

1.

1 The Complainant, Neal Shigemitsu, acting in her
2 official capacity as a Deputy Real Estate Commissioner of the
3 State of California, makes this Accusation against LOAN
4 PROCESSING CENTER INC. ("LPCI") and MASHEED S. GHAZI ("GHAZI"),
5 DANNY R. HAYNES ("HAYNES") and LOUIS LEON PACIFIC ("PACIFIC").
6

7 2.

8 All references to the "Code" are to the California
9 Business and Professions Code and all references to "Regulations"
10 are to Title 10, Chapter 6, California Code of Regulations.
11

12 License History

13 3.

14 a. At all times mentioned, LPCI and GHAZI were
15 licensed or had license rights issued by the Department of Real
16 Estate ("Department") as real estate brokers.

17 b. At all times herein mentioned, LPCI was licensed or
18 had license rights issued by the Department as a real estate
19 broker. On November 9, 2007, LPCI was originally licensed as a
20 corporate real estate broker.

21 c. At all times herein mentioned, GHAZI was licensed
22 or had license rights issued by the Department as a real estate
23 broker. On October 5, 2006, GHAZI was originally licensed as a
24 real estate broker. From February 3, 2009 to April 23, 2009,
25 GHAZI was licensed as the designated officer of LPCI.

26 d. At all times herein mentioned, HAYNES was licensed
27 or had license rights issued by the Department as a real estate
broker. On July 30, 2008, HAYNES was originally licensed as a

1 real estate broker. From October 23, 2008 to February 09, 2009,
2 HAYNES was licensed as the designated officer of LPCI.

3 d. At all times herein mentioned, PACIFIC was licensed
4 or had license rights issued by the Department as a real estate
5 broker. On September 26, 1997 to October 23, 2008, PACIFIC was
6 originally licensed as a real estate broker. From October 23,
7 2008 to October 23, 2008, PACIFIC was licensed as the designated
8 officer of LPCI.

9 f. At all times material herein, LPCI was licensed by
10 the Department as a corporate real estate broker by and through
11 GHAZI, HAYNES and PACIFIC, excluding Daniel J. Moletz, who is not
12 a Respondent in this Accusation, as the former, designated
13 officers and broker responsible, pursuant to Code Sections 10211
14 and 10159.2 of the Business and Professions Code for supervising
15 the activities requiring a real estate license conducted on
16 behalf said corporation's officers, agents and employees,
17 including GHAZI, HAYNES and PACIFIC.

18 g. LPCI is a corporate real estate broker originally
19 licensed on November 9, 2007. On April 27, 2009, LPCI became
20 non-broker affiliated due to the cancellation of GHAZI's status
21 as designated officer. Shahriar Kolahi aka Shawn Kolahi is the
22 President and Chief Executive Officer. GHAZI is the Vice
23 President of LPCI. Maziar Bordbor aka Maziar Bordar, M. Bordbor
24 and Matt Bordbor, is the Secretary and Chief Executive Officer.

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Designated Officers	From	To
Masheed S. Ghazi	February 03, 2009	April 23, 2009
Danny R. Haynes	October 23, 2008	February 09, 2009
Daniel J. Moltez	February 11, 2009	March 17, 2008
Louis Leon Pacific	November 9, 2007	October 23, 2008

Brokerage

4.

At all times mentioned, in City of Irvine, County of Orange, LPCI, GHAZI, HAYNES and PACIFIC, acted as real estate brokers and conducted licensed activities within the meaning of:

a. Code Section 10131(d). LPCI, GHAZI, HAYNES and PACIFIC engaged in the business of a loan modification and an advanced fee brokerage. Respondents 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. Code Section 10131.2. LPCI, GHAZI, HAYNES and PACIFIC engaged in the business of a loan modification and an advance fee brokerage dba Applyloanmod.com, iloanmod.com and LPC. Respondents solicited economically distressed homeowner-borrowers

1 seeking adjustments of the terms and conditions of their home
2 loans, interest and/or principal reduction, foreclosure
3 abatement, loan restructuring, and/or short sale services, and
4 offered to negotiate with lenders on behalf of the homeowners for
5 a fee payable in advance.

6 FIRST CAUSE OF ACTION
7 (Interim Audit of Loan Modification Activities)

8 5.

9 On April 7, 2009, the Department has completed an
10 interim audit report of the Department's audit examination of the
11 books and records of LPCI pertaining to the loan modification
12 activities and collection of advance fee described in Paragraph 4
13 that require a real estate license. The interim audit
14 examination covers a period of time beginning on September 11,
15 2007 to February 27, 2009. The interim examination revealed
16 violations of the Code and the Regulations as set forth in the
17 following Paragraphs, and more fully discussed in Audit Report LA
18 080168 and the exhibits and work papers attached to said audit
19 report.

20 Trust Account

21 6.

22 At all times mentioned, in connection with the
23 activities described in Paragraph 4, above, LPCI accepted or
24 received funds including funds in trust (hereinafter "trust
25 funds") from homeowner-borrowers loan modifications handled by
26 LPCI and thereafter made deposits and/or disbursements of such
27

1 trust funds. From time to time herein mentioned during the audit
2 period, trust funds were deposited and/or maintained by LPCI in
3 the bank account as follows:

4 "Loan Processing Center Inc.
5 Account No. 29346-03807"
6 Bank of America (trust account)
7 San Francisco, CA 91437-0176

8 Violations - Interim Audit

9 7.

10 In the course of activities described in Paragraphs 4
11 and 6, above, and during the examination period described in
12 Paragraph 5, Respondents LPCI, and GHAZI, acted in violation of
13 the Code and the Regulations in that they:

14 (a) Permitted, allowed or caused the disbursement of
15 trust funds from the LPCI's trust account used for the deposit of
16 trust funds, where the disbursement of funds reduced the total of
17 aggregate funds in LPCI's bank account, to an amount which, on
18 February 27, 2009, was \$21,331.00, less than the existing
19 aggregate trust fund liability of LPCI to every principal who was
20 an owner of said funds, without first obtaining the prior written
21 consent of the owners of said funds, in violation of Code Section
22 10145 and Regulation 2832.1; and

23 (b) Placed a false, deceitful and misleading
24 advertisement on LPCI's website which represented that the
25 Department of Real Estate conducted an audit on LPCI and
26 determined that LPCI was in compliance with the Real Estate Laws
27

1 and Regulations. In truth and in fact, the Department's audit
2 was ongoing and found, as of the audit report date of April 7,
3 2009 found a substantial trust fund violation, to wit, a
4 \$21,331.00 shortage in LPCI's bank account used to deposit trust
5 funds received from homeowner-borrowers, herein mentioned above
6 and violations of Code Sections 10176(a), 10176(i) and/or
7 10177(j), 10235 and Regulation 2848.

8 Disciplinary Statutes

9 8.

10 The conduct of Respondents LPCI and GHAZI described in
11 Paragraph 7, violated the Code and the Regulations as set forth:

12 <u>PARAGRAPH</u>	13 <u>PROVISIONS VIOLATED</u>
14 7(a)	15 Code Section 10145 and Regulation 16 2832.1
17 7(b)	18 Code Sections 10176(a), 10176(i) 19 and/or 10177(j), 10235 and 20 Regulation 2848

21 The foregoing violations constitute cause for the discipline of
22 the real estate license and license rights of LPCI and GHAZI,
23 under the provisions of Code Sections 10176(a) for
24 misrepresentation, 10176(i) and/or 10177(j) for fraud or
25 dishonest dealing, 10177(d) for willful disregard or violation of
26 the Real Estate Law, and/or 10177(g) for negligence and 10177(h)
27 for negligent or lack of supervision of LPCI's brokerage.

