



## FACTUAL FINDINGS

1.

On February 9, 2009, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, to Respondents' last known mailing addresses on file with the Department on February 25, 2009 and February 26, 2009, respectively by regular mail and by certified mail.

2.

On June 5, 2012, Notice of Defenses having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents GIGANTE MORTGAGE INC.(GIGANTE MORTGAGE); GIGANTE REALTY; and MOHAMMAD ABOABDO, individually and as former designated officer of Gigante Realty and Gigante Mortgage Inc.; RASHA REYN failed to appear at the noticed hearing. The aforesaid Respondents' herein default was entered herein. On April 27, 2009, the Accusation against former Respondent Maria E. Arroyo was dismissed.

3.

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

4.

A. At all times mentioned, GIGANTE REALTY was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On January 8, 2009, GIGANTE MORTGAGE became non-broker-affiliated upon the cancellation of ABOABDO as designated officer of GIGANTE REALTY.

B. At all times mentioned, GIGANTE MORTGAGE was licensed or had license rights issued by the Department as a real estate broker. On October 24, 2006, GIGANTE MORTGAGE was originally licensed as a corporate real estate broker. On January 8, 2009, GIGANTE MORTGAGE became non-broker-affiliated upon the cancellation of ABOABDO as designated officer of GIGANTE MORTGAGE.

C. At all times mentioned, ABOABDO was licensed or had license rights issued by the Department as a real estate broker. On October 13, 2005, ABOABDO was originally licensed as a real estate broker. On February 28, 2007, ABOABDO was

licensed as the designated officer of GIGANTE REALTY and GIGANTE MORTGAGE. On January 8, 2009, ABOABDO was cancelled as designated officer of both corporations.

D. At all times material herein, GIGANTE REALTY and GIGANTE MORTGAGE was licensed by the Department as a corporate real estate broker by and through ABOABDO, as the designated officer and broker responsible, pursuant to Code Sections 10211 and 10159.2 of the Business and Professions Code for supervising the activities requiring a real estate license conducted on behalf said corporation's officers, agents and employees, including ABOABDO.

E. At all times mentioned, REYN was licensed or had license rights issued by the Department as a real estate salesperson employed and licensed under GIGANTE MORTGAGE. REYN is a partner and agent for service of process of Wall Street Financial LLC ("Wall Street Financial") and co-owner, with his brother Louis Reyn, of GIGANTE REALTY and GIGANTE MORTGAGE.

F. At no time was Wall Street Financial, Antonio Angulo or MARIA E. ARROYO licensed as a real estate broker; and

G. At all times mentioned, Maria E. Arroyo was licensed or had license rights issued by the Department as a real estate salesperson employed and licensed under James Dean Diversified Entprs Inc. since June 9, 2008. Maria E. Arroyo was originally licensed as a salesperson on March 12, 2008. At no time was Maria E. Arroyo licensed under GIGANTE REALTY or GIGANTE MORTGAGE. As aforementioned in Finding 2, the Accusation against Respondent Maria E. Arroyo was dismissed for misidentification.

## BROKERAGE

### 5.

At all times mentioned, in City of Lakewood, County of Los Angeles, GIGANTE MORTGAGE and ABOABDO acted as real estate brokers and conducted licensed activities within the meaning of:

A. Code Section 10131(d). GIGANTE MORTGAGE operated a mortgage and loan brokerage. Respondent's engaged in activities with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed and consummated on behalf of others for compensation or in expectation of

compensation and for fees often collected in advance as well as at the conclusion of transactions; and

B. In addition, GIGANTE MORTGAGE and ABOABDO conducted broker-controlled escrows through GIGANTE MORTGAGE's escrow division, under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate license is required.

FIRST CAUSE OF ACTION  
AUDIT EXAMINATION  
GIGANTE MORTGAGE INC.

6.

