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FILED
OCT 30 2018
DEPT. OF REAL ESTATE
By *[Signature]*

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-04918 SD
13 GREAT SOURCE REALTY)
14 CORPORATION, doing business as) SECOND AMENDED
15 Arya Financial, SADRI RIAZATI,) ACCUSATION
16 individually and as designated officer of)
17 Great Source Realty Corporation, and)
18 NEDA FATHI,)
19 Respondents.)

19 This Accusation amends the First Amended Accusation filed on
20 October 17, 2017. The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of
21 the State of California, for cause of Accusation against GREAT SOURCE REALTY
22 CORPORATION, doing business as Arya Financial, SADRI RIAZATI, individually and as
23 designated officer of Great Source Realty Corporation, and NEDA FATHI ("Respondents"), is
24 informed and alleges as follows:

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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 Department of Real Estate ("Department") as a corporate real estate broker. GREAT SOURCE was originally licensed as a corporate real estate broker on May 17, 2007. GREAT SOURCE also has a company mortgage loan originator license endorsement.

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

3(c) From May 17, 2007, through the present, GREAT SOURCE has been licensed by the Department 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 Department as a real estate salesperson. FATHI was originally licensed as a real estate salesperson on July 7, 1998.

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1 3(e) From July 22, 2010, through the present, Respondent FATHI was
2 affiliated with employing broker Respondent GREAT SOURCE.

3 BROKERAGE

4 GREAT SOURCE REALTY CORPORATION

5 4.

6 At all times mentioned, in the City of San Diego and City of Escondido, County
7 of San Diego, Respondent GREAT SOURCE acted as a real estate broker, conducting licensed
8 activities within the meaning of Code section 10131(b) (leases or rents real property for others)
9 and Code section 10131(d) (solicits borrowers or lenders for or negotiates loans in connection
10 with loans secured by real property).

11 FIRST CAUSE OF ACTION

12 AUDIT

13 GREAT SOURCE REALTY CORPORATION

14 5.

15 On March 30, 2017, the Department completed audit examinations of the books
16 and records of Respondent GREAT SOURCE REALTY CORPORATION pertaining to the
17 activities described in Paragraph 4 which require a real estate license. The audit examinations
18 covered a period of time from December 1, 2013, to October 31, 2016. The audit examinations
19 revealed violations of the Code and the Regulations as set forth in the following paragraphs,
20 and as more fully discussed in Audit Reports SD160021 and SD160030 and the exhibits and
21 workpapers attached to said audit reports.

22 AUDIT VIOLATIONS OF THE REAL ESTATE LAW

23 6.

24 In the course of activities described in Paragraph 4 above and during the
25 examination periods described in Paragraph 5 above, Respondents GREAT SOURCE,
26 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 Regulations section 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 Regulations section 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 Regulations section 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 Regulations section 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 Regulations section 2831.2.

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PARAGRAPH

PROVISIONS VIOLATED

- 6(a) Code section 10148
(GREAT SOURCE and RIAZATI)
- 6(b) Code sections 10145(a), 10145(c), and 10176(e),
and Regulations section 2832
(GREAT SOURCE and FATHI)
- 6(c) Code sections 10145(a), 10145(c), and 10176(e),
and Regulations section 2832
(GREAT SOURCE and FATHI)
- 6(d) Code section 10145 and Regulations section 2831
(GREAT SOURCE)
- 6(e) Code section 10145 and Regulations
section 2831.1 (GREAT SOURCE)
- 6(f) Code section 10145 and Regulations
section 2831.2 (GREAT SOURCE)
- 6(g) Code section 10162 and Regulations section 2715
(GREAT SOURCE)
- 6(h) Code section 10240 and Regulations section 2840
(GREAT SOURCE and RIAZATI)
- 6(i) Code sections 10140.6 and 10236.4 and
Regulations section 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 THIRD 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 FOURTH CAUSE OF ACTION

11 SUPERVISION AND COMPLIANCE

12 13.

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 which subjects all the licenses, license endorsements, and license rights of GREAT SOURCE
17 to suspension or revocation pursuant to Code section 10177(h).

18 14.

19 The conduct, acts, or omissions of Respondent RIAZATI, as described in
20 Paragraphs 6 through 13 above, in failing to ensure compliance of the Real Estate Law by
21 Respondents GREAT SOURCE and FATHI, is in violation of Code section 10159.2 and
22 Regulations section 2725, and subjects all the licenses, license endorsements, and license rights
23 of RIAZATI to suspension or revocation pursuant to Code sections 10177(d), 10177(g), and
24 10177(h).

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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.

16.

Code section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department 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.

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 the licenses, license endorsements, and license rights of Respondents GREAT SOURCE REALTY CORPORATION, SADRI RIAZATI, and NEDA FATHI under the Real Estate Law, for the cost of audit, investigation, and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California

this 22 day of October, 2018



Veronica Kilpatrick
Supervising Special Investigator

cc: GREAT SOURCE REALTY CORPORATION
SADRI RIAZATI
NEDA FATHI

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

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Veronica Kilpatrick
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Audits