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OCT 18 2017

BUREAU OF REAL ESTATE

By *Al Delorio*

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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>FIRST AMENDED</u> |
| CORPORATION, doing business as |) | <u>ACCUSATION</u> |
| Arya Financial, SADRI RIAZATI, |) | |
| individually and as designated officer of |) | |
| Great Source Realty Corporation, and |) | |
| NEDA FATHI, |) | |
| |) | |
| Respondents. |) | |
| |) | |

This Accusation amends the Accusation filed on July 17, 2017. 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.

First Amended Accusation of Great Source Realty Corporation, Sadri Riazati, and Neda Fathi

1 2.

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

4 LICENSE HISTORY

5 3.

6 3(a) At all times mentioned, Respondent GREAT SOURCE REALTY
7 CORPORATION ("GREAT SOURCE") was licensed and/or had license rights issued by the
8 Bureau of Real Estate ("Bureau") as a corporate real estate broker. GREAT SOURCE was
9 originally licensed as a corporate real estate broker on May 17, 2007. GREAT SOURCE also
10 has a company mortgage loan originator license endorsement.

11 3(b) At all times mentioned, Respondent SADRI RIAZATI ("RIAZATI") was
12 licensed and/or had license rights issued by the Bureau as a real estate broker. RIAZATI was
13 originally licensed as a real estate broker on March 3, 2007. RIAZATI also has an individual
14 mortgage loan originator license endorsement.

15 3(c) From May 17, 2007, through the present, GREAT SOURCE has been
16 licensed by the Bureau as a corporate real estate broker by and through RIAZATI, as the
17 designated officer and broker responsible, pursuant to Code Section 10159.2, for supervising
18 the activities requiring a real estate license conducted on behalf of GREAT SOURCE, or by
19 GREAT SOURCE's officers, agents and employees.

20 3(d) At all times mentioned, Respondent NEDA FATHI ("FATHI") was
21 licensed and/or had license rights issued by the Bureau as a real estate salesperson. FATHI was
22 originally licensed as a real estate salesperson on July 7, 1998.

23 3(e) From July 22, 2010, through the present, Respondent FATHI was
24 affiliated with employing broker Respondent GREAT SOURCE.

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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) and Code Section 10131(d) (solicits borrowers or lenders for or negotiates loans in connection with loans secured by real property).

FIRST CAUSE OF ACTION

AUDIT

GREAT SOURCE REALTY CORPORATION

5.

On March 30, 2017, the Bureau completed audit examinations of the books and records of Respondent GREAT SOURCE REALTY CORPORATION pertaining to the 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 revealed violations of the Code and the Regulations as set forth in the following paragraphs, and as more fully discussed in Audit Reports SD160021 and SD160030 and the exhibits and workpapers attached to said audit reports.

AUDIT VIOLATIONS OF THE REAL ESTATE LAW

6.

In the course of activities described in Paragraph 4 above and during the examination periods described in Paragraph 5 above, Respondents GREAT SOURCE, RIAZATI, and FATHI acted in violation of the Code and the Regulations in that:

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1 6(a) A subpoena was served to Respondent RIAZATI for the production of
2 books and records related to the property management activities conducted by Respondents
3 GREAT SOURCE, RIAZATI, and FATHI. GREAT SOURCE and RIAZATI failed to retain
4 and make available for examination, copying, and inspection the books, accounts, and records
5 related to GREAT SOURCE's, RIAZATI's, and FATHI's property management activities for
6 the audit period, in violation of Code Section 10148.

7 6(b) Respondents GREAT SOURCE and FATHI deposited trust funds into
8 FATHI's personal bank account instead of a trust account, in violation of Code
9 Sections 10145(a), 10145(c), and 10176(e), and Regulation 2832.

10 6(c) Respondents GREAT SOURCE and FATHI deposited trust funds into
11 Respondent GREAT SOURCE's bank account instead of a trust account, in violation of Code
12 Sections 10145(a), 10145(c), and 10176(e), and Regulation 2832.

13 6(d) Respondent GREAT SOURCE did not maintain a complete and accurate
14 control record or general ledger of all trust funds received and disbursed in connection with
15 Respondent's property management activities, in violation of Code Section 10145 and
16 Regulation 2831.

17 6(e) Respondent GREAT SOURCE did not maintain a complete and accurate
18 separate record of all trust funds received and disbursed for each beneficiary in connection with
19 Respondent's property management activities, in violation of Code Section 10145 and
20 Regulation 2831.1.

21 6(f) Respondent GREAT SOURCE did not perform and maintain a monthly
22 reconciliation of all the separate records with the control record of all trust funds received and
23 disbursed, in violation of Code Section 10145 and Regulation 2831.2.