SECOND CAUSE OF ACTION
(Final Audit of Loan Modification Activities)

9.

On April 7, 2009, the Department has completed a final audit of the Department's ongoing audit examination of the books and records of LPCI pertaining to the loan modification activities and collection of advance fee described in Paragraph 4 that require a real estate license. The final audit examination covers a period of time beginning on September 11, 2007 to February 27, 2009. The final audit examination revealed violations of the Code and the Regulations as set forth in the following Paragraphs, and more fully discussed in Audit Report LA 080168 and the exhibits and work papers attached to said audit report.

10.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period described in Paragraph 9, Respondents LPCI, GHAZI, HAYNES and PACIFIC, acted in violation of the Code and the Regulations in that they:

(a) Permitted, allowed or caused the disbursement of trust funds from the trust fund wherein the disbursement of funds reduced the total of aggregate funds in the trust fund, as set forth below, to an amount which was less than the existing aggregate trust fund liability of LPCI to every homeowner-borrower who was an owner of said funds, without first obtaining the prior written consent of the homeowner-beneficiaries who own

1 said funds, in violation of Code Section 10145 and Regulation
2 2832.1.

- 3 • \$21,331.00 as of February 27, 2009 (GHAZI)
- 4 • \$14,376.50 as of February 2, 2009 (HAYNES)
- 5 • \$ 6,745.00 as of October 22, 2009 (PACIFIC)

7 (b) (1) (PACIFIC)

8 (i) Fannie/Cornell Scaifes Loan Modification.

9
10 On June 17, 2008, homeowner-borrowers Fannie/Cornell Scaifes Loan
11 Modification entered into a Loan Modification Disclosure &
12 Agreement with Bryco Financial Services (Bryco) to modify their
13 mortgage loan secured by their home located at 7232 Blue Springs
14 Way in Citrus Heights, California.

15 (ii) Bryco is an unlicensed company engaged in
16 the business of providing an analysis of real estate debt, income
17 and an examination the potential for restructuring and lowering
18 borrower's general debt and real property-secured debt. Based on
19 an Affiliate Agreement with LPCI of May 12, 2008, Bryco
20 transferred the Scaifes loan modification to LPCI.

21 (iii) On July 19, 2008, LPCI, acting as a loan
22 modification processor, received the loan modification package
23 from Bryco accompanied by a fee of \$695 from Bryco. On July 2,
24 2008, Scaifes paid \$2,000 to LPCI. Per the Bryco-LPCI agreement,
25 Scaifes \$2,000 was supposed to be paid to Bryco. However, Bryco
26 did not have a merchant bank account to accept credit card
27

1 payment. Therefore, the \$2,000 credit card payment from Scaifes
2 was deposited into LPCI's Merchant bank account, not set up for
3 or designated as a trust fund for the deposit of advance fees
4 collected from homeowners. LPCI subsequently forwarded the
5 \$2,000 to Bryco.

6 (iv) LPCI failed to provide the payment records
7 of Scaifes, including the merchant bank account statement showing
8 the deposit and trust funds forwarded to Bryco, pursuant to the
9 Department's request and by subpoena, as set forth below in
10 Paragraph 10(m)(2), below.

11 (v) LPCI submitted the loan modification to
12 Scaifes' lender, Downey Savings, by phone. Based on the "Loan
13 Log Entries", Scaifes' loan modification package was submitted to
14 the lender, Downey Savings.

15 (vi) On August 7, 2008, Scaifes' loan
16 modification was denied by Downey Savings due to a \$10,328.22
17 judgment recorded against Cornell Scaife.

18 (b)(2)(PACIFIC)

19 (i) Patricia Clark (Clark) Loan Modification.
20
21 On April 19, 2008, Clark signed a Loan Modification Disclosure &
22 Agreement and Authorization Form with LPCI to obtain a loan
23 modification for the mortgage loan secured by her home located at
24 650 The Village #312 in Redondo Beach, California.

25 (ii) On April 19, 2008, according to Maziar
26 Bordbor aka Matt Bordbar or M. Bordbar, Secretary and Chief
27

1 Financial Officer of LPCI, Clark paid \$2,495 with her credit card
2 to LPCI's merchant account on April 19, 2008.

3 (iii) LPCI did not provide the payment records of
4 Clark, including the merchant bank account statement showing the
5 deposit, upon the Department's request and subpoena.

6 (iv) LPCI submitted Clark's loan modification
7 package to lender Wachovia on April 19, 2008 and resubmitted it
8 on June 3, 2008, with updated information.

9 (v) According to the Wachovia's Internal Loan
10 Audit Request maintained in Clark's loan modification file, LPCI
11 did not provide the employment and compensation records related
12 to Clark upon the Department's request and subpoena.

13 (vi) On August 5, 2008, LPCI sent a letter to
14 Clark to notify Clark that her loan modification was denied by
15 Wachovia.

16 (b) (3) The conduct of PACIFIC, as former designated
17 officer of LPCI during the submission of the Scaifes and Clark
18 loan modifications constitutes a violation of 10176(a), 10176(b)
19 and 10176(i) and/or 10177(g).

20 (c) (GHAZI) Placed a false, deceitful and misleading
21 advertisement on LPCI's website which represented that the
22 Department of Real Estate conducted an audit on LPCI and
23 determined that LPCI was in compliance with the Real Estate Laws
24 and Regulations. In truth and in fact, the Department's audit
25 was ongoing and found, as of the interim audit report date of
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1 April 7, 2009 found substantial trust fund violations, to wit,
2 including a \$21,331.00 shortage in LPCI's trust account used to
3 deposit trust funds received from homeowners, as previously
4 recited in Paragraph 7(b), in violation of Code Sections
5 10176(a), 10176(i) and/or 10177(j), 10235 and Regulation 2848.

6 (d) (1) (GHAZI, HAYNES, PACIFIC) Commingled trust funds
7 and personal funds by depositing trust funds in the form of
8 collected advance fees into LPCI's general operating account, in
9 violation of Code Sections 10145 and 10176(e).

10 (d) (2) (GHAZI, HAYNES, PACIFIC) Converted trust funds
11 and personal funds by depositing trust funds in the form of
12 collected advance fees into LPCI's general operating account, in
13 violation of Code Sections 10145 and 10176(i).

14 (e) (GHAZI, HAYNES, PACIFIC) Failed to maintain an
15 accurate and complete separate record for each beneficiary or
16 transaction, thereby failing to account for all trust funds in
17 the form of advance fees collected, in violation of Code Section
18 10145 and Regulation 2831.1.

19 (f) Permitted Maziar Bordbor, corporate secretary and
20 chief financial officer of LPCI, an unlicensed and unbonded
21 person, to be an authorized signatory on the trust account, in
22 violation of Code Section 10145 and Regulation 2834.

23 (g) (GHAZI, HAYNES, PACIFIC) The aforementioned former
24 designated officers of LPCI failed to exercise adequate
25 supervision over LPCI's activities requiring a real estate
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1 license to ensure LPCI's compliance the Real Estate Laws and
2 Regulations and had no system in place for regularly monitoring
3 LPCI's compliance with the Real Estate Law, in violation of Code
4 Sections 10159.2, 10177(h) and Regulation 2725.

