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FILED

AUG 22 2016

BUREAU OF REAL ESTATE

By B. Nicholas

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8
9 BEFORE THE BUREAU OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)

13 BIZ4LOANS, HARPREET K. BALI)
14 and PRADEEP BALI,)

15 Respondents.)

No. H-3037 FR

ACCUSATION

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17 The Complainant, BRENDA SMITH, a Supervising Special Investigator of the
18 State of California, for Accusation against Respondents BIZ4LOANS (BIZ), HARPREET K.
19 BALI (HARPREET) and PRADEEP BALI (PRADEEP), sometimes collectively referred to as
20 Respondents, is informed and alleges as follows:

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22 The Complainant makes this Accusation against Respondents in her official
23 capacity.

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25 BIZ is presently licensed and/or has license rights under the Real Estate Law,
26 Part 1 of Division 4 of the California Business and Professions Code (Code) by the Bureau of
27 Real Estate (Bureau) as a corporate real estate broker.

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HARPREET is presently licensed and/or has license rights under the Code as a real estate broker.

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At all times mentioned, PRADEEP was and now is licensed by the Bureau as a real estate salesperson whose license has at all times mentioned herein since December 29, 2010, been, and now is, a restricted real estate salesperson license subject to terms, conditions and restrictions pursuant to Sections 10156.6 and 10156.7 of the Code.

5

At all times mentioned, HARPREET was the designated broker-officer of BIZ. As the designated broker-officer, HARPREET was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of BIZ for which a real estate license is required to ensure the compliance of the corporation with the Real Estate law and the Regulations.

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At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the State of California within the meaning of Section 10131(d) of the Code, including the operation and conduct of a loan brokerage business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents solicited lenders and borrowers for loans secured directly or collaterally by liens on real property, and wherein Respondents arranged negotiated, processed, and consummated such loans.

FIRST CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 6, above, and incorporates the same herein by reference.

Beginning on January 13, 2016, and continuing intermittently through February 5, 2016, an audit was conducted at BIZ's main office located at 4491 W. Shaw Avenue, #101, Fresno, California, and at the Bureau's district office located at 1651 Exposition Blvd., Sacramento, California, where the auditor examined records for the period of January 1, 2015, through January 30, 2016 (the audit period).

While acting as a real estate broker as described in Paragraph 6, above, and within the audit period, BIZ accepted or received funds in trust (trust funds) from or on behalf of property owners, deposited or caused to be deposited those funds into bank accounts maintained by BIZ, at Chase Bank, P.O. Box 659754, Fresno, California, as described below:

BANK ACCOUNT #1	
Account No.:	XXXXXXX1885
Entitled:	Biz4Loans

and thereafter from time-to-time made disbursement of said trust funds.

In the course of the activities described in Paragraph 6, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) BIZ failed to designate Bank Account #1 as a trust account as required by Section 2832 of Chapter 6, Title 10, California Code of Regulations (Regulations);
- (b) during an accountability performed on Bank Account #1, and as of January 30, 2015, a shortage of \$2,106.85 was revealed, in violation of Section 10145 of the Code;

- 1 (f) BIZ failed to obtain written permission from owners of trust funds in
2 Bank Account #1 to allow the balance to drop below accountability, in
3 violation of Section 2832.1 of the Regulations;
- 4 (d) BIZ failed to submit to the Bureau materials used in connection with the
5 loan modification services offered and undertaken on behalf of clients, as
6 required by Section 2970 of the Regulations and Section 10085 of the
7 Code;
- 8 (e) On or after October 11, 2009, BIZ collected a total of \$4,747.00 in
9 advance fees to perform loan modification services, in violation of
10 Section 10085.6 of the Code;
- 11 (f) BIZ failed to provide an accounting to trust fund owner-beneficiaries
12 from whom advance fees had previously been collected as required by
13 Section 2972 of the Regulations and Section 10146 of the Code;
- 14 (g) BIZ failed to maintain control records for Bank Account #1, as required
15 by Section 2831 of the Regulations;
- 16 (g) BIZ failed to maintain separate beneficiary records for Bank Account #1
17 as required by Section 2831.1 of the Regulations;
- 18 (h) BIZ failed to perform monthly reconciliations of the separate beneficiary
19 records and control records for Bank Account #1 as required by Section
20 2831.2 of the Regulations; and
- 21 (i) BIZ disbursed trust funds from Bank Account #1 for personal use in
22 violation of Section 10176 (e) of the Code.