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1 6(g) The main office address maintained by Respondent GREAT SOURCE
2 with the Bureau was 16476 Bernardo Center Drive #127, San Diego, CA 92128. Respondent
3 did not maintain an office at this address as early as June 7, 2016. On or about
4 December 12, 2016, Respondent informed the Real Estate Commissioner of a new main office
5 address, which was not previously licensed either as the main office or a branch office. The
6 failure to maintain a place of business for Respondent at 16476 Bernardo Center Drive #127 is
7 in violation Code Section 10162 and Regulation 2715.

8 6(h) Respondents GREAT SOURCE and RIAZATI did not provide approved
9 mortgage loan disclosure statements to all borrowers or provided incomplete mortgage loan
10 disclosure statements which were missing the items of liens against the real property,
11 Respondents real estate license identification numbers, Respondents mortgage loan originator
12 license endorsement identification numbers, or Respondents' signatures, in violation of Code
13 Section 10240 and Regulation 2840.

14 6(i) Respondent RIAZATI did not disclose his real estate identification
15 number or mortgage loan originator license endorsement identification number on solicitation
16 materials intended to be the first point of contact with consumers, including, but not limited to,
17 business cards, in violation of Code Sections 10140.6 and 10236.4 and Regulation 2773.

18 7.

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

22 PARAGRAPH

PROVISIONS VIOLATED

23 6(a)

Code Section 10148

24 (GREAT SOURCE and RIAZATI)

25 6(b)

Code Sections 10145(a), 10145(c), and 10176(e),
26 and Regulation 2832

27 (GREAT SOURCE and FATHI)

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PARAGRAPH

PROVISIONS VIOLATED

- 6(c) Code Sections 10145(a), 10145(c), and 10176(e),
and Regulation 2832
(GREAT SOURCE and FATHI)
- 6(d) Code Section 10145 and Regulation 2831
(GREAT SOURCE)
- 6(e) Code Section 10145 and Regulation 2831.1
(GREAT SOURCE)
- 6(f) Code Section 10145 and Regulation 2831.2
(GREAT SOURCE)
- 6(g) Code Section 10162 and Regulation 2715
(GREAT SOURCE)
- 6(h) Code Section 10240 and Regulation 2840
(GREAT SOURCE and RIAZATI)
- 6(i) Code Sections 10140.6 and 10236.4 and
Regulation 2773 (RIAZATI)

The foregoing violations constitute cause for the suspension or revocation of all
the licenses, license endorsements, and license rights of Respondents GREAT SOURCE,
RIAZATI, and FATHI under the Real Estate Law pursuant to the provisions of Code
Sections 10165, 10176(e), 10177(d), and 10177(g).

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1 SECOND CAUSE OF ACTION

2 FALSE ADVERTISING

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4 Respondents GREAT SOURCE, RIAZATI, and FATHI advertised FATHI as a
5 loan consultant when FATHI does not have a mortgage loan originator license endorsement, in
6 violation Code Sections 10140, 10176(a), 10176(b), 10176(i), which constitutes cause for the
7 suspension or revocation of all the licenses, license endorsements, and license rights of GREAT
8 SOURCE, RIAZATI, and FATHI under the Real Estate Law pursuant to the provisions of Code
9 Sections 10140, 10176(a), 10176(b), 10176(i), 10177(d) and 10177(g).

10 THIRD CAUSE OF ACTION

11 SUPERVISION AND COMPLIANCE

12 9.

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

16 10.

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

24 11.

25 Code Section 10148(b) provides, in pertinent part, that the Real Estate
26 Commissioner shall charge a real estate broker for the cost of any audit if the Commissioner has
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1 found in a final decision, following a disciplinary hearing, that the broker has violated Code
2 Section 10145 or a Regulation or rule of the Commissioner interpreting said Code section.

3 12.

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

9 WHEREFORE, Complainant prays that a hearing be conducted on the
10 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
11 disciplinary action against all the licenses, license endorsements, and license rights of
12 Respondents GREAT SOURCE REALTY CORPORATION, SADRI RIAZATI, and NEDA
13 FATHI under the Real Estate Law, for the cost of audit, investigation, and enforcement as
14 permitted by law, and for such other and further relief as may be proper under other applicable
15 provisions of law.

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17 Dated at San Diego, California

18 this 16 day of October, 2017

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20 
21 Veronica Kilpatrick
22 Supervising Special Investigator

23 cc: GREAT SOURCE REALTY CORPORATION
24 SADRI RIAZATI
25 NEDA FATHI
26 Veronica Kilpatrick
27 Sacto.
Audits

First Amended Accusation of Great Source Realty Corporation, Sadri Riazati, and Neda Fathi