5 (h) Collected advance fees within the meaning of Code
6 Section 10026 from homeowners including but not limited to
7 Fannie/Cornell Scaife and Patricia Clark, seeking loan
8 modifications wherein LPCI failed to provide all homeowners, with
9 a pre-approved advance fee agreement from the Department in the
10 form of a no objection letter, in violation of Code Section 10085
11 and Regulation 2970.

12 (i) Failed to establish and maintain a trust account at
13 a bank or other recognized financial institution in the name of
14 the broker for deposit of collected advance fees by LPCI, in
15 violation of Code Section 10146.

16 (j) With reference to the lack of an advance fee
17 agreement, LPCI failed to provide a complete description of
18 services to be rendered provided to each homeowner-borrower in 10
19 point type font and failed to provide an allocation and
20 disbursement of the amount collected as the advance fee, in
21 violation of Code Section 10146 and Regulation 2972.

22 (k) (1) (PACIFIC) Used the fictitious name of
23 "RefiFix.com", to conduct licensed activities including loan
24 modifications without holding a license bearing said fictitious
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26
27

1 business name, in violation of Code Section 10159.5 and
2 Regulation 2731.

3 (k) (2) (GHAZI, HAYNES, PACIFIC) Used the fictitious name
4 of "Loan Processing Center", to conduct licensed activities
5 including loan modifications without holding a license bearing
6 said fictitious business name, in violation of Code Section
7 10159.5 and Regulation 2731.

8 (k) (3) (HAYNES, PACIFIC) Used the fictitious name of
9 "LPC", to conduct licensed activities including loan
10 modifications without holding a license bearing said fictitious
11 business name, in violation of Code Section 10159.5 and
12 Regulation 2731.

13 (l) (GHAZI) Failed to retain the salesperson license
14 certificate for James Starkey, in violation of Code Section 10160
15 and Regulation 2753.

16 (m) (1) (GHAZI) After notice and subpoena on April 3,
17 2009, failed to produce or retain all records of LPCI's activity
18 during the audit period requiring a real estate broker license,
19 in violation of Code Section 10148.

20 (m) (2) (PACIFIC) After notice and subpoena on May 13,
21 2009, failed to produce or retain all records of LPCI's activity
22 during the audit period requiring a real estate broker license,
23 in violation of Code Section 10148.

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Disciplinary Statutes

11.

The conduct of Respondents LOAN PROCESSING CENTER INC.,
MASHEED S. GHAZI, DANNY R. HAYNES and LOUIS LEON PACIFIC
described in Paragraph 10, above, violated the Code and the
Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
10(a)	Code Section 10145 and Regulation 2832.1
10(b)	Code Sections 10176(a), 10176(b) and 10176(i) and/or 10177(g).
10(c)	10176(a), 10176(i) and/or 10177(j), 10235 and Regulation 2848
10(d)	Code Sections 10145, 10176(e) and 10176(i)
10(e)	Code Section 10145 and Regulation 2831.1
10(f)	Code Section 10145 and Regulation 2834

1 The foregoing violations constitute cause for the discipline of
2 the real estate license and license rights of LPCI, GHAZI, HAYNES
3 and PACIFIC, under the provisions of Code Sections 10176(a), for
4 misrepresentation, 10176(b), for false promises, 10176(i) and/or
5 10177(j) for fraud or dishonest dealing, 10177(d) for willful
6 disregard or for violation of the Real Estate Law, and/or
7 10177(g), for negligence and 10177(h), for lack of supervision of
8 LPCI's brokerage.

9 THIRD CAUSE OF ACTION
10 (Advance Fees/Loan Modification Violations)

11 12.

12 At all times mentioned herein, Respondents LPCI, GHAZI,
13 HAYNES and PACIFIC engaged in the business of an advance fee
14 brokerage, within the definition of Code Sections 10131 and
15 10131.2, in that, for fees received in advance, as well as at the
16 conclusion of transactions, Respondents performed loan
17 negotiation, modification services with respect to loans which
18 were secured by liens on real property, including, but not
19 limited to, the following named homeowner-borrowers:

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TABLE: ADVANCED FEES COLLECTED

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HOMEOWNER	DATES	PROCESSOR	ADVANCED FEE	BROKER	ADDRESS
Alexander Rogers	11/08 - 02/09	Faye Harrod	\$2,495	Haynes	6860-1 Panamint Road San Diego, CA 92139
Robert/Graciela Lozano	08/09 -	Tony Torrez	\$2,750	Haynes	6544 Sagebrush Way Sacramento, CA 95842
Jorge/Maria Rodriguez	04/04/09	Sandra Larios	\$3,375	Haynes	7718 Klump Ave. Sun Valley, CA 91352
Cesar Benevides	02/12/09	Frank/Amanda	\$3,980	Haynes	1609 102nd Ave. Oakland, Ca 94603
Azar Hassan Abadi	05/20/09	Masheed Ghazi	\$1500	Haynes	27201 South Ridge Dr. Mission Viejo, CA 92692
Lisa Schroeder	01-07-09	Christopher	\$ 750	Haynes	3914 Kern St. Sacramento, CA 95838
John/Christine Slocum	March 2009	Masheed Ghazi	\$1750	Ghazi	1645 Roberts Rd. Muskegon, MI 49445
Mathew/Gregoria Cahill	04/27/09	MJ Jafari	\$1100	Ghazi	338 Bright St San Francisco, CA 91432
Total Haynes			\$14,850		
Total Ghazi			\$2850		
Total			\$17,700		

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13.

1 Respondents collected the above described advance fees
2 pursuant to the provisions of a document entitled "Engagement
3 Agreement Authorization for Services to Restructure or Resolve
4 Mortgage Debt (Agreement), the written agreement herein, which
5 document constitutes an advance fee agreement within the meaning
6 of Code Section 10085.
7

8 14.

9 Respondents failed to submit the written agreements
10 referred to in Paragraph 13, above, to the Commissioner ten days
11 before using them in violation of Code Section 10085 and
12 Regulation 2970.
13

14 15.

15 The conduct, acts and/or omissions of Respondents LPCI,
16 GHAZI, HAYNES and PACIFIC, as set forth above, are cause for the
17 suspension or revocation of the licenses and license rights of
18 said Respondents pursuant to Code Sections 10085, 10177(d) and/or
19 10177(g).
20

21 16.

22 Respondents LPCI, GHAZI, HAYNES and PACIFIC
23 intentionally or negligently engaged in the conduct set forth
24 above and engaged in negligent misrepresentation, in violation of
25 Code Sections 10176(a), 10176(i) and/or 10177(g).
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17.

1 Respondents LPCI, GHAZI, HAYNES and PACIFIC conduct
2 constitutes a breach of fiduciary duty owed to homeowner-
3 borrowers Fannie/Cornell Scaife and Patricia Clark and
4 constitutes cause for the suspension or revocation of the Real
5 Estate license and license rights of said Respondents pursuant to
6 Code Section 10176(i) and/or 10177(g).
7

8 18.

9 The overall conduct of Respondents LPCI, GHAZI, HAYNES
10 and PACIFIC, constitutes negligence or incompetence. This
11 conduct and violation are cause for the suspension or revocation
12 of the real estate license and license rights of said Respondents
13 pursuant to Code Section 10177(g).
14

15 19.

