

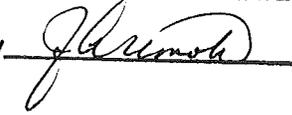
1 BUREAU OF REAL ESTATE
2 P. O. Box 137007
3 Sacramento, CA 95813-7007

4 Telephone: (916) 263-8670

FILED

APR 16 2014

BUREAU OF REAL ESTATE

By 

9 BEFORE THE BUREAU OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)

13 WALID, INC, and)
14 MOHAMED H. AMMOURI,)

15 Respondents.)

NO. H-4412 SD

STIPULATION AND AGREEMENT
IN SETTLEMENT AND ORDER

(As to Mohamed H. Ammouri only)

17 It is hereby stipulated by and between Respondent MOHAMED H. AMMOURI
18 ("Respondent"), and his attorney, Robert E. Muir, and the Complainant, acting by and through
19 John W. Barron, Counsel for the Bureau of Real Estate ("the Bureau"), as follows for the purpose
20 of settling and disposing of the First Amended Accusation filed on January 15, 2013, in this
21 matter:

22 1. All issues which were to be contested and all evidence which was to be
23 presented by Complainant and Respondent at a formal hearing on the Accusation, which hearing
24 was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"),
25 shall instead and in place thereof be submitted solely on the basis of the provisions of this
26 Stipulation and Agreement in Settlement and Order.

1 2. Respondent has received, read and understand the Statement to Respondent,
2 the Discovery Provisions of the APA, and the Accusation filed by the Bureau in this proceeding.

3 3. A Notice of Defense was filed on October 18, 2012, by Respondent, pursuant
4 to Section 11505 of the Government Code for the purpose of requesting a hearing on the
5 allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice
6 of Defense. Respondent acknowledges that he understands that by withdrawing said Notice of
7 Defense, he will thereby waive his right to require the Real Estate Commissioner
8 ("Commissioner") to prove the allegations in the Accusation at a contested hearing held in
9 accordance with the provisions of the APA and that he will waive other rights afforded to him
10 in connection with the hearing such as the right to present evidence in defense of the
11 allegations in the Accusation and the right to cross-examine witnesses.

12 4. This Stipulation and Agreement in Settlement and Order is based on the
13 factual allegations contained in the Accusation. In the interests of expedience and economy,
14 Respondent chooses not to contest these allegations at hearing, but rather understands that, as a
15 result thereof, these allegations, without being admitted or denied, will serve as a prima facie
16 basis for the disciplinary action stipulated to herein. The Commissioner shall not be required
17 to provide further evidence to prove said factual allegations.

18 5. This Stipulation and Respondent's decision not to contest the Accusation are
19 made for the purpose of reaching an agreed disposition of this proceeding and are expressly
20 limited to this proceeding and any other proceeding or case in which the Bureau, the state or
21 federal government, an agency of this state, or an agency of another state is involved.

22 6. It is understood by the parties that the Commissioner may adopt the
23 Stipulation and Agreement in Settlement and Order as his decision in this matter thereby
24 imposing the penalty and sanctions on Respondent's real estate license and license rights as set
25 forth in the below "Order". In the event that the Commissioner in his discretion does not adopt
26 the Stipulation and Agreement in Settlement and Order, it shall be void and of no effect, and
27

1 (negligence/incompetence), 10177(h) (broker supervision) and 10177(q) (failure to comply with
2 Civil Code) of the Code; Sections 2725 (broker supervision), 2742(c) (good standing of
3 corporation to conduct broker activity), 2831 (trust fund records maintenance), 2831.1 (separate
4 records for each beneficiary or transaction), 2831.2 (trust account reconciliation), 2832 (trust
5 fund handling) and 2835 (commingling) of Title 10 of the California Code of Regulations; and
6 Section 2944.7 (loan modification services) of the California Civil Code.

7 ORDER

8 All licenses and licensing rights of Respondent under the Real Estate Law are
9 suspended for a period of sixty (60) days from the effective date of this Order; provided,
10 however, that:

11 1. Thirty (30) days of said suspension shall be stayed, upon the condition
12 that Respondent petitions pursuant to Section 10175.2 of the Code and pays a monetary penalty
13 pursuant to Section 10175.2 of the Business and Professions Code at a rate of \$75.00 for each
14 day of the suspension for a total monetary penalty of \$2,250.00.

