a trust account at
13 a bank or other recognized financial institution in the name of
14 the broker for deposit of collected advance fees by LPCI, in
15 violation of Code Section 10146.

16 (j) With reference to the lack of an advance fee
17 agreement, LPCI failed to provide a complete description of
18 services to be rendered provided to each homeowner-borrower in 10
19 point type font and failed to provide an allocation and
20 disbursement of the amount collected as the advance fee, in
21 violation of Code Section 10146 and Regulation 2972.

22 (k) (1) (PACIFIC) Used the fictitious name of
23 "RefiFix.com", to conduct licensed activities including loan
24 modifications without holding a license bearing said fictitious
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1 business name, in violation of Code Section 10159.5 and
2 Regulation 2731.

3 (k) (2) (GHAZI, HAYNES, PACIFIC) Used the fictitious name
4 of "Loan Processing Center", to conduct licensed activities
5 including loan modifications without holding a license bearing
6 said fictitious business name, in violation of Code Section
7 10159.5 and Regulation 2731.

8 (k) (3) (HAYNES, PACIFIC) Used the fictitious name of
9 "LPC", to conduct licensed activities including loan
10 modifications without holding a license bearing said fictitious
11 business name, in violation of Code Section 10159.5 and
12 Regulation 2731.

13 (l) (GHAZI) Failed to retain the salesperson license
14 certificate for James Starkey, in violation of Code Section 10160
15 and Regulation 2753.

16 (m) (1) (GHAZI) After notice and subpoena on April 3,
17 2009, failed to produce or retain all records of LPCI's activity
18 during the audit period requiring a real estate broker license,
19 in violation of Code Section 10148.

20 (m) (2) (PACIFIC) After notice and subpoena on May 13,
21 2009, failed to produce or retain all records of LPCI's activity
22 during the audit period requiring a real estate broker license,
23 in violation of Code Section 10148.

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Disciplinary Statutes

11.

The conduct of Respondents LOAN PROCESSING CENTER INC.,
MASHEED S. GHAZI, DANNY R. HAYNES and LOUIS LEON PACIFIC
described in Paragraph 10, above, violated the Code and the
Regulations as set forth below:

| <u>PARAGRAPH</u> | <u>PROVISIONS VIOLATED</u> |
|------------------|---|
| 10(a) | Code Section 10145 and Regulation 2832.1 |
| 10(b) | Code Sections 10176(a), 10176(b) and 10176(i) and/or 10177(g). |
| 10(c) | 10176(a), 10176(i) and/or 10177(j), 10235 and Regulation 2848 |
| 10(d) | Code Sections 10145, 10176(e) and 10176(i) |
| 10(e) | Code Section 10145 and Regulation 2831.1 |
| 10(f) | Code Section 10145 and Regulation 2834 |

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10 (g)

10159.2, 10177(h) and Regulation
2725

10 (h)

Code Section 10085 and Regulation
2970

10 (i)

Code Section 10146

10 (j)

Code Section 10146 and Regulation
2972

10 (k)

Code Section 10159.5 and Regulation
2731

10 (l)

Code Section 10160 and Regulation
2753

10 (m)

Code Section 10148

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1 The foregoing violations constitute cause for the discipline of
2 the real estate license and license rights of LPCI, GHAZI, HAYNES
3 and PACIFIC, under the provisions of Code Sections 10176(a), for
4 misrepresentation, 10176(b), for false promises, 10176(i) and/or
5 10177(j) for fraud or dishonest dealing, 10177(d) for willful
6 disregard or for violation of the Real Estate Law, and/or
7 10177(g), for negligence and 10177(h), for lack of supervision of
8 LPCI's brokerage.

9 12.

10 Respondents LPCI, GHAZI, HAYNES and PACIFIC
11 intentionally or negligently engaged in the conduct above set
12 forth in Paragraphs 7 and 8, 10 and 11, and engaged in negligent
13 misrepresentation, in violation of Code Sections 10176(a),
14 10176(i) and/or 10177(g).

15 13.

16 Respondents LPCI, GHAZI, HAYNES and PACIFIC conduct
17 constitutes a breach of fiduciary duty of homeowner-borrowers
18 Fannie/Cornell Scaife and Patricia Clark, in violation of Code
19 Section 10176(i) and/or 10177(g).

20 14.

21 The overall conduct of Respondents LPCI, GHAZI, HAYNES
22 and PACIFIC, constitutes negligence or incompetence. This
23 conduct and violation are cause for the suspension or revocation
24 of the real estate license and license rights of said Respondents
25 pursuant to Code Section 10177(g).
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1 The overall conduct of Respondents GHAZI, HAYNES and
2 PACIFIC constitutes a failure on said Respondents' part, as
3 former officers designated by a corporate broker licensee, to
4 exercise the reasonable supervision and control over the licensed
5 activities of LPCI, as required by Code Sections 10211 and
6 10159.2, and to keep LPCI in compliance with the Real Estate Law,
7 and is cause for the suspension or revocation of the real estate
8 license and license rights of GHAZI, HAYNES and PACIFIC pursuant
9 to the provisions of Code Sections 10177(d), 10177(g) and
10 10177(h) and Regulation 2725.

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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 LOAN
5 PROCESSING CENTER INC., MASHEED S. GHAZI, DANNY R. HAYNES and
6 LOUIS LEON PACIFIC under the Real Estate Law (Part 1 of Division
7 4 of the Business and Professions Code) and for such other and
8 further relief as may be proper under other applicable provisions
9 of law including but not limited to restitution pursuant to
10 Government Code Sections 11519 and 11519.1 of the Administrative
11 Procedures Act.

12 Dated at Los Angeles, California

13 this 1 day of October 2009.


14 Robin Trujillo
15 Deputy Real Estate Commissioner

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20 cc: Loan Processing Center Inc.
21 Masheed S. Ghazi, former D.O.
22 Shahriar Kolahi, President/CEO
Maziar Bordar,, Secretary and Chief Financial Officer

23 cc: Masheed S. Ghazi, former D.O.
24 Danny R. Haynes, former D.O.
Louis Leon Pacific, former D.O.
25 Robin Trujillo
Sacto
Audits - Lisa Kwong
26 Audits -Danio Fajardo
27 Amelia Vetrone