16 The overall conduct of Respondents GHAZI, HAYNES and
17 PACIFIC constitutes a failure on said Respondents' part, as
18 former officers designated by a corporate broker licensee, to
19 exercise the reasonable supervision and control over the licensed
20 activities of LPCI, as required by Code Sections 10211 and
21 10159.2, and to keep LPCI in compliance with the Real Estate Law,
22 and is cause for the suspension or revocation of the real estate
23 license and license rights of GHAZI, HAYNES and PACIFIC pursuant
24 to the provisions of Code Sections 10177(d), 10177(g) and
25 10177(h) and Regulation 2725.

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents LOAN
5 PROCESSING CENTER INC., MASHEED S. GHAZI, DANNY R. HAYNES and
6 LOUIS LEON PACIFIC under the Real Estate Law (Part 1 of Division
7 4 of the Business and Professions Code) and for such other and
8 further relief as may be proper under other applicable provisions
9 of law including but not limited to restitution pursuant to
10 Government Code Sections 11519 and 11519.1 of the Administrative
11 Procedures Act.

12 Dated at Los Angeles, California

13 this 9 MARCH, 2010



14 Deputy Real Estate Commissioner

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22 cc: Loan Processing Center Inc.
23 Masheed S. Ghazi, former D.O.
24 Danny R. Haynes, former D.O.
25 Louis Leon Pacific, former D.O.
26 Neal Shigemitsu
27 Sacto
Audits - Lisa Kwong
Audits - Danio Fajardo
Amelia Vetrone

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FILED

SEP - 1 2009

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
) LOAN PROCESSING CENTER INC. doing)
) business as Applyloanmod.com,)
) iloanmod.com and LPC; and)
) MASHEED S. GHAZI, individually)
) and as designated officer of)
) Loan Processing Center Inc.,)
) Respondents.)

No. H-35869 LA

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On April 14, 2009, an Accusation was filed in this matter against Respondent LOAN PROCESSING CENTER INC.

On August 3, 2009, Respondent LOAN PROCESSING CENTER INC. by and through its Secretary, M. Bordbar, petitioned the Commissioner to voluntarily surrender its real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

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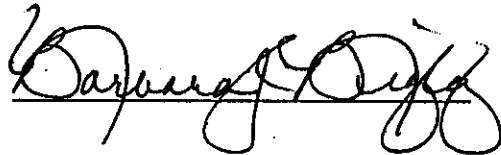
1 IT IS HEREBY ORDERED that Respondent LOAN PROCESSING
2 CENTER INC.'s petition for voluntary surrender of its real estate
3 broker license rights is accepted as of the effective date of
4 this Order as set forth below, based upon the understanding and
5 agreement expressed in Respondent's Declaration dated August 3,
6 2009, (attached as Exhibit "A" hereto). Respondent's license
7 certificate, pocket card and any branch office license
8 certificate shall be sent to the below listed address so that
9 they reach the Department on or before the effective date of this
10 Order:

11
12 Department of Real Estate
13 Atten: Licensing Flag Section
14 P.O. Box 187000
15 Sacramento, CA 95818-7000

16 This Order shall become effective at 12 o'clock noon on
17 September 21, 2009

18 DATED: 8/17, 2009

19 JEFF DAVI
20 Real Estate Commissioner

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22 BY: Barbara J. Bigby
23 Chief Deputy Commissioner
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EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-35869 LA
)	
LOAN PROCESSING CENTER INC. doing)	
business as Applyloanmod.com,)	
iloanmod.com and LPC; and)	
MASHEED S. GHAZI, individually)	
and as designated officer of)	
Loan Processing Center Inc.,)	
)	
Respondents.)	

DECLARATION

My name is M. Bordbar and I am the Secretary of LOAN PROCESSING CENTER INC., which is licensed as a real estate broker and/or has license rights with respect to said license. I am authorized to sign this declaration on behalf of LOAN PROCESSING CENTER INC.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedures Act

1 (Sections 11400 et seq., of the Government Code) LOAN
2 PROCESSING CENTER INC. wishes to voluntarily surrender its real
3 estate license issued by the Department of Real Estate
4 ("Department"), pursuant to Business and Professions Code
5 Section 10100.2.

6 I understand that LOAN PROCESSING CENTER INC. by so
7 voluntarily surrendering its license can only have it reinstated
8 in accordance with the provisions of Section 11522 of the
9 Government Code. I also understand that by so voluntarily
10 surrendering its license rights, LOAN PROCESSING CENTER INC.
11 agrees to the following:

12 The filing of this Declaration shall be deemed as its
13 petition for voluntary surrender. It shall also be deemed to be
14 an understanding and agreement by LOAN PROCESSING CENTER INC.
15 that, it waives all rights it has to require the Commissioner to
16 prove the allegations contained in the Accusation ("Accusation")
17 filed in this matter at a hearing held in accordance with the
18 provisions of the Administrative Procedures Act (Government Code
19 Sections 11400 et seq.), and that it also waives other rights
20 afforded to it in connection with the hearing such as the right
21 to discovery, the right to present evidence in defense of the
22 allegations in the Accusation and the right to cross examine
23 witnesses. I further agree on behalf of LOAN PROCESSING CENTER
24 INC. that upon acceptance by the Commissioner, as evidenced by
25 an appropriate order, all affidavits and all relevant evidence
26
27

1 obtained by the Department in this matter prior to the
2 Commissioner's acceptance, and all allegations contained in the
3 Accusation filed in the Department Case No. H-35869 LA, may be
4 considered by the Department to be true and correct for the
5 purpose of deciding whether or not to grant reinstatement of
6 LOAN PROCESSING CENTER INC.'s license pursuant to Government
7 Code Section 11522.

8 I declare under penalty of perjury under the laws of
9 the State of California that the above is true and correct and
10 that I am acting freely and voluntarily on behalf of LOAN
11 PROCESSING CENTER INC. to surrender its license and all license
12 rights attached thereto.

13
14 8/3, 2009
15 Date and Place

16
17 
18 LOAN PROCESSING CENTER INC.
19 BY: M. BORDBAR, Secretary
20
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ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105
Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

FILED

OCT - 1 2009

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of

LOAN PROCESSING CENTER INC. doing
business as Applyloanmod.com,
iloanmod.com and LPC; and
MASHEED S. GHAZI, DANNY R. HAYNES
and LOUIS LEON PACIFIC individually
and as former designated officers of
Loan Processing Center Inc.

Respondents,

No. H-35869 LA
FIRST AMENDED
ACCUSATION

The Accusation filed in this matter on April 14, 2009,
is amended its entirety as follows:

The Complainant, Robin Trujillo, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against LOAN PROCESSING CENTER INC. dba Applyloanmod.com,
iloanmod.com and LPC, MASHEED S. GHAZI, DANNY R. HAYNES and LOUIS
LEON PACIFIC, individually and as former designated officers of
Loan Processing Center Inc., alleges as follows:

1.

1 The Complainant, Robin Trujillo, acting in her official
2 capacity as a Deputy Real Estate Commissioner of the State of
3 California, makes this Accusation against LOAN PROCESSING CENTER
4 INC. ("LPCI") and MASHEED S. GHAZI ("GHAZI"), DANNY R. HAYNES
5 ("HAYNES") and LOUIS LEON PACIFIC ("PACIFIC").
6

2.

7
8 All references to the "Code" are to the California
9 Business and Professions Code and all references to "Regulations"
10 are to Title 10, Chapter 6, California Code of Regulations.

11 License History

3.