15 a. Said payment shall be in the form of a cashier's check or certified
16 check made payable to the Consumer Recovery Account of the Real Estate Fund. Said check
17 must be delivered to the Bureau prior to the effective date of the Decision in this matter.

18 b. No further cause for disciplinary action against the real estate
19 license of Respondent occurs within two (2) years from the effective date of the decision in this
20 matter.

21 c. If Respondent fails to pay the monetary penalty in accordance with
22 the terms and conditions of the Decision, the Commissioner shall, without a hearing, order the
23 immediate execution of all or any part of the stayed suspension, in which event, Respondent shall
24 not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Bureau
25 under the terms of this decision.

26 d. If Respondent pays the monetary penalty, and if no further cause
27 for disciplinary action against the real estate license of Respondent occurs within two (2) years

1 from the effective date of the Decision herein, then the stay hereby granted shall become
2 permanent.

3 2. The remaining thirty (30) days of said suspension shall be stayed for two
4 (2) years upon the following terms and conditions:

5 a. Respondent shall obey all laws, rules and regulations governing the
6 rights, duties and responsibilities of a real estate licensee in the State of California; and

7 b. That no final subsequent determination be made, after hearing or
8 upon stipulation, that cause for disciplinary action occurred within two (2) years from the
9 effective date of this Order. Should such a determination be made, the Commissioner shall, in
10 his discretion, vacate and set aside the stay order and re-impose all or a portion of the stayed
11 suspension. Should no such determination be made, the stay imposed herein shall become
12 permanent.

13 3. Respondent shall, within six (6) months from the effective date of this
14 Order, take and pass the Professional Responsibility Examination administered by the Bureau,
15 including the payment of the appropriate examination fee. If Respondent fails to satisfy this
16 condition, Respondent's real estate license shall automatically be suspended until Respondent
17 passes the examination.

18 4. Notwithstanding any other provision of this Order, all licenses and
19 licensing rights of Respondent are indefinitely suspended unless and until he provides proof
20 satisfactory to the Commissioner that he has taken and successfully completed the continuing
21 education course on Trust Fund Accounting and Handling specified in Section 10170.5(a)(3) of
22 the Code. The course must have been completed no earlier than one hundred twenty (120) days
23 prior to the effective date of this Order.

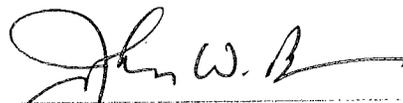
24 5. Respondent shall pay the sum of \$8,649.59 for the Commissioner's cost of
25 the audit which led to this disciplinary action. Respondent shall pay such cost within sixty (60)
26 days of receiving an invoice therefore from the Commissioner. Respondent's real estate
27 license and license rights shall automatically be suspended until payment is made in full or

2 payment, or until a decision providing otherwise is adopted following a hearing held pursuant
3 to this condition.

4 6. Respondent shall pay the Commissioner's costs, not to exceed \$8,649.59,
5 of any audit conducted pursuant to Section 10148 of the Code to determine if Respondent has
6 corrected the violations described in the Determination of Issues, above, and any other
7 violations found in the audit which led to this disciplinary action. In calculating the amount of
8 the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly
9 salary for all persons performing audits of real estate brokers, and shall include an allocation
10 for travel time to and from the auditor's place of work. Respondent shall pay such cost within
11 sixty (60) days of receiving an invoice therefore from the Commissioner detailing the activities
12 performed during the audit and the amount of time spent performing those activities. If
13 Respondent fails to pay such cost within the sixty (60) days, the Commissioner shall
14 automatically suspend all licenses and licensing rights of Respondent under the Real Estate
15 Law until payment is made in full or until Respondent enters into an agreement satisfactory to
16 the Commissioner to provide for payment, or until a decision providing otherwise is adopted
17 following a hearing held pursuant to this condition. Upon full payment, the indefinite
18 suspension provided for in this paragraph shall be stayed.

