

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)

FILED

MAY 16 2011

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of)

No. H- 37278 LA

12 AMERICAN FRONTIER FINANCIAL GROUP)
13 doing business as New Century Realty;)
14 and SULIMAN A. SULIMAN, individually)
15 and as designated officer of)
16 American Frontier Financial Group,)

A C C U S A T I O N

17 Respondents.)

18 The Complainant, Robin Trujillo, a Deputy Real Estate
19 Commissioner of the State of California, for cause of Accusation
20 against AMERICAN FRONTIER FINANCIAL GROUP, doing business as
21 American Frontier Financial Group, and SULIMAN A. SULIMAN,
22 individually and as designated officer of American Frontier
23 Financial Group, alleges as follows:

24 ///

25 ///

26 ///

27

1 1.

2 The Complainant, Robin Trujillo, acting in her official
3 capacity as a Deputy Real Estate Commissioner of the State of
4 California, makes this Accusation.

5 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 License Status

10 3.

11 A. At all times mentioned, AMERICAN FRONTIER FINANCIAL
12 GROUP ("AFFG") was licensed or had license rights issued by the
13 Department of Real Estate ("Department") as a real estate broker.
14 On October 8, 1993, AFFG was originally licensed as a corporate
15 real estate broker.

16 B. At all times mentioned, SULIMAN A. SULIMAN
17 ("SULIMAN") was licensed or had license rights issued by the
18 Department as a real estate broker. SULIMAN was originally
19 licensed as a broker on April 5, 1994. SULIMAN has been the
20 designated officer of AFFG since its original licensure.

21 C. At all times material herein, AFFG was licensed by
22 the Department as a corporate real estate broker by and through
23 SULIMAN, as the designated officer and broker responsible,
24 pursuant to Code Sections 10159.2 and 10211 of the Business and
25 Professions Code for supervising the activities requiring a real
26 estate license conducted on behalf AFFG of by AFFG's officers,
27 agents and employees, including SULIMAN.

FIRST CAUSE OF ACCUSATION
(Real Estate Sales and Short Sales Audit)

5.

On August 31, 2010, the Department completed an audit examination of the books and records of AFFG pertaining to the residential real estate resale and short sale activities described in Paragraph 4 that require a real estate license. The audit examination covered a period of time beginning on June 1, 2007 to April 30, 2010. The 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 090216 and the exhibits and work papers attached to said audit report.

Trust Account

6.

No trust account was kept during the audit period for real estate resale or short sales transactions.

Violations of the Real Estate Law

7.

In the course of activities described in Paragraph 4, above, and during the examination period described in Paragraph 5, Respondents AFFG and SULIMAN, acted in violation of the Code and the Regulations in that Respondents:

(a) 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 earnest money deposits for M. Hachem and L. Esquivel, in violation of

1 Code Section 10145 and Regulation 2831.

2 (b) Misrepresented to sellers that AFFG held the
3 earnest money deposits for buyers S. Soble, G. Itani and A.
4 Psaltis, when in truth and in fact they did not, in violation of
5 Code Section 10176(a).

6 (c) (1) AFFG negotiated the short sale transactions for
7 two real properties located at (1) 12582 - 12588 Adelpia Avenue,
8 Los Angeles, California, and 383 Wyoming Street, Pasadena,
9 California, for buyers Abdullah Alraqueeb (Alraqueeb) and (2) Tony
10 Psaltis (Psaltis) respectively. AFFG prepared both California
11 Residential Purchase Agreements, yet AFFG falsely represented
12 that "Hai Real Estate and Finance", was the true broker when the
13 agreements were submitted to the lender, where AFFG was not
14 permitted to be either the listing or the selling broker, in
15 violation of Code Sections 10176(a), 10176(i) and/or 10177(j):

16 (c) (2) 12582 - 12588 Adelpia Avenue, Los Angeles

17 AFFG misrepresented the short sale transaction for
18 12582 - 12588 Adelpia Avenue, in Los Angeles, California. AFFG
19 falsely represented another broker named "Hai Real Estate and
20 Finance" was both the listing and the selling broker on the
21 purchase agreement when the short sales transaction for the
22 subject property was submitted to the lender; and

23 (c) (3) 383 Wyoming Street, in Pasadena

24 AFFG also misrepresented the purchase of the sales
25 transaction for 383 Wyoming Street, in Pasadena, AFFG falsely
26 represented on the purchase agreement that another broker named
27 "Hai Real Estate and Finance" was the selling agent when the

1 sales transaction for the subject property was submitted to the
2 lender.

3 (d) Failed to retain the salesperson license
4 certificates for Isidora Rivera and Mohamed Mostafa, in violation
5 of Code Section 10160 and Regulation 2753.

6 (e) SULIMAN failed to exercise reasonable control and
7 supervision over the activity of AFFG to secure full compliance
8 with the Real Estate Law, including but not limited to trust fund
9 handling, misrepresenting receipt of earnest money deposits, and
10 mortgage loan disclosures. Additionally, SULIMAN had no system
11 in place for regularly monitoring his compliance with the Real
12 Estate Law especially in regard to establishing systems, policies
13 and procedures to review trust fund handling especially including
14 earnest money deposits for buyers, in violation of Code Sections
15 10159.2, 10177(h) and Regulation 2725.
16

17 Disciplinary Statues And Regulations

18 8.

19 The conduct of Respondents AFFG and SULIMAN described
20 in Paragraph 7, above, violated the Code and the Regulations as
21 set forth below:

22 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
23 7(a)	Code Section 10145 and Regulation 24 2831
25	
26 7(b)	Code Section 10176(a)
27	

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

7(c)

7(d)

7(e)

Code Sections 10176(a), 10176(i)
and/or 10177(j)

Code Sections 10160 and Regulation
2753

Code Section 10159.2 and 10177(h)
and Regulation 2725 (SULIMAN)

The foregoing violations constitutes cause for discipline of the real estate license and license rights of AFFG and SULIMAN, as aforesaid, under the provisions of Code Sections 10176(a) for substantial misrepresentation, for 10176(i) and/or 10177(j) for fraud and dishonest dealing, 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

SECOND CAUSE OF ACCUSATION
(Mortgage Loan and Short Sale Services Audit)

9.

On September 13, 2010, the Department completed an audit examination of the books and records of AFFG pertaining to the mortgage loan and short sale service activities described in Paragraph 4 that require a real estate license. The audit examination covered a period of time beginning on June 1, 2007 to April 30, 2010. The 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 090284 and the exhibits and work papers attached to said audit report.

1 (c) Employed and compensated Jennifer Perez, SULIMAN's
2 wife and personal assistant, as a loan agent who SULIMAN knew was
3 not licensed by the Department as a real estate broker or as a
4 real estate salesperson employed by a real estate broker, for
5 performing acts for which a real estate license is required,
6 including soliciting and/or negotiating mortgage loans for
7 borrowers A. Alraqeb, G. Itani, R. Abdelnour, G. Andraos, R.
8 Murphy, R. Dixon and A. Hussein, in violation of Code Section
9 10137.

10 (d) AFFG and SULIMAN failed to retain all records of
11 AFFG's activity during the audit period requiring a real estate
12 broker license, including but not limited to, credit reports and
13 appraisal fee records, bank statements, records and transactions
14 filed related to mortgage and loan activities, in violation of
15 Code Section 10148.

16 (e) SULIMAN failed to exercise reasonable control and
17 supervision over the activity of AFFG to secure full compliance
18 with the Real Estate Law, including but not limited to employment
19 of an unlicensed person to negotiate mortgage loan transaction
20 requiring a real estate license, Jennifer Perez, and for the
21 proper handing of mortgage loan disclosures in violation of Code
22 Sections 10159.2, 10177(h) and Regulation 2725.

24 ///

25 ///

26 ///

27

1 Disciplinary Statues And Regulations

2 12.

3 The conduct of Respondents AFFG and SULIMAN described
4 in Paragraph 11, above, violated the Code and the Regulations as
5 set forth below:

6 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7 11(a)	Code Section 10240 and Regulation 8 2840
9	
10 11(b)	Code Section 10236.4(b)
11	
12	
13 11(c)	Code Section 10137
14	
15	
16 11(d)	Code Section 10148
17	
18	
19 11(e)	Code Section 10159.2 and 20 10177(h) and Regulation 2725 21 (SULIMAN)
22	

23 The foregoing violations constitutes cause for discipline of the
24 real estate license and license rights of AFFG and SULIMAN, as
25 aforesaid, under the provisions of Code Sections 10176(a) for
26 substantial misrepresentation, 10177(d) for violation of the Real
27 Estate Law, and/or 10177(g) for negligence.

THIRD CAUSE OF ACCUSATION

(Fraudulent Sales and Loan Commission Generation Scheme)

13.

General Allegations

Departmental audit examinations LA 090216 and LA 090284 revealed that Respondents AFFG and SULIMAN operated a fraudulent scheme to generate sales and commissions. AFFG, not permitted by the lender to be either a listing and/or selling agent for short sales tabled below, fraudulently represented to funding lenders that a real estate broker other than AFFG, was the listing and/or selling broker. In truth and if fact Respondent AFFG was the true broker. By so naming "Hai Real Estate and Finance" as the listing and/or selling broker, AFFG and SULIMAN generated commissions on the sale and loan for the short sales where Respondents were otherwise prohibited from doing so.

Specific Allegations

14.

Respondents AFFG and SULIMAN falsely recited to short sale lenders that real estate broker "Hai Real Estate and Finance", was the listing and/or the selling broker for the short sales tabled below. "Hai Real Estate and Finance" is owned by real estate broker Mohammed Ahmed Hai aka Adam Hai ("Hai"). Hai was employed as AFFG's office manager, was not employed as real estate broker, and was not employed by AFFG to be a realtor and was uniformed that his corporation was named as broker for the short sales.

///

Table: Sales/Short Sales of Real Property with false broker

Property	Named Broker	True Broker
12582 – 12588 Adelphia Ave., Los Angeles (Short Sale)	Hai Real Estate and Finance	AFFG
383 Wyoming Street, Pasadena (Short Sale)	Hai Real Estate and Finance	AFFG
3422 Bell Ave., Bell (Sale)	Hai Real Estate and Finance	AFFG

Violations and Disciplinary Statutes

15.

The conduct of Respondents AFFG and SULIMAN violated the Code and the Regulations as set forth below with reference to Paragraphs 14 and 15 herein, and Audit Report LA 090216, Issues Two and Five, set forth in Paragraph 5 above, and Audit Report LA 090284 and Issues Two and Five, set forth in Paragraph 9 above:

(a) Code Section 10176(b) for making false promises of a character likely to influence, persuade or induce lenders to fund sale(s) and short sales in order to generate commissions Respondents were not entitled to receive.

(b) Code Section 10176(c) for a continued and flagrant course of misrepresentation or making of false promises through real estate agents or salespersons to lenders to fund sale(s) and short sales in order to generate commissions Respondents were not entitled to receive.

1 FOURTH CAUSE OF ACCUSATION
2 (Negligence)

3 16.

4 The overall conduct of Respondents AFFG and SULIMAN
5 constitutes negligence and negligent misrepresentation. This
6 conduct and violation are cause for discipline of the real estate
7 license and license rights of Respondents AFFG and SULIMAN
8 pursuant to Code Section 10177(g).

9 FIFTH CAUSE OF ACCUSATION
10 (Breach of Fiduciary Duty)

11 17.

12 The overall conduct of Respondents AFFG and SULIMAN
13 constitutes a breach of fiduciary duty. This conduct and
14 violation is cause for discipline of the real estate license and
15 license rights of Respondents pursuant to Code Section 10177(g).

16 SIXTH CAUSE OF ACCUSATION
17 (Broker Supervision)

18 18.

19 The overall conduct of Respondent SULIMAN constitutes a
20 failure on Respondent's part, as officer designated by a
21 corporate broker licensee, to exercise the reasonable supervision
22 and control over the licensed activities of AFFG as required by
23 Code Section 10159.2, and to keep AFFG in compliance with the
24 Real Estate Law, and is cause for discipline of the real estate
25 license and license rights of SULIMAN pursuant to the provisions
26 of Code Section 10177(d), 10177(h) and/or 10177(g).

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
5 AMERICAN FRONTIER FINANCIAL GROUP. and SULIMAN A. SULIMAN, under
6 the 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 including
9 restitution, repayment of commissions, and costs of audit.

10 Dated at Los Angeles, California

11 this 3 day of May 2011.


Deputy Real Estate Commissioner

12
13
14
15
16
17
18
19
20
21
22
23 cc: American Frontier Financial Group
24 c/o Suliman A. Suliman D.O.
25 Robin Trujillo
26 Sacto
Audits - Chona Soriano
Enforcement - David Huang

27