12
13 a. At all times mentioned, LPCI and GHAZI were
14 licensed or had license rights issued by the Department of Real
15 Estate ("Department") as real estate brokers.

16 b. At all times herein mentioned, LPCI was licensed or
17 had license rights issued by the Department as a real estate
18 broker. On November 9, 2007, LPCI was originally licensed as a
19 corporate real estate broker.

20 c. At all times herein mentioned, GHAZI was licensed
21 or had license rights issued by the Department as a real estate
22 broker. On October 5, 2006, GHAZI was originally licensed as a
23 real estate broker. From February 3, 2009 to April 23, 2009,
24 GHAZI was licensed as the designated officer of LPCI.

25 d. At all times herein mentioned, HAYNES was licensed
26 or had license rights issued by the Department as a real estate
27 broker. On July 30, 2008, HAYNES was originally licensed as a

1 real estate broker. From October 23, 2008 to February 09, 2009,
2 HAYNES was licensed as the designated officer of LPCI.

3 d. At all times herein mentioned, PACIFIC was licensed
4 or had license rights issued by the Department as a real estate
5 broker. On September 26, 1997 to October 23, 2008, PACIFIC was
6 originally licensed as a real estate broker. From October 23,
7 2008 to October 23, 2008, PACIFIC was licensed as the designated
8 officer of LPCI.

9 f. At all times material herein, LPCI was licensed by
10 the Department as a corporate real estate broker by and through
11 GHAZI, HAYNES and PACIFIC, excluding Daniel J. Moletz, who is not
12 a Respondent in this Accusation, as the former, designated
13 officers and broker responsible, pursuant to Code Sections 10211
14 and 10159.2 of the Business and Professions Code for supervising
15 the activities requiring a real estate license conducted on
16 behalf said corporation's officers, agents and employees,
17 including GHAZI, HAYNES and PACIFIC.

18 g. LPCI is a corporate real estate broker originally
19 licensed on November 9, 2007. On April 27, 2009, LPCI became
20 non-broker affiliated due to the cancellation of GHAZI's status
21 as designated officer. Shahriar Kolahi aka Shawn Kolahi is the
22 President and Chief Executive Officer. GHAZI is the Vice
23 President of LPCI. Maziar Bordbor aka Maziar Bordar, M. Bordbor
24 and Matt Bordbor, is the Secretary and Chief Executive Officer.

25 ///

26 ///

27

Designated Officers	From	To
Masheed S. Ghazi	February 03, 2009	April 23, 2009
Danny R. Haynes	October 23, 2008	February 09, 2009
Daniel J. Moltez	February 11, 2009	March 17, 2008
Louis Leon Pacific	November 9, 2007	October 23, 2008

Brokerage

4.

At all times mentioned, in City of Irvine, County of Orange, LPCI, GHAZI, HAYNES and PACIFIC, acted as real estate brokers and conducted licensed activities within the meaning of:

a. Code Section 10131(d). LPCI, GHAZI, HAYNES and PACIFIC engaged in the business of a loan modification and an advanced fee brokerage. Respondents 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. Code Section 10131.2. LPCI, GHAZI, HAYNES and PACIFIC engaged in the business of a loan modification and an advance fee brokerage dba Applyloanmod.com, iloanmod.com and LPC. Respondents solicited economically distressed homeowner-borrowers

1 seeking adjustments of the terms and conditions of their home
2 loans, interest and/or principal reduction, foreclosure
3 abatement, loan restructuring, and/or short sale services, and
4 offered to negotiate with lenders on behalf of the homeowners for
5 a fee payable in advance.

6 FIRST CAUSE OF ACTION
7 (Interim Audit of Loan Modification Activities)

8 5.

9 On April 7, 2009, the Department has completed an
10 interim audit report of the Department's audit examination of the
11 books and records of LPCI pertaining to the loan modification
12 activities and collection of advance fee described in Paragraph 4
13 that require a real estate license. The interim audit
14 examination covers a period of time beginning on September 11,
15 2007 to February 27, 2009. The interim examination revealed
16 violations of the Code and the Regulations as set forth in the
17 following Paragraphs, and more fully discussed in Audit Report LA
18 080168 and the exhibits and work papers attached to said audit
19 report.

20 Trust Account

21 6.

22 At all times mentioned, in connection with the
23 activities described in Paragraph 4, above, LPCI accepted or
24 received funds including funds in trust (hereinafter "trust
25 funds") from homeowner-borrowers loan modifications handled by
26 LPCI and thereafter made deposits and/or disbursements of such
27

1 trust funds. From time to time herein mentioned during the audit
2 period, trust funds were deposited and/or maintained by LPCI in
3 the bank account as follows:

4 "Loan Processing Center Inc.
5 Account No. 29346-03807"
6 Bank of America
San Francisco, CA 91437-0176 (trust account)

7 Violations - Interim Audit

8 7.

9
10 In the course of activities described in Paragraphs 4
11 and 6, above, and during the examination period described in
12 Paragraph 5, Respondents LPCI, and GHAZI, acted in violation of
13 the Code and the Regulations in that they:

14 (a) Permitted, allowed or caused the disbursement of
15 trust funds from the LPCI's trust account used for the deposit of
16 trust funds, where the disbursement of funds reduced the total of
17 aggregate funds in LPCI's bank account, to an amount which, on
18 February 27, 2009, was \$21,331.00, less than the existing
19 aggregate trust fund liability of LPCI to every principal who was
20 an owner of said funds, without first obtaining the prior written
21 consent of the owners of said funds, in violation of Code Section
22 10145 and Regulation 2832.1; and

23
24 (b) Placed a false, deceitful and misleading
25 advertisement on LPCI's website which represented that the
26 Department of Real Estate conducted an audit on LPCI and
27 determined that LPCI was in compliance with the Real Estate Laws

1 and Regulations. In truth and in fact, the Department's audit
2 was ongoing and found, as of the audit report date of April 7,
3 2009 found a substantial trust fund violation, to wit, a
4 \$21,331.00 shortage in LPCI's bank account used to deposit trust
5 funds received from homeowner-borrowers, herein mentioned above
6 and violations of Code Sections 10176(a), 10176(i) and/or
7 10177(j), 10235 and Regulation 2848.

8 Disciplinary Statutes

9 8.

10 The conduct of Respondents LPCI and GHAZI described in
11 Paragraph 7, violated the Code and the Regulations as set forth:

12 PARAGRAPH

PROVISIONS VIOLATED

13 7(a)

Code Section 10145 and Regulation
14 2832.1

15
16 7(b)

Code Sections 10176(a), 10176(i)
17 and/or 10177(j), 10235 and
18 Regulation 2848

19
20 The foregoing violations constitute cause for the discipline of
21 the real estate license and license rights of LPCI and GHAZI,
22 under the provisions of Code Sections 10176(a) for
23 misrepresentation, 10176(i) and/or 10177(j) for fraud or
24 dishonest dealing, 10177(d) for willful disregard or violation of
25 the Real Estate Law, and/or 10177(g) for negligence and 10177(h)
26 for negligent or lack of supervision of LPCI's brokerage.
27

1 SECOND CAUSE OF ACTION
2 (Final Audit of Loan Modification Activities)

3 9.