19 7. All licenses and licensing rights of Respondent are indefinitely suspended
20 unless or until Respondent pays the sum of \$1,442.30 for the Commissioner's reasonable cost
21 of the investigation and enforcement which led to this disciplinary action. Said payment shall
22 be in the form of a cashier's check or certified check made payable to the Real Estate Fund and
23 mailed to: Bureau of Real Estate, P. O. Box 137007, Sacramento, CA 95813-7007 or delivered
24 to the Bureau of Real Estate at 1651 Exposition Boulevard, Sacramento, CA 95815.

25
26 1/23/14
27 DATED


JOHN W. BARRON, Counsel
BUREAU OF REAL ESTATE

* * *

I have read the Stipulation and Agreement in Settlement and Order and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California APA (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently, and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

DATED

MOHAMED H. AMMOURI, Respondent

* * *

I have reviewed this Stipulation and Agreement In Settlement and Order as to form and content and have advised my client accordingly.

January 23, 2014

DATED



ROBERT E. MUIR
Attorney for Respondent

* * *

The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by me as my Decision in this matter and shall become effective at 12 o'clock noon on

IT IS SO ORDERED

REAL ESTATE COMMISSIONER

2 I have read the Stipulation and Agreement in Settlement and Order and its terms
3 are understood by me and are agreeable and acceptable to me. I understand that I am waiving
4 rights given to me by the California APA (including but not limited to Sections 11506, 11508,
5 11509 and 11513 of the Government Code), and I willingly, intelligently, and voluntarily waive
6 those rights, including the right of requiring the Commissioner to prove the allegations in the
7 Accusation at a hearing at which I would have the right to cross-examine witnesses against me
8 and to present evidence in defense and mitigation of the charges.

9
10 January 23 - 2014
11 DATED


11 MOHAMED H. AMMOURI, Respondent

12 * * *

13 *I have reviewed this Stipulation and Agreement In Settlement and Order as to*
14 *form and content and have advised my client accordingly.*

15
16 _____
17 DATED

16 _____
17 ROBERT E. MUIR
18 Attorney for Respondent

18 * * *

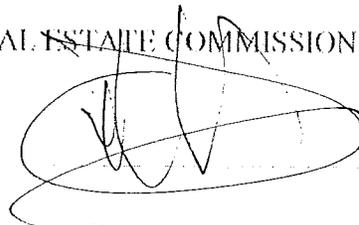
19 The foregoing Stipulation and Agreement in Settlement and Order is hereby
20 adopted by me as my Decision in this matter and shall become effective at 12 o'clock noon on

21 MAY 07 2014

22
23 IT IS SO ORDERED _____

23 APR 08 2014

24 REAL ESTATE COMMISSIONER

25
26 

27
By: JEFFREY MASON
Chief Deputy Commissioner, INC. and
MOHAMED H. AMMOURI

1 JOHN W. BARRON, Counsel (SBN 171246)
2 Department of Real Estate
3 P. O. Box 187007
4 Sacramento, CA 95818-7007
5 Telephone: (916) 227-0789 (main)
6 (916) 227-0792 (direct)
7

FILED
JAN 15 2013

DEPARTMENT OF REAL ESTATE
By R. Mar

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 ***

11
12 In the Matter of the Accusation of)
13) No. H-4412 SD
14 WALID, INC. and)
15 MOHAMED H. AMMOURI,) FIRST AMENDED
16) ACCUSATION
17 Respondents.)
18)

19 The Complainant, TRICIA D. SOMMERS, in her official capacity as a Deputy
20 Real Estate Commissioner of the State of California, for cause of Accusation against WALID,
21 INC., individually and doing business as "Credible Loan Modification", "Credible Realty",
22 "New Beginnings Loan Modifications", "New Beginnings Realty", "Town Mortgage & Realty"
23 and "Town Realty" ("WALID"); and MOHAMED H. AMMOURI, individually and doing
24 business as "Hometown Finance", "Pacific Lenders Group" and "Town Mortgage And Realty"
25 ("AMMOURI"), (collectively "Respondents"), is informed and alleges as follows:

26 1

27 At all times relevant, WALID was licensed by the Department of Real Estate
("the Department") and/or has license rights under the Real Estate Law, Part 1 of Division 4 of
///

1 the Business and Professions Code (“the Code”), as a corporate real estate broker, which license
2 expired on March 5, 2011.