On January 22, 2009, the Department completed an audit examination of the books and records of GIGANTE MORTGAGE pertaining to the mortgage loan and broker-escrow activities described in Finding 5 that require a real estate license. The audit examination covered a period of time beginning on January 1, 2007 to October 31, 2008. The audit examination revealed violations of the Code and the Regulations as set forth in the following Findings, and more fully discussed in Audit Report LA 080086 and LA 080166 and the exhibits and work papers attached to said audit report.

TRUST ACCOUNT

7.

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

"Gigante Mortgage Inc. – Escrow Division Trust Account

Account No. 0001806556"

Mellon First Business Bank  
Los Angeles, CA 90071

(escrow trust account)

AUDIT EXAMINATION  
VIOLATIONS OF THE REAL ESTATE LAW

8.

In the course of activities described in Findings 5 and 7, above, and during the examination period described in Finding 6, Respondents GIGANTE MORTGAGE and ABOABDO, acted in violation of the Code and the Regulations in that Respondents:

(a) Permitted, allowed or caused the disbursement of trust funds from the GIGANTE MORTGAGE's escrow trust account, where the disbursement of funds reduced the total of aggregate funds in the escrow trust account, to an amount which, on October 31, 2008, was \$1,839.35, less than the existing aggregate trust fund liability of GIGANTE MORTGAGE to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, as required by Code Section 10145 and Regulations 2832.1, 2950(g) and 2951.

(b) Mixed and commingled trust funds and personal funds by depositing appraisal and credit report fees received from escrow into GIGANTE MORTGAGE's general operating account and issuing checks from said account to the appraisers or credit companies after the escrow checks were deposited, in violation of Code Sections 10145 and 10176(e) and Regulations 2832(a), 2950(d) and 2951.

(c) Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", including credit report and appraisal fees, in violation of Code Section 10145 and Regulations 2831, 2950(d) and 2951.

(d) Failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited and disbursed for the escrow trust account, in violation of Code Section 10145 and Regulation 2831.1, 2950(d) and 2951.

(e) Failed to disclose that GIGANTE MORTGAGE charged credit report fees in excess of the amount billed to the borrower by the credit reporting company for borrower Joaquin Lafarga. This failure to disclose constitutes the taking of a secret profit by means of compensation undisclosed to the aforesaid borrower, in violation of Code Section 10176(g).

(f)(1) Failed to retain an approved, true and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for

borrowers Fernando Contreras, Joaquin Lafarga, Maria Mercedes Rojas, and Norberto/Gloria Anguiano, in violation of Code Sections 10240 and 10241 and Regulations 2840 and 2840.1; and

(f)(2) Failed to provide or retain a true and correct copy of a Good Faith Estimate that satisfies the requirements of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C.A 2601 et seq.), that (1) sets forth the broker's real estate license number; and (2) a clear and conspicuous statement on the face of the document stating that the Good Faith Estimate does not constitute a loan commitment; and, further sets forth all applicable disclosures including but not limited to (3) yield spread premiums rebates by the lenders outside of closing for borrowers Fernando Contreras, Joaquin Lafarga, Evangelina Torres, Maria Mercedes Rojas, Norberto/Gloria Anguiano, in violation of Code Section 10240(c).

(g) Failed to display the Department's license number on the Evangelina Torres Mortgage Loan Disclosure Statement, as required by Code Section 10236.4.

(h) Failed to advise all parties to its escrow operation that GIGANTE MORTGAGE's sole shareholders Louis/Rasha Reyn, had a financial and/or ownership of and financial interest in said escrow operation, as required by Code Section 10145 and Regulation 2950(h).

(i) Failed to have the escrow instructions signed and initialed by borrowers Joaquin Lafarga and Evangelina Torres, as required by Code Section 10145 and Regulation 2950(b).