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24 The acts and/or omissions described above constitute violations of Sections 2831
25 (control records), 2831.1 (separate beneficiary records), 2831.2 (monthly reconciliations), 2832
26 (trust fund designation), 2832.1 (written permission balance below accountability) and 2972
27 (advance fee accounting) of the Regulations, and of Sections 10145 (trust fund handling) and

1 10176 (e) (commingling) of the Code. and are grounds for discipline under Sections 10176(e),
2 10177(d) (willful disregard of real estate laws) and 10177(g) (negligence/incompetence
3 licensee) of the Code.

4 SECOND CAUSE OF ACTION

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6 Complainant refers to Paragraphs 1 through 11, above, and incorporates the same
7 herein, by reference.

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9 On or about January 26, 2015, Keith H. agreed to have BIZ, by and through
10 PRADEEP, to perform a modification of a loan secured by property commonly known as 144
11 Southeast Priest Street, Madison, Florida (Priest Property).

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13 On or about January 26, 2015, PRADEEP, acting on behalf of BIZ, told Keith H.
14 that he would have to pay an up front "administrative fee" of \$2,100.00 for the loan modification.

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16 On or about January 29, 2015, Keith H. paid PRADEEP \$2,100.00 for the loan
17 modification on the Priest Property.

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19 On or about February 9, 2015, BIZ issued and sent to Keith H., a "Conditional
20 Commitment/Letter of Intent" wherein it agreed to process the loan modification of the Priest
21 Property.

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23 Respondents failed to obtain a loan modification on the Priest Property for Keith
24 H.

25 18

26 From and since March 10, 2015, Keith H. has asked for a refund of his \$2,100.00
27 advance fee, but was told by PRADEEP that it was non-refundable.

The acts and or omissions referred to in Paragraphs 12 through 18, above, constitute violations of Section 10085.6 (advance fees for loan modification) of the Code and are grounds for the suspension or revocation of Respondents' licenses pursuant to Sections 10177(d) and 10177(g) of the Code.

THIRD CAUSE OF ACTION

Complainant refers to Paragraphs 1 through 19, above, and incorporates the same herein, by reference.

On or about January 15, 2015, Alan and Marlene V. agreed to have BIZ, by and through PRADEEP, to perform a modification of a loan secured by their family farm, comprised of numerous parcels, located in Marshall, Minnesota (Marshall Property).

On or about January 15, 2015, PRADEEP, acting on behalf of BIZ, told Alan and Marlene V. that they would have to pay an up front "administrative fee" of \$4,500.00 for the loan modification. Ultimately, PRADEEP lowered the fee to \$2,699.00.

On or about February 2, 2015, Alan and Marlene V. paid PRADEEP \$2,699.00 for the loan modification on the Marshall Property.

On or about January 27, 2015, BIZ issued and sent to Alan and Marlene V., a "Conditional Commitment/Letter of Intent", wherein it agreed to process the loan modification of the Marshall Property

Respondents obtained a lender for a loan modification on the Marshall Property, which Alan and Marlene V. rejected.

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2 From and since rejecting the loan, Alan and Marlene V. have asked for a refund of
3 their \$2,699.00 advance fee, but was told by PRADEEP that it was non-refundable, since
4 Respondents did find a lender.

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6 The acts and or omissions referred to in Paragraphs 20 through 26, above,
7 constitute violations of Section 10085.6 of the Code and are grounds for the suspension or
8 revocation of Respondents' licenses pursuant to Sections 10177(d) and 10177(g) of the Code.

9 FOURTH CAUSE OF ACTION

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11 Complainant refers to Paragraphs 1 through 27, above, and incorporates them
12 herein by reference.

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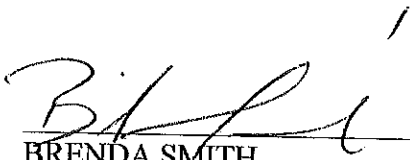
14 At all times herein above mentioned, HARPREET was responsible as the
15 supervising designated broker/officer for BIZ, for the supervision and control of the activities
16 conducted on behalf of BIZ'S business by its employees to ensure its compliance with the Real
17 Estate Law and Regulations. HARPREET failed to exercise reasonable supervision and control
18 over the property management activities of BIZ. In particular, HARPREET permitted, ratified
19 and/or caused the conduct described above to occur, and failed to take reasonable steps,
20 including but not limited to, the handling of trust funds, supervision of employees, and the
21 implementation of policies, rules, and systems to ensure the compliance of the business with the
22 Real Estate Law and the Regulations.

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24 The above acts and/or omissions of HARPREET violate Section 2725 of the
25 Regulations and Section 10159.2 (responsibility/designated officer) of the Code and constitute
26 grounds for disciplinary action under the provisions of Sections 10177(d), 10177(g) and
27 10177(h) (broker supervision) of the Code.

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, the commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law.


BREND A SMITH
Supervising Special Investigator

Dated at Fresno, California,
this 16 day of August, 2016.