3 2

4 At all times relevant, AMMOURI was and is licensed and/or has license rights
5 under the Code as a real estate broker. At all times relevant, AMMOURI was licensed by the
6 Department as the designated broker/officer of WALID. As the designated broker/officer,
7 AMMOURI was responsible, pursuant to Section 10159.2 (responsibility of corporate officer in
8 charge) of the Code, for the supervision of the activities of the officers, agents, real estate
9 licensees and employees of WALID for which a real estate license is required.

10 3

11 AMMOURI currently holds a Mortgage Loan Originator License Endorsement
12 (License Endorsement) with the Department.

13 4

14 At all times relevant, Respondents engaged in the business of, acted in the
15 capacity of, advertised or assumed to act as a real estate broker within the State of California
16 within the meaning of Section 10131(a) of the Code, including selling or offering to sell, buying
17 or offer to buy, soliciting prospective sellers or purchasers of, soliciting or obtaining lists of, or
18 negotiating the purchase, sale or exchange of real property; and Section 10131(d) of the Code,
19 including the operation and conduct of a loan brokerage business with the public, wherein, on
20 behalf of others, for compensation or in expectation of compensation, Respondents solicited
21 lenders and borrowers for loans secured directly or collaterally by liens on real property, and
22 wherein Respondents arranged, negotiated, processed and consummated such loans; and
23 charged, demanded or collected an advance fee for any of the services offered.

24 FIRST CAUSE OF ACTION

25 5

26 On or about October 11, 2011, and continuing intermittently through October 13,
27 2011, an audit was conducted of Respondents at their main office located at 11610 Iberia Place,

1 Suite 210, San Diego, California, and the Department's Oakland District Office, where the
2 auditor examined the records for the period of October 1, 2008, through September 30, 2011
3 (the audit period).

4 6

5 While acting as a real estate broker as described in Paragraph 4, above, and
6 within the audit period, Respondents accepted or received funds in trust (trust funds) in the
7 course of the real estate activities described in Paragraph 4, above, and deposited or caused the
8 funds to be deposited into a bank account maintained by Respondents, including:

9 Trust Account #1

10 Bank of America
11 16849 Bernardo Center Drive
12 San Diego, CA 92128

13 Account No.: XXXXX-X0210

14 Account Name: Walid Inc dba Town Mortgage & Realty
15 Real Estate Trust Account

16 Signatories: Mohamed Ammouri

17 Bank Account #1

18 Bank of America
19 16849 Bernardo Center Drive
20 San Diego, CA 92128

21 Account No.: XXXXX-X6585

22 Account Name: Walid Inc dba Town Mortgage & Realty,
23 Pacific Lenders Group

24 Signatories: Mohamed Ammouri

25 Bank Account #2

26 Bank of America
27 16849 Bernardo Center Drive
San Diego, CA 92128

1 Account No.: XXXXXX-X2579

2 Account Name: Walid Inc dba Town Mortgage & Realty

3 Signatories: Mohamed Ammouri

4 Thereafter, from time-to-time, Respondents made disbursements of said trust funds.

5 7

6 In the course of the real estate activities described in Paragraph 4, above, in
7 connection with the collection and disbursement of trust funds:

8 (a) Respondents failed to maintain adequate trust records resulting in an
9 inability by the Department's auditor to conduct a reconciliation of the adjusted
10 bank balance to the accountability of Trust Account #1 and Bank Accounts #1
11 and #2. Such acts and/or omissions by Respondents violate Section 10145 (trust
12 fund handling) of the Code.

13 (b) Respondents deposited advance fees they collected into Bank Accounts
14 #1 and #2, which were not designated as trust accounts. Such acts and/or
15 omissions by Respondents violate Sections 10145 and 10146 (deposit of advance
16 fees into trust account) of the Code.

17 (c) Respondents failed to designate Bank Accounts #1 and #2 as trust
18 accounts. Such acts and/or omissions by Respondents violate Section 10145 of
19 the Code and Section 2832 (trust fund handling) of Title 10 of the California
20 Code of Regulations ("the Regulations").