(j) After notice and subpoena on November 19, 2008, failed to retain all records of GIGANTE MORTGAGE's activity during the audit period requiring a real estate broker license, as required by Code Section 10148; and

(k) ABOABDO failed to exercise adequate supervision over the mortgage loan and broker-controlled escrow activities to ensure compliance the Real Estate Laws and Regulations and had no system in place for regularly monitoring his compliance with the Real Estate Law especially in regard to establishing policies to review trust fund handling, escrow procedures and unlicensed activity, including but not limited to permitting unlicensed persons Juan Navarro, Mary J. Martin and Peter Martin have their names appear on Mortgage Loan Disclosure Statements for borrowers Fernando Contreras, Joaquin Lafarga, and Norberto/Gloria Anguiano, in violation of Code Sections 10159.2, 10177(g) 10177(h) and Regulation 2725.

SECOND CAUSE OF ACTION  
LOAN MODIFICATION SERVICES  
BROKERAGE

9.

At all times mentioned GIGANTE REALTY, GIGANTE MORTGAGE, REYN and Maria E. Arroyo acted as a real estate broker and conducted licensed activities within the meaning of Code Sections 10131(d) and 10131.2. GIGANTE REALTY, GIGANTE MORTGAGE, REYN and Maria E. Arroyo engaged in the business of a loan modification service and an advance fee brokerage dba Wall Street Financial. Respondents performed loan modification services with respect to loans which were secured by liens on real property for compensation or in expectation of compensation and for fees often collected in advance and as well at the close of the transactions. Respondents contacted lenders on behalf of distressed homeowners seeking modification of the terms of their home loans, principal reduction, foreclosure abatement, loan refinance, and/or short sale services.

10.

During March 2008 and continuing thereafter to date, GIGANTE REALTY, GIGANTE MORTGAGE and acting through REYN dba Wall Street Financial, placed infomercials on radio stations including AM 1020, a Spanish language radio station. Intending to solicit an audience of distressed homeowners facing foreclosure and eviction from their homes, GIGANTE REALTY, GIGANTE MORTGAGE, and REYN offered loan modification services, including but not limited to modification to the existing terms, conditions and interest rates of mortgage loans and including principal amount reductions.

Jose Maria Oliveros

7770 Crossway Drive, Pico Rivera, California

11.

On or about March 8, 2008, in response to a radio infomercial for loan modification services, Jose Maria Oliveros ("Oliveros") contacted GIGANTE REALTY. Oliveros met with Maria E. Arroyo, GIGANTE REALTY's representative, who demanded an advance fee from Oliveros of \$1,900. Oliveros signed two loan modification agreements, to wit, a Mortgage Loan Modification Service agreement and a Principal Reduction Service agreement, and paid \$1,900 to Wall Street Financial through Maria E. Arroyo at GIGANTE MORTGAGE's offices. Maria E. Arroyo finalized the loan modification documentation and provided copies to Oliveros during April 2008.

Maria Lucy Nino  
20908 E. Bliss Ave., Laton, California

12.

On or about March 14, 2008, in response to a radio infomercial advertisement for loan modification services, Maria Lucy Nino ("Nino") contacted GIGANTE REALTY. Nino, and her husband, met with Antonio Angulo, an unlicensed person, at GIGANTE REALTY, who demanded an advance fee from Nino of \$1,900. Nino signed the Mortgage Loan Modification Service agreement and paid \$1,900 to Wall Street Financial through Angulo, who informed Nino that Wall Street Financial was part of GIGANTE REALTY.

13.

In the course of activities described in Findings 9 through 12, above, Respondents GIGANTE REALTY, GIGANTE MORTGAGE, REYN and Maria E. Arroyo acted in violation of the Code and the Regulations in that they:

(a) Failed to establish and maintain a trust account at a bank or other recognized financial institution in the name of the broker for deposit of advance fees collected by Wall Street Financial as required by Code Section 10146. Wall Street Financial collected in advance fees for its loan modification services from Jose Maria Oliveros and Maria Nino, and thereafter deposited said advance fee trust funds into Wall Street Financial's account or used said advance fees for its own purposes.

