

1 Department of Real Estate
320 West 4th Street, Ste. 350
2 Los Angeles, California 90013-1105

FILED

3 Telephone: (213) 576-6982

JUN - 2 2009

4 DEPARTMENT OF REAL ESTATE

5 BY: *[Signature]*

6
7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 TO:

12)
13) LOAN PROCESSING CENTER INC. doing
14) business as Applyloanmod.com,
15) iloanmod.com and LPC; and
16) MASHEED S. GHAZI, individually
17) and as designated officer of
18) Loan Processing Center Inc.
19)
20)
21)
22)
23)
24)
25)
26)
27)

No. H-36015 LA

ORDER TO DESIST

AND REFRAIN

17 The Real Estate Commissioner of the State of California
18 has caused an investigation to be made of your activities as a
19 real estate broker, and based on the findings of that
20 investigation is of the opinion that you, LOAN PROCESSING CENTER
21 INC. dba Applyloanmod.com, iloanmod.com and LPC, and you, MASHEED
22 S. GHAZI, have violated Sections 10140, 10145, 10176(a), 10176(i)
23 and 10235 of the California Business and Professions Code
24 (hereinafter Code), as well as Regulations 2832.1 and 2848 (all
25 references herein to Regulations refer to the California Code of
26 Regulations, Title 10, Chapter 6).
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1 1.

2 A. At all times herein mentioned, you, LOAN PROCESSING
3 CENTER INC. and you MASHEED S. GHAZI, were licensed by the
4 Department of Real Estate of the State of California (hereinafter
5 Department) as a real estate broker.

6 B. Loan modification services were conducted by LOAN
7 PROCESSING CENTER INC. (LPCI) and MASHEED S. GHAZI (GHAZI) from
8 the beginning of the audit period on September 11, 2007 to
9 February 27, 2009.

10 LOAN MODIFICATION AND ADVANCE FEE BROKERAGE

11 2.

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

15 A. Code Section 10131(d). LPCI and GHAZI engaged in
16 the business of a mortgage and loan brokerage. Respondents
17 engaged in activities with the public wherein lenders and
18 borrowers were solicited for loans secured directly or
19 collaterally by liens on real property, wherein such loans were
20 arranged, negotiated, processed and consummated on behalf of
21 others for compensation or in expectation of compensation and for
22 fees often collected in advance as well as at the conclusion of
23 transactions; and

24 B. Code Section 10131.2. LPCI and GHAZI engaged in
25 the business of a loan modification and an advance fee brokerage
26
27

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

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

8 3.

9 On April 7, 2009, the Department has completed an
10 interim audit report of the Department's ongoing audit
11 examination of your books and records LPCI pertaining to the
12 mortgage loan, loan modification for advance fee activities
13 described in Paragraph 2 that require a real estate license, as a
14 result of the false website advertisement set forth below in
15 Paragraph 5(b). The audit examination covers a period of time
16 beginning on September 11, 2007 to February 27, 2009. The
17 interim audit examination revealed violations of the Code and the
18 Regulations as set forth in the following Paragraphs, and more
19 fully discussed in Audit Report LA 080168 and the exhibits and
20 work papers attached to said audit report.
21

22 TRUST ACCOUNT

23 4.

24 At all times mentioned, in connection with the
25 activities described in Paragraph 3, above, you LPCI accepted or
26 received funds including funds in trust (hereinafter "trust
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1 funds") from or on behalf of actual or prospective parties,
2 including lenders, borrowers and homeowners, to mortgage loan
3 transactions handled by LPCI and thereafter made deposits and or
4 disbursements of such funds. From time to time herein mentioned
5 during the audit period, said trust funds were deposited and/or
6 maintained by LPCI in the bank account as follows:

7 "Loan Processing Center Inc.
8 Account No. 29346-03807"
9 Bank of America (bank account)
San Francisco, CA 91437-0176

10
11 AUDIT EXAMINATION

12 VIOLATIONS OF THE REAL ESTATE LAW

13 5.

14 In the course of activities described in Paragraphs 2
15 and 4, above, and during the examination period described in
16 Paragraph 3, you LPCI and you GHAZI, acted in violation of the
17 Code and the Regulations in that you:

18 (a) Permitted, allowed or caused the disbursement of
19 trust funds from the LPCI's bank account used for the deposit of
20 trust funds, where the disbursement of funds reduced the total of
21 aggregate funds in LPCI's bank account, to an amount which, on
22 February 27, 2009, was \$21,331.00, less than the existing
23 aggregate trust fund liability of LPCI to every principal who was
24 an owner of said funds, without first obtaining the prior written
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26
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1 consent of the owners of said funds, as required by Code Section
2 10145 and Regulation 2832.1.

3 (b) Placed a false, deceitful and misleading
4 advertisement on LPCI's website which represented that the
5 Department of Real Estate conducted an audit on LPCI and
6 determined that LPCI was in compliance with the Real Estate Laws
7 and Regulations. In truth and in fact, the Department's audit
8 was ongoing and found, as of the audit report date of April 7,
9 2009 found a substantial trust fund violation, to wit, a
10 \$21,331.00 shortage in LPCI's bank account used to deposit trust
11 funds received from homeowners, herein mentioned above. In
12 addition said audit found violations of Code Sections 10140,
13 10176(a), 10176(i) and 10235 and Regulation 2848.

14 6.

15 You, LOAN PROCESSING CENTER INC. and MASHEED S. GHAZI
16 violated Code Sections 10140, 10145, 10176(a), 10176(i) and 10235
17 and Regulations 2832.1 and 2848.

18 NOW, THEREFORE, YOU, LOAN PROCESSING CENTER INC. and
19 you MASHEED S. GHAZI, ARE ORDERED TO DESIST AND REFRAIN from
20 performing any and all activities for which a real estate broker
21 license is required unless and until you are in compliance with
22 the Real Estate Law as set forth in this Order.

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1 AND FURTHERMORE, YOU, LOAN PROCESSING CENTER INC. and
2 YOU, MASHEED S. GHAZI, ARE ORDERED TO DESIST AND REFRAIN from
3 collecting advance fees as that terms in defined in Code Section
4 10085, in any form particularly with respect to loan
5 modification, loan restructuring, foreclosure abatement or short
6 sale services, unless and until you provide evidence satisfactory
7 to the Real Estate Commissioner and demonstrate that you have:

8 (1) a pre-approved advance fee agreement from the
9 Department of Real Estate pursuant to Regulation 2970;

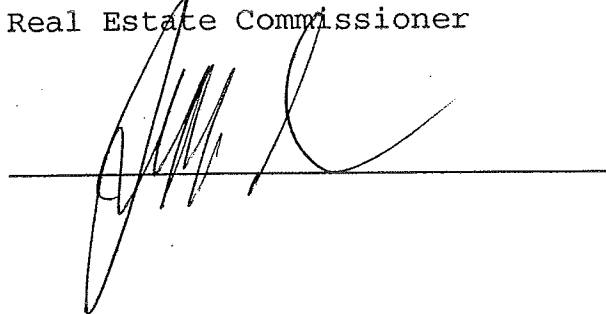
10 (2) placed all previously collected advance fees into a
11 trust account for that purpose pursuant to Code Section 10146;
12 and

13 (3) provided an accounting to trust fund owner-
14 beneficiaries pursuant to Regulation 2972.
15

16
17 DATED: 5-6, 2009.

18 JEFF DAVI
19 Real Estate Commissioner

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21
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23
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25 cc: Loan Processing Center Inc.
26 Masheed S. Ghazi D.O.
27 5440 Trabuco Road #200
Irvine, Ca 92620