21 (d) Respondents failed to maintain adequate control records for Trust
22 Account #1 and Bank Accounts #1 and #2. Such acts and/or omissions by
23 Respondents violate Section 10145 of the Code and Section 2831 (trust fund
24 records maintenance) of the Regulations.

25 (e) Respondents failed to maintain separate records for each beneficiary of
26 funds held in Trust Account #1 and Bank Accounts #1 and #2. Such acts and/or

27 ///

1 omissions by Respondents violate Section 10145 of the Code and Section 2831.1
2 (separate records for each beneficiary or transaction) of the Regulations.

3 (f) Respondents failed to maintain accurate written monthly reconciliations
4 for the balances of all of the separate records with the control records for Trust
5 Account #1 and Bank Accounts #1 and #2. Such acts and/or omissions by
6 Respondents violate Section 10145 of the Code and Section 2831.2 (trust
7 account reconciliation) of the Regulations.

8 (g) Respondents failed to retain all bank records related to its collection of
9 trust funds, including, but not limited to, cancelled checks and bank deposit
10 slips. Such acts and/or omissions by Respondents violate Section 10148 of the
11 Code (retention of records).

12 (h) Respondents failed to maintain records of all trust funds received and not
13 placed into its broker trust fund account. Such acts and/or omissions by
14 Respondents violate Section 10145 of the Code and Section 2831(a)(6) of the
15 Regulations.

16 (i) Respondents commingled trust funds with non-trust funds in Bank
17 Accounts #1 and #2. Such acts and/or omissions by Respondents violate
18 Sections 10145 and 10176(e) (commingling) of the Code and Section 2835
19 (commingling) of the Regulations.

20 8

21 The acts and/or omissions by Respondents as set forth in Paragraph 7, above,
22 violate Sections 10145, 10146, 10148 and 10176(e) of the Code, and Sections 2831, 2831(a)(6),
23 2831.1, 2831.2, 2832 and 2835 of the Regulations, and are grounds for discipline of
24 Respondents' real estate licenses and license rights under Sections 10176(e), and 10177(d)
25 (willful disregard/violation of real estate law) and/or 10177(g) (negligence or incompetence) of
26 the Code. In addition, the Department is entitled to reimbursement for the costs of its audit

27 ///

1 pursuant to Section 10148(b) (cost of audit in final decision following disciplinary hearing) of
2 the Code.

3 SECOND CAUSE OF ACTION

4 9

5 On or about September 28, 2009, Respondents entered into agreements to
6 provide loan modification services for Lihn H. for his real properties located at 1265 Avenida
7 Amistad, San Marcos, California and 734 Silver Drive, Vista, California. In exchange for those
8 loan modification services, Respondents collected an advance fee of \$2,500 from Lihn H.

9 10

10 After receiving the advance fees from Lihn H., Respondents failed to obtain
11 loan modifications for him. After participating in mediation, Lihn H. received repayment of
12 \$1,250 of the advance fees from Respondents.

13 11

14 The acts and/or omissions by Respondents as alleged in Paragraphs 9 and 10,
15 above, violate Sections 10085.5 (collecting unauthorized advance fees) and 10085.6 (collection
16 of advance fees) of the Code, and are grounds for discipline of Respondents' real estate licenses
17 or license rights under Sections 10176(a) (making substantial misrepresentation), 10176(b)
18 (making false promises likely to influence, persuade or induce), 10176(i) (fraud or dishonest
19 dealing), and 10177(d) and/or 10177(g) of the Code, and are grounds for the discipline of
20 Respondents' real estate licenses and license rights under Sections 10176(i), and 10177(d)
21 and/or 10177(g) of the Code.

22 THIRD CAUSE OF ACTION

23 12

24 On or after October 11, 2009, Respondents entered into at least 17 loan
25 modification agreements with clients in exchange for the payment of advance fees, including:

26 ///

27 ///

	<u>Borrower</u>	<u>Agreement Date</u>	<u>Amount of Fees</u>
1			
2	Amador	04/19/10	\$2,000
3	Newman	05/27/10	\$2,000
4	Olhoff	06/02/10	\$2,000
5	Kullier	02/27/11	\$2,000

13

The acts and/or omissions of Respondents as alleged in Paragraph 12, above, violate Sections 10085.5 and 10085.6 of the Code, and are grounds for the discipline of Respondents' real estate licenses and license rights under Sections 10177(d) and/or 10177(g) of the Code. Such acts also violate Section 2944.7 (loan modification services – prohibition of advance fees) of the California Civil Code and are grounds for discipline under Section 10177(q) (failure to comply with Civil Code related to mortgages) of the Code.