4 On April 7, 2009, the Department has completed a final
5 audit of the Department's ongoing audit examination of the books
6 and records of LPCI pertaining to the loan modification
7 activities and collection of advance fee described in Paragraph 4
8 that require a real estate license. The final audit examination
9 covers a period of time beginning on September 11, 2007 to
10 February 27, 2009. The final audit examination revealed
11 violations of the Code and the Regulations as set forth in the
12 following Paragraphs, and more fully discussed in Audit Report LA
13 080168 and the exhibits and work papers attached to said audit
14 report.

15 10.

16 In the course of activities described in Paragraphs 4
17 and 6, above, and during the examination period described in
18 Paragraph 9, Respondents LPCI, GHAZI, HAYNES and PACIFIC, acted
19 in violation of the Code and the Regulations in that they:

20 (a) Permitted, allowed or caused the disbursement of
21 trust funds from the trust fund wherein the disbursement of funds
22 reduced the total of aggregate funds in the trust fund, as set
23 forth below, to an amount which was less than the existing
24 aggregate trust fund liability of LPCI to every homeowner-
25 borrower who was an owner of said funds, without first obtaining
26 the prior written consent of the homeowner-beneficiaries who own
27

1 said funds, in violation of Code Section 10145 and Regulation
2 2832.1.

- 3 • \$21,331.00 as of February 27, 2009 (GHAZI)
- 4 • \$14,376.50 as of February 2, 2009 (HAYNES)
- 5 • \$ 6,745.00 as of October 22, 2008 (PACIFIC)

7 (b) (1) (PACIFIC)

8 (i) Fannie/Cornell Scaifes Loan Modification.

9
10 On June 17, 2008, homeowner-borrowers Fannie/Cornell Scaifes Loan
11 Modification entered into a Loan Modification Disclosure &
12 Agreement with Bryco Financial Services (Bryco) to modify their
13 mortgage loan secured by their home located at 7232 Blue Springs
14 Way in Citrus Heights, California.

15 (ii) Bryco is an unlicensed company engaged in
16 the business of providing an analysis of real estate debt, income
17 and an examination the potential for restructuring and lowering
18 borrower's general debt and real property-secured debt. Based on
19 an Affiliate Agreement with LPCI of May 12, 2008, Bryco
20 transferred the Scaifes loan modification to LPCI.

21 (iii) On July 19, 2008, LPCI, acting as a loan
22 modification processor, received the loan modification package
23 from Bryco accompanied by a fee of \$695 from Bryco. On July 2,
24 2008, Scaifes paid \$2,000 to LPCI. Per the Bryco-LPCI agreement,
25 Scaifes \$2,000 was supposed to be paid to Bryco. However, Bryco
26 did not have a merchant bank account to accept credit card
27

1 payment. Therefore, the \$2,000 credit card payment from Scaifes
2 was deposited into LPCI's Merchant bank account, not set up for
3 or designated as a trust fund for the deposit of advance fees
4 collected from homeowners. LPCI subsequently forwarded the
5 \$2,000 to Bryco.

6 (iv) LPCI failed to provide the payment records
7 of Scaifes, including the merchant bank account statement showing
8 the deposit and trust funds forwarded to Bryco, pursuant to the
9 Department's request and by subpoena, as set forth below in
10 Paragraph 10(m)(2), below.

11 (v) LPCI submitted the loan modification to
12 Scaifes' lender, Downey Savings, by phone. Based on the "Loan
13 Log Entries", Scaifes' loan modification package was submitted to
14 the lender, Downey Savings.

15 (vi) On August 7, 2008, Scaifes' loan
16 modification was denied by Downey Savings due to a \$10,328.22
17 judgment recorded against Cornell Scaife.

18 (b) (2) (PACIFIC)

19 (i) Patricia Clark (Clark) Loan Modification.
20
21 On April 19, 2008, Clark signed a Loan Modification Disclosure &
22 Agreement and Authorization Form with LPCI to obtain a loan
23 modification for the mortgage loan secured by her home located at
24 650 The Village #312 in Redondo Beach, California.

25 (ii) On April 19, 2008, according to Maziar
26 Bordbor aka Matt Bordbar or M. Bordbar, Secretary and Chief
27

1 Financial Officer of LPCI, Clark paid \$2,495 with her credit card
2 to LPCI's merchant account on April 19, 2008.

3 (iii) LPCI did not provide the payment records of
4 Clark, including the merchant bank account statement showing the
5 deposit, upon the Department's request and subpoena.

6 (iv) LPCI submitted Clark's loan modification
7 package to lender Wachovia on April 19, 2008 and resubmitted it
8 on June 3, 2008, with updated information.

9 (v) According to the Wachovia's Internal Loan
10 Audit Request maintained in Clark's loan modification file, LPCI
11 did not provide the employment and compensation records related
12 to Clark upon the Department's request and subpoena.

13 (vi) On August 5, 2008, LPCI sent a letter to
14 Clark to notify Clark that her loan modification was denied by
15 Wachovia.

16 (b) (3) The conduct of PACIFIC, as former designated
17 officer of LPCI during the submission of the Scaifes and Clark
18 loan modifications constitutes a violation of 10176(a), 10176(b)
19 and 10176(i) and/or 10177(g).

20 (c) (GHAZI) Placed a false, deceitful and misleading
21 advertisement on LPCI's website which represented that the
22 Department of Real Estate conducted an audit on LPCI and
23 determined that LPCI was in compliance with the Real Estate Laws
24 and Regulations. In truth and in fact, the Department's audit
25 was ongoing and found, as of the interim audit report date of
26
27

1 April 7, 2009 found substantial trust fund violations, to wit,
2 including a \$21,331.00 shortage in LPCI's trust account used to
3 deposit trust funds received from homeowners, as previously
4 recited in Paragraph 7(b), in violation of Code Sections
5 10176(a), 10176(i) and/or 10177(j), 10235 and Regulation 2848.

6 (d) (1) (GHAZI, HAYNES, PACIFIC) Commingled trust funds
7 and personal funds by depositing trust funds in the form of
8 collected advance fees into LPCI's general operating account, in
9 violation of Code Sections 10145 and 10176(e).

10 (d) (2) (GHAZI, HAYNES, PACIFIC) Converted trust funds
11 and personal funds by depositing trust funds in the form of
12 collected advance fees into LPCI's general operating account, in
13 violation of Code Sections 10145 and 10176(i).

14 (e) (GHAZI, HAYNES, PACIFIC) Failed to maintain an
15 accurate and complete separate record for each beneficiary or
16 transaction, thereby failing to account for all trust funds in
17 the form of advance fees collected, in violation of Code Section
18 10145 and Regulation 2831.1.

19 (f) Permitted Maziar Bordbor, corporate secretary and
20 chief financial officer of LPCI, an unlicensed and unbonded
21 person, to be an authorized signatory on the trust account, in
22 violation of Code Section 10145 and Regulation 2834.

23 (g) (GHAZI, HAYNES, PACIFIC) The aforementioned former
24 designated officers of LPCI failed to exercise adequate
25 supervision over LPCI's activities requiring a real estate
26
27

1 license to ensure LPCI's compliance the Real Estate Laws and
2 Regulations and had no system in place for regularly monitoring
3 LPCI's compliance with the Real Estate Law, in violation of Code
4 Sections 10159.2, 10177(h) and Regulation 2725.

5 (h) Collected advance fees within the meaning of Code
6 Section 10026 from homeowners including but not limited to
7 Fannie/Cornell Scaife and Patricia Clark, seeking loan
8 modifications wherein LPCI failed to provide all homeowners, with
9 a pre-approved advance fee agreement from the Department in the
10 form of a no objection letter, in violation of Code Section 10085
11 and Regulation 2970.