(b) Collected advance fees within the meaning of Code Section 10026 on March 3, 2008 and on March 14, 2008, from homeowners Jose Maria Oliveros and Mario Nino, wherein Respondents failed to provide to the said homeowners a pre-approved advance fee agreement by the Department. The failure of Respondents to submit an advance fee agreement to the Department five days prior to its use as required by Code Section 10085 and Regulation 2970, is in violation of Code Section 10177(d); and

(c) With reference to the lack of an advance fee agreement for homeowners Jose Maria Oliveros and Mario Nino, Respondents failed to provide a complete description of services to be rendered provided to each Oliveros and Nino; 10 point type font; and, an allocation and disbursement of the amount collected as the advance fee, as required by Code Section 10085 and Regulation 2972.



DETERMINATION OF ISSUES

1.

The conduct of Respondents GIGANTE MORTGAGE INC. and MOHAMMAD ABOABDO, individually and as former designated officer of Gigante Realty and Gigante Mortgage Inc., as described in Finding 8, is in violation of Code Sections 10145, 10148, 10176(e), 10176(g), 10236.4, 10240 and 10241 and Regulations 2831, 2831.1, 2832.1, 2832(a), 2840, 2840.1, 2950(d)(g)(h) and 2951 and is cause for disciplinary action pursuant to Code Sections 10176(e), 10176(g) 10177(d), 10177(g).

2.

The conduct of Respondent MOHAMMAD ABOABDO, individually and as former designated officer of Gigante Realty and Gigante Mortgage Inc., as described in Finding 8, herein above, is in violation of Code Sections 10159.2 and Regulation 2725, and is cause for disciplinary action pursuant to Code Sections 10177(h) and 10177(g).

3.

The conduct of Respondent GIGANTE MORTGAGE INC., GIGANTE REALTY, and RASHA REYN, as described in Findings 9 through 13, herein above, is in violation of Code Sections 10085 and 10146 and Regulations 2970 and 2972, and is cause for disciplinary action pursuant to Code Sections 10177(d) and 10177(g).

4.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

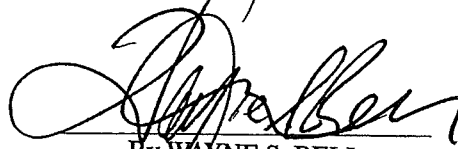
ORDER

The real estate license and license rights of Respondents GIGANTE MORTGAGE INC.; GIGANTE REALTY; MOHAMMAD ABOABDO, individually and as former designated officer of Gigante Realty and Gigante Mortgage Inc. and RASHA REYN, under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on October 3, 2012.

DATED: August 23, 2012

Real Estate Commissioner



By WAYNE S. BELL  
Chief Counsel

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

3 (213) 576-6982

**FILED**

JUN - 6 2012

DEPARTMENT OF REAL ESTATE  
BY: 

7 BEFORE THE DEPARTMENT OF REAL ESTATE

8 STATE OF CALIFORNIA

9 \* \* \*

10 In the Matter of the Accusation of

No. H-35730 LA  
L-2011110229

11 GIGANTE MORTGAGE INC.; GIGANTE  
12 REALTY; and MOHAMMAD ABOABDO,  
13 individually and as former  
14 designated officer of Gigante  
15 Realty and Gigante Mortgage Inc.;

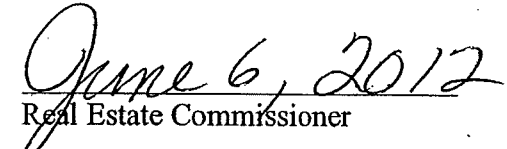
RASHA REYN and MARIA E. ARROYO,

16 Respondents,

17 DEFAULT ORDER

18 Respondents GIGANTE MORTGAGE INC.; GIGANTE REALTY,  
19 MOHAMMAD ABOABDO and RASHA REYN failed to appear at a duly scheduled Hearing on  
20 June 5, 2012, after notice, are now in default. It is, therefore, ordered that a default be entered on  
21 the record in this matter.

22 IT IS SO ORDERED

  
Real Estate Commissioner

24   
25 By: DOLORES WEEKS  
26 Regional Manager  
27