FOURTH CAUSE OF ACTION

14

On or about April 1, 2010, WALID's right to conduct business in the State of California was suspended by the Secretary of State of the State of California. As a result, WALID was no longer in good standing with the Secretary of State. However, WALID continued to conduct real estate activities after its right to conduct business in California had been suspended, including:

	<u>Borrower</u>	<u>Agreement Date</u>	<u>Amount of Fees</u>
21			
22	Amador	04/19/10	\$2,000
23	Newman	05/27/10	\$2,000
24	Olhoff	06/02/10	\$2,000
25	Kullier	02/27/11	\$2,000

26 ///

27 ///

2 The acts and/or omissions of WALID, as alleged in Paragraph 14, above, violate
3 Section 2742(c) (requirement of good standing to conduct broker activity) of the Regulations,
4 and are grounds for discipline of WALID's real estate license and license rights under Section
5 10177(d) and/or 10177(g) of the Code.

6 FIFTH CAUSE OF ACTION

8 On or about July 17, 2009, Respondents submitted a Residential Purchase
9 Agreement to Affinity Escrow Services for the real property located at 801 Ash Street, #801,
10 San Diego, California. As a part of that purchase offer, Respondents represented that they had
11 in their possession an earnest money check in the amount of \$4,500 from the prospective buyers
12 of the property. In fact, Respondents did not have a deposit check from the prospective buyers
13 at the time it submitted the purchase offer.

15 The acts and/or omissions of Respondents as alleged in Paragraph 16, above,
16 violate Section 10176(a) of the Code, and are grounds for the discipline of Respondents' real
17 estate licenses and license rights under Sections 10176(i), and 10177(d) and/or 10177(g) of the
18 Code.

19 SIXTH CAUSE OF ACTION

21 As the designated broker officer for WALID, AMMOURI was responsible for
22 the supervision and control of the activities conducted on behalf of WALID by its officers and
23 employees. AMMOURI failed to exercise reasonable supervision and control over the property
24 management activities of WALID. In particular, AMMOURI permitted, ratified and/or caused
25 the conduct described in the First through Fifth Causes of Action, above, to occur, and failed to
26 take reasonable steps, including, but not limited to, the handling of trust funds, supervision of

27 ///

1 employees and the implementation of policies, rules, procedures and systems to ensure
2 compliance with the Real Estate Law and the Regulations.

3 19

4 The acts and/or omissions of AMMOURI as set forth in Paragraph 18, above,
5 violate Section 10159.2 of the Code and Section 2725 (broker supervision) of the Regulations,
6 and are grounds for the discipline of AMMOURI's real estate licenses and license rights under
7 Sections 10177(d) and/or 10177(g), and 10177(h) (reasonable broker supervision) of the Code.

8 20

9 The facts alleged in Paragraphs 5 through 19, above, constitute cause for
10 revocation or suspension of AMMOURI's License Endorsement under Section 10166.05(c)
11 (Applicant Lacks Character, General Fitness to Command Confidence in Community) of the
12 Code.

13 COST RECOVERY

14 21

15 Section 10106 of the Code provides, in pertinent part, that in any order issued in
16 resolution of a disciplinary proceeding before the department, the Commissioner may request
17 the administrative law judge to direct a licensee found to have committed a violation of this part
18 to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the
19 case.

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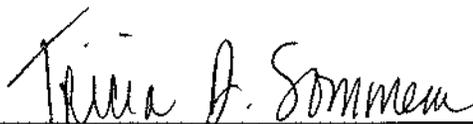
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1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against all licenses and license rights of Respondents under the Code, for
4 the reasonable cost of investigation and prosecution of this case, including agency attorney's
5 fees, and for such other and further relief as may be proper under other provisions of law.