12 (i) Failed to establish and maintain a trust account at
13 a bank or other recognized financial institution in the name of
14 the broker for deposit of collected advance fees by LPCI, in
15 violation of Code Section 10146.

16 (j) With reference to the lack of an advance fee
17 agreement, LPCI failed to provide a complete description of
18 services to be rendered provided to each homeowner-borrower in 10
19 point type font and failed to provide an allocation and
20 disbursement of the amount collected as the advance fee, in
21 violation of Code Section 10146 and Regulation 2972.

22 (k) (1) (PACIFIC) Used the fictitious name of
23 "RefiFix.com", to conduct licensed activities including loan
24 modifications without holding a license bearing said fictitious
25
26
27

1 business name, in violation of Code Section 10159.5 and
2 Regulation 2731.

3 (k) (2) (GHAZI, HAYNES, PACIFIC) Used the fictitious name
4 of "Loan Processing Center", to conduct licensed activities
5 including loan modifications without holding a license bearing
6 said fictitious business name, in violation of Code Section
7 10159.5 and Regulation 2731.

8 (k) (3) (HAYNES, PACIFIC) Used the fictitious name of
9 "LPC", to conduct licensed activities including loan
10 modifications without holding a license bearing said fictitious
11 business name, in violation of Code Section 10159.5 and
12 Regulation 2731.

13 (l) (GHAZI) Failed to retain the salesperson license
14 certificate for James Starkey, in violation of Code Section 10160
15 and Regulation 2753.

16 (m) (1) (GHAZI) After notice and subpoena on April 3,
17 2009, failed to produce or retain all records of LPCI's activity
18 during the audit period requiring a real estate broker license,
19 in violation of Code Section 10148.

20 (m) (2) (PACIFIC) After notice and subpoena on May 13,
21 2009, failed to produce or retain all records of LPCI's activity
22 during the audit period requiring a real estate broker license,
23 in violation of Code Section 10148.

24 ///

25 ///

Disciplinary Statutes

11.

The conduct of Respondents LOAN PROCESSING CENTER INC.,
MASHEED S. GHAZI, DANNY R. HAYNES and LOUIS LEON PACIFIC
described in Paragraph 10, above, violated the Code and the
Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
10(a)	Code Section 10145 and Regulation 2832.1
10(b)	Code Sections 10176(a), 10176(b) and 10176(i) and/or 10177(g).
10(c)	10176(a), 10176(i) and/or 10177(j), 10235 and Regulation 2848
10(d)	Code Sections 10145, 10176(e) and 10176(i)
10(e)	Code Section 10145 and Regulation 2831.1
10(f)	Code Section 10145 and Regulation 2834

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10(g)

10159.2, 10177(h) and Regulation
2725

10(h)

Code Section 10085 and Regulation
2970

10(i)

Code Section 10146

10(j)

Code Section 10146 and Regulation
2972

10(k)

Code Section 10159.5 and Regulation
2731

10(l)

Code Section 10160 and Regulation
2753

10(m)

Code Section 10148

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1 The foregoing violations constitute cause for the discipline of
2 the real estate license and license rights of LPCI, GHAZI, HAYNES
3 and PACIFIC, under the provisions of Code Sections 10176(a), for
4 misrepresentation, 10176(b), for false promises, 10176(i) and/or
5 10177(j) for fraud or dishonest dealing, 10177(d) for willful
6 disregard or for violation of the Real Estate Law, and/or
7 10177(g), for negligence and 10177(h), for lack of supervision of
8 LPCI's brokerage.

9 12.

10 Respondents LPCI, GHAZI, HAYNES and PACIFIC
11 intentionally or negligently engaged in the conduct above set
12 forth in Paragraphs 7 and 8, 10 and 11, and engaged in negligent
13 misrepresentation, in violation of Code Sections 10176(a),
14 10176(i) and/or 10177(g).

15 13.

16 Respondents LPCI, GHAZI, HAYNES and PACIFIC conduct
17 constitutes a breach of fiduciary duty of homeowner-borrowers
18 Fannie/Cornell Scaife and Patricia Clark, in violation of Code
19 Section 10176(i) and/or 10177(g).


20 14.

21 The overall conduct of Respondents LPCI, GHAZI, HAYNES
22 and PACIFIC, constitutes negligence or incompetence. This
23 conduct and violation are cause for the suspension or revocation
24 of the real estate license and license rights of said Respondents
25 pursuant to Code Section 10177(g).
26
27

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents LOAN
5 PROCESSING CENTER INC., MASHEED S. GHAZI, DANNY R. HAYNES and
6 LOUIS LEON PACIFIC under the Real Estate Law (Part 1 of Division
7 4 of the Business and Professions Code) and for such other and
8 further relief as may be proper under other applicable provisions
9 of law including but not limited to restitution pursuant to
10 Government Code Sections 11519 and 11519.1 of the Administrative
11 Procedures Act.

12 Dated at Los Angeles, California

13 this 1 day of October 2009.

14 
15 Deputy Real Estate Commissioner

16
17
18
19
20 cc: Loan Processing Center Inc.
21 Masheed S. Ghazi, former D.O.
22 Shahriar Kolahi, President/CEO
23 Maziar Bordar,, Secretary and Chief Financial Officer

24 cc: Masheed S. Ghazi, former D.O.
25 Danny R. Haynes, former D.O.
26 Louis Leon Pacific, former D.O.
27 Robin Trujillo
Sacto
Audits - Lisa Kwong
Audits -Danio Fajardo
Amelia Vetrone

FILED

APR 14 2009

DEPARTMENT OF REAL ESTATE

BY: *D. G. Kelly*

1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6911 (direct)
6 -or- (213) 576-6982 (office)
7

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11	In the Matter of the Accusation of)	No. H- 35869 LA
12	LOAN PROCESSING CENTER INC. doing)	<u>A C C U S A T I O N</u>
13	business as Applyloanmod.com,)	
14	iloanmod.com and LPC; and)	
15	MASHEED S. GHAZI, individually)	
16	and as designated officer of)	
	Loan Processing Center Inc.,)	
)	
	Respondents.)	

17
18 The Complainant, Robin Trujillo, a Deputy Real Estate
19 Commissioner of the State of California, for cause of Accusation
20 against LOAN PROCESSING CENTER INC. dba Applyloanmod.com,
21 iloanmod.com and LPC and, and MASHEED S. GHAZI, individually and
22 as designated officer of Loan Processing Center Inc. alleges as
23 follows:
24 ///
25 ///
26 ///
27 ///

1.

1 The Complainant, Robin Trujillo, acting in her official
2 capacity as a Deputy Real Estate Commissioner of the State of
3 California, makes this Accusation against LOAN PROCESSING CENTER
4 INC. ("LPCI") and MASHEED S. GHAZI ("GHAZI").

2.

6 All references to the "Code" are to the California
7 Business and Professions Code and all references to "Regulations"
8 are to Title 10, Chapter 6, California Code of Regulations.
9

10 LICENSE HISTORY

3.

11
12 A. At all times mentioned, LPCI and GHAZI were
13 licensed or had license rights issued by the Department of Real
14 Estate ("Department") as real estate brokers.

15 B. At all times herein mentioned, LPCI was licensed or
16 had license rights issued by the Department as a real estate
17 broker. On November 9, 2007, LPCI was originally licensed as a
18 corporate real estate broker.

19 C. At all times herein mentioned, GHAZI was licensed
20 or had license rights issued by the Department as a real estate
21 broker. On October 5, 2006, GHAZI was originally licensed as a
22 real estate broker. On February 3, 2009, GHAZI was licensed as
23 the designated officer of LPCI.

24 D. At all times material herein, LPCI was licensed by
25 the Department as a corporate real estate broker by and through
26 GHAZI, as the designated officer and broker responsible, pursuant
27 to Code Sections 10211 and 10159.2 of the Business and

1 Professions Code for supervising the activities requiring a real
2 estate license conducted on behalf said corporation's officers,
3 agents and employees, including GHAZI.

4 LOAN MODIFICATION AND ADVANCE FEE BROKERAGE

5 4.

6 At all times mentioned, in City of Irvine, County of
7 Orange, LPCI and GHAZI acted as real estate brokers and conducted
8 licensed activities within the meaning of:

9 A. Code Section 10131(d). LPCI and GHAZI engaged in
10 the business of a mortgage and loan brokerage. Respondents
11 engaged in activities with the public wherein lenders and
12 borrowers were solicited for loans secured directly or
13 collaterally by liens on real property, wherein such loans were
14 arranged, negotiated, processed and consummated on behalf of
15 others for compensation or in expectation of compensation and for
16 fees often collected in advance as well as at the conclusion of
17 transactions; and

18 B. Code Section 10131.2. LPCI and GHAZI engaged in
19 the business of a loan modification and an advance fee brokerage
20 dba Applyloanmod.com, iloanmod.com and LPC. Respondents
21 solicited distressed homeowners seeking adjustments of the terms
22 of their home loans, interest and/or principal reduction,
23 foreclosure abatement, loan restructuring, and/or short sale
24 services, and offered to negotiate with lenders on behalf of the
25 homeowners for a fee payable in advance.
26

27

1 FIRST CAUSE OF ACTION
2 (Audit of Loan Modification Activities)

3 5.

4 On April 7, 2009, the Department has completed an
5 interim audit report of the Department's ongoing audit
6 examination of the books and records of LPCI pertaining to the
7 mortgage loan, loan modification for advance fee activities
8 described in Paragraph 4 that require a real estate license, as a
9 result of the false website advertisement set forth below in
10 Paragraph 7(b). The audit examination covers a period of time
11 beginning on September 11, 2007 to February 27, 2009. The
12 interim audit examination revealed violations of the Code and the
13 Regulations as set forth in the following Paragraphs, and more
14 fully discussed in Audit Report LA 080168 and the exhibits and
15 work papers attached to said audit report.

16 TRUST ACCOUNT

17 6.

18 At all times mentioned, in connection with the
19 activities described in Paragraph 4, above, LPCI accepted or
20 received funds including funds in trust (hereinafter "trust
21 funds") from or on behalf of actual or prospective parties,
22 including lenders, borrowers and homeowners, to mortgage loan
23 transactions handled by LPCI and thereafter made deposits and or
24 disbursements of such funds. From time to time herein mentioned
25
26
27

1 during the audit period, said trust funds were deposited and/or
2 maintained by LPCI in the bank account as follows:

3 "Loan Processing Center Inc.
4 Account No. 29346-03807"
5 Bank of America
6 San Francisco, CA 91437-0176 (bank account)

7 VIOLATIONS OF THE REAL ESTATE LAW

8 7.

9 In the course of activities described in Paragraphs 4
10 and 6, above, and during the examination period described in
11 Paragraph 5, Respondents LPCI and GHAZI, acted in violation of
12 the Code and the Regulations in that they:

13 (a) Permitted, allowed or caused the disbursement of
14 trust funds from the LPCI's bank account used for the deposit of
15 trust funds, where the disbursement of funds reduced the total of
16 aggregate funds in LPCI's bank account, to an amount which, on
17 February 27, 2009, was \$21,331.00, less than the existing
18 aggregate trust fund liability of LPCI to every principal who was
19 an owner of said funds, without first obtaining the prior written
20 consent of the owners of said funds, as required by Code Section
21 10145 and Regulation 2832.1.

22 (b) Placed a false, deceitful and misleading
23 advertisement on LPCI's website which represented that the
24 Department of Real Estate conducted an audit on LPCI and
25 determined that LPCI was in compliance with the Real Estate Laws
26

1 and Regulations. In truth and in fact, the Department's audit
2 was ongoing and found, as of the audit report date of April 7,
3 2009 found a substantial trust fund violation, to wit, a
4 \$21,331.00 shortage in LPCI's bank account used to deposit trust
5 funds received from homeowners, herein mentioned above and
6 violations of Code Sections 10140, 10176(a), 10176(i) and/or
7 10177(j), 10235 and Regulation 2848.

8 DISCIPLINARY STATUTES AND REGULATIONS

9 8.

10 The conduct of Respondents LPCI and GHAZI described in
11 Paragraph 7, violated the Code and the Regulations as set forth:

12 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
13 7(a)	Code Section 10145 and Regulation 14 2832.1
15 7(b)	Code Sections 10140, 10176(a), 16 10176(i) and/or 10177(j), 10235 and 17 Regulation 2848 18

19
20 The foregoing violations constitute cause for the discipline of
21 the real estate license and license rights of LPCI and GHAZI,
22 under the provisions of Code Sections 10176(a) for
23 misrepresentation, 10176(i) and/or 10177(j) for fraud or
24 dishonest dealing, 10177(d) for willful disregard or violation of
25 the Real Estate Law, and/or 10177(g) for negligence and 10177(h)
26 for lack of supervision of LPCI's brokerage.
27

1 SECOND CAUSE OF ACTION
2 (Deceit by Misrepresentation)

3 9.

4 Respondents LPCI and GHAZI intentionally engaged in the
5 conduct above set forth in Paragraph 7(b), Respondents LPCI and
6 GHAZI engaged in negligent misrepresentation, in violation of
7 Code Sections 10176(a), 10176(i) and/or 10177(g).

8 10.

9 The overall conduct of Respondents LPCI and GHAZI,
10 constitutes negligence or incompetence. This conduct and
11 violation are cause for the suspension or revocation of the real
12 estate license and license rights of said Respondents pursuant to
13 Code Section 10177(g).

14 11.

15 The overall conduct of Respondent GHAZI constitutes a
16 failure on Respondent's part, as officer designated by a
17 corporate broker licensee, to exercise the reasonable supervision
18 and control over the licensed activities of LPCI, as required by
19 Code Sections 10211 and 10159.2, and to keep LPCI in compliance
20 with the Real Estate Law, and is cause for the suspension or
21 revocation of the real estate license and license rights of GHAZI
22 pursuant to the provisions of Code Sections 10177(d), 10177(g)
23 and 10177(h) and Regulation 2725.

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25 ///

26 ///

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents
5 LPCI, LOAN PROCESSING CENTER INC. and MASHEED S. GHAZI, under the
6 Real Estate Law (Part 1 of Division 4 of the Business and
7 Professions Code) and for such other and further relief as may be
8 proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 13 day of April 2009.

11 
12 _____
13 Deputy Real Estate Commissioner

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22
23 cc: Loan Processing Center Inc.
24 c/o Masheed S. Ghazi D.O.
25 Robin Trujillo
26 Sacto
Audits - Lisa Kwong
27 Audits -Danio Fajardo
Amelia Vetrone