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BEFORE THE BUREAU OF REAL ESTATE STATE OF CALIFORNIA

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In the Matter of the Accusation of No. H-04918 SD **GREAT SOURCE REALTY** <u>ACCUSATION</u> CORPORATION, doing business as Arya Financial, SADRI RIAZATI, individually and as designated officer of Great Source Realty Corporation, and NEDA FATHI, Respondents.

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, for cause of Accusation against GREAT SOURCE REALTY CORPORATION, doing business as Arya Financial, SADRI RIAZATI, individually and as designated officer of Great Source Realty Corporation, and NEDA FATHI ("Respondents"), is informed and alleges as follows:

1.

The Complainant, Veronica Kilpatrick, acting in her official capacity as a Supervising Special Investigator of the State of California, makes this Accusation against GREAT SOURCE REALTY CORPORATION, SADRI RIAZATI, and NEDA FATHI.

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

#### LICENSE HISTORY

3.

- 3(a) At all times mentioned, Respondent GREAT SOURCE REALTY

  CORPORATION ("GREAT SOURCE") was licensed and/or had license rights issued by the

  Bureau of Real Estate ("Bureau") as a corporate real estate broker. GREAT SOURCE was

  originally licensed as a corporate real estate broker on May 17, 2007.
- 3(b) At all times mentioned, Respondent SADRI RIAZATI ("RIAZATI") was licensed and/or had license rights issued by the Bureau as a real estate broker. RIAZATI was originally licensed as a real estate broker on March 3, 2007.
- 3(c) From May 17, 2007, through the present, GREAT SOURCE has been licensed by the Bureau as a corporate real estate broker by and through RIAZATI, as the designated officer and broker responsible, pursuant to Code Section 10159.2, for supervising the activities requiring a real estate license conducted on behalf of GREAT SOURCE, or by GREAT SOURCE's officers, agents and employees.
- 3(d) At all times mentioned, Respondent NEDA FATHI ("FATHI") was licensed and/or had license rights issued by the Bureau as a real estate salesperson. FATHI was originally licensed as a real estate salesperson on July 7, 1998.
- 3(e) From July 22, 2010, through the present, Respondent FATHI was affiliated with employing broker Respondent GREAT SOURCE.

#### BROKERAGE

### GREAT SOURCE REALTY CORPORATION

4.

At all times mentioned, in the City of San Diego and City of Escondido, County of San Diego, Respondent GREAT SOURCE acted as a real estate broker, conducting licensed

activities within the meaning of Code Section 10131(b) (leases or rents real property for others) 1 2 and Code Section 10131(d) (solicits borrowers or lenders for or negotiates loans in connection 3 with loans secured by real property). 4 FIRST CAUSE OF ACTION 5 AUDIT 6 GREAT SOURCE REALTY CORPORATION 7 5. 8 On March 30, 2017, the Bureau completed audit examinations of the books and 9 records of Respondent GREAT SOURCE REALTY CORPORATION pertaining to the 10 activities described in Paragraph 4 which require a real estate license. The audit examinations covered a period of time from December 1, 2013, to October 31, 2016. The audit examinations 11 revealed violations of the Code and the Regulations as set forth in the following paragraphs, 12 13 and as more fully discussed in Audit Reports SD160021 and SD160030 and the exhibits and 14 workpapers attached to said audit reports. AUDIT VIOLATIONS OF THE REAL ESTATE LAW 15 16 6. 17 In the course of activities described in Paragraph 4 above and during the 18 examination periods described in Paragraph 5 above, Respondents GREAT SOURCE. RIAZATI, and FATHI acted in violation of the Code and the Regulations in that: 19 20 6(a) A subpoena was served to Respondent RIAZATI for the production of 21 books and records related to the property management activities conducted by Respondents GREAT SOURCE, RIAZATI, and FATHI. GREAT SOURCE and RIAZATI failed to retain 22 and make available for examination, copying, and inspection the books, accounts, and records 23 related to GREAT SOURCE's, RIAZATI's, and FATHI's property management activities for 24 25 the audit period, in violation of Code Section 10148. 26 ///

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- 6(b) Respondents GREAT SOURCE and FATHI deposited trust funds into FATHI's personal bank account instead of a trust account, in violation of Code Sections 10145(a), 10145(c), and 10176(e), and Regulation 2832.
- 6(c) Respondents GREAT SOURCE and FATHI deposited trust funds into Respondent GREAT SOURCE's bank account instead of a trust account, in violation of Code Sections 10145(a), 10145(c), and 10176(e), and Regulation 2832.
- 6(d) Respondent GREAT SOURCE did not maintain a complete and accurate control record or general ledger of all trust funds received and disbursed in connection with Respondent's property management activities, in violation of Code Section 10145 and Regulation 2831.
- 6(e) Respondent GREAT SOURCE did not maintain a complete and accurate separate record of all trust funds received and disbursed for each beneficiary in connection with Respondent's property management activities, in violation of Code Section 10145 and Regulation 2831.1.
- 6(f) Respondent GREAT SOURCE did not perform and maintain a monthly reconciliation of all the separate records with the control record of all trust funds received and disbursed, in violation of Code Section 10145 and Regulation 2831.2.
- 6(g) The main office address maintained by Respondent GREAT SOURCE with the Bureau was 16476 Bernardo Center Drive #127, San Diego, CA 92128. Respondent did not maintain an office at this address as early as June 7, 2016. On or about December 12, 2016, Respondent informed the Real Estate Commissioner of a new main office address, which was not previously licensed either as the main office or a branch office. The failure to maintain a place of business for Respondent at 16476 Bernardo Center Drive #127 is in violation Code Section 10162 and Regulation 2715.

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6(h) Respondents GREAT SOURCE and RIAZATI did not provide approved mortgage loan disclosure statements to all borrowers or provided incomplete mortgage loan disclosure statements which were missing the items of liens against the real property, Respondents real estate license identification numbers, Respondents mortgage loan originator license endorsement identification numbers, or Respondents' signatures, in violation of Code Section 10240 and Regulation 2840.

6(i) Respondent RIAZATI did not disclose his real estate identification number or mortgage loan originator license endorsement identification number on solicitation materials intended to be the first point of contact with consumers, including, but not limited to, business cards, in violation of Code Sections 10140.6 and 10236.4 and Regulation 2773.

7.

The conduct, acts, or omissions of Respondents GREAT SOURCE, RIAZATI, and FATHI, described in Paragraph 6 above, violated the Code and the Regulations as set forth below:

15	<u>PARAGRAPH</u>	PROVISIONS VIOLATED
16	6(a)	Code Section 10148
17		(GREAT SOURCE and RIAZATI)
18	6(b)	Code Sections 10145(a), 10145(c), and 10176(e),
19		and Regulation 2832
20		(GREAT SOURCE and FATHI)
21	6(c)	Code Sections 10145(a), 10145(c), and 10176(e),
22		and Regulation 2832
23		(GREAT SOURCE and FATHI)
24	6(d)	Code Section 10145 and Regulation 2831
25		(GREAT SOURCE)
26	6(e)	Code Section 10145 and Regulation 2831.1
27		(GREAT SOURCE)

1	<u>PARAGRAPH</u>	PROVISIONS VIOLATED
2	6(f)	Code Section 10145 and Regulation 2831.2
3		(GREAT SOURCE)
4	6(g)	Code Section 10162 and Regulation 2715
5		(GREAT SOURCE)
6	6(h)	Code Section 10240 and Regulation 2840
7		(GREAT SOURCE and RIAZATI)
8	6(i)	Code Sections 10140.6 and 10236.4 and
9		Regulation 2773 (RIAZATI)
10	The foregoing violations constitute cause for the suspension or revocation of all	
11	the real estate licenses and license rights of Respondents GREAT SOURCE, RIAZATI, and	
12	FATHI pursuant to the provisions of Code Sections 10165, 10176(e), 10177(d), and 10177(g).	
13	SECOND CAUSE OF ACTION	
14	FALSE ADVERTISING	
15		8.
16	Respondents GREAT SOUR	CE, RIAZATI, and FATHI advertised FATHI as a
17	loan consultant when FATHI does not have a mortgage loan originator license endorsement, in	
18	violation Code Sections 10140, 10176(a), 10176(b), 10176(i), which constitutes cause for the	
19	suspension or revocation of all the real estate licenses and license rights of GREAT SOURCE,	
20	RIAZATI, and FATHI pursuant to the provisions of Code Sections 10140, 10176(a), 10176(b),	
21	10176(i), 10177(d) and 10177(g).	
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## THIRD CAUSE OF ACTION

## SUPERVISION AND COMPLIANCE

9.

Respondent FATHI operated property management services while affiliated with employing broker Respondent GREAT SOURCE, but GREAT SOURCE did not exercise reasonable supervision and control over the property management services operated by FATHI.

10.

The conduct, acts, or omissions of Respondent RIAZATI, as described in Paragraphs 6 through 9 above, constituted a failure on his part to exercise reasonable supervision and control over the licensed activities of Respondents GREAT SOURCE and FATHI and to keep GREAT SOURCE and FATHI in compliance with the Real Estate Law, and is cause for the suspension or revocation of all the real estate licenses and license rights of RIAZATI pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

11.

Code Section 10148(b) provides, in pertinent part, that the Real Estate

Commissioner shall charge a real estate broker for the cost of any audit if the Commissioner has found in a final decision, following a disciplinary hearing, that the broker has violated Code

Section 10145 or a Regulation or rule of the Commissioner interpreting said Code section.

12.

Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau of Real Estate, 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.

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