6
7 
8 _____
9 TRICIA D. SOMMERS
 Deputy Real Estate Commissioner

10 Dated at Sacramento, California,
11 this 7th day of December, 2012.

1 JOHN W. BARRON, Counsel (SBN 171246)
2 Department of Real Estate
3 P.O. Box 187007
4 Sacramento, CA 95818-7007

5 Telephone: (916) 227-0789 (main)
6 (916) 227-0792 (direct)

FILED

SEP 27 2012

DEPARTMENT OF REAL ESTATE
By R. Max

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 ***

11
12 In the Matter of the Accusation of)
13) No. H-4412 SD
14 WALID, INC. and)
15 MOHAMED H. AMMOURI,) ACCUSATION
16 Respondents.)

17 The Complainant, TRICIA D. SOMMERS, in her official capacity as a Deputy
18 Real Estate Commissioner of the State of California, for cause of Accusation against WALID,
19 INC., individually and doing business as "Credible Loan Modification", "Credible Realty",
20 "New Beginnings Loan Modifications", "New Beginnings Realty", "Town Mortgage & Realty"
21 and "Town Realty" ("WALID"); and MOHAMED H. AMMOURI, individually and doing
22 business as "Hometown Finance", "Pacific Lenders Group" and "Town Mortgage And Realty"
23 ("AMMOURI"), (collectively "Respondents"), is informed and alleges as follows:

24 1

25 At all times relevant, WALID was licensed by the Department of Real Estate
26 ("the Department") and/or has license rights under the Real Estate Law, Part 1 of Division 4 of

27 ///

1 the Business and Professions Code ("the Code"), as a corporate real estate broker, which license
2 expired on March 5, 2011.

3 2

4 At all times relevant, AMMOURI was and is licensed and/or has license rights
5 under the Code as a real estate broker. At all times relevant, AMMOURI was licensed by the
6 Department as the designated broker/officer of WALID. As the designated broker/officer,
7 AMMOURI was responsible, pursuant to Section 10159.2 (responsibility of corporate officer in
8 charge) of the Code, for the supervision of the activities of the officers, agents, real estate
9 licensees and employees of WALID for which a real estate license is required.

10 3

11 At all times relevant, Respondents engaged in the business of, acted in the
12 capacity of, advertised or assumed to act as a real estate broker within the State of California
13 within the meaning of Section 10131(a) of the Code, including selling or offering to sell, buying
14 or offer to buy, soliciting prospective sellers or purchasers of, soliciting or obtaining lists of, or
15 negotiating the purchase, sale or exchange of real property; and Section 10131(d) of the Code,
16 including the operation and conduct of a loan brokerage business with the public, wherein, on
17 behalf of others, for compensation or in expectation of compensation, Respondents solicited
18 lenders and borrowers for loans secured directly or collaterally by liens on real property, and
19 wherein Respondents arranged, negotiated, processed and consummated such loans; and
20 charged, demanded or collected an advance fee for any of the services offered.

21 FIRST CAUSE OF ACTION

22 4

23 On or about October 11, 2011, and continuing intermittently through October 13,
24 2011, an audit was conducted of Respondents at their main office located at 11610 Iberia Place,
25 Suite 210, San Diego, California, and the Department's Oakland District Office, where the
26 auditor examined the records for the period of October 1, 2008, through September 30, 2011
27 (the audit period).

While acting as a real estate broker as described in Paragraph 3, above, and within the audit period, Respondents accepted or received funds in trust (trust funds) in the course of the real estate activities described in Paragraph 3, above, and deposited or caused the funds to be deposited into a bank account maintained by Respondents, including:

Trust Account #1

Bank of America
16849 Bernardo Center Drive
San Diego, CA 92128

Account No.: XXXXX-X0210

Account Name: Walid Inc dba Town Mortgage & Realty
Real Estate Trust Account

Signatories: Mohamed Ammouri

Bank Account #1

Bank of America
16849 Bernardo Center Drive
San Diego, CA 92128

Account No.: XXXXX-X6585

Account Name: Walid Inc dba Town Mortgage & Realty,
Pacific Lenders Group

Signatories: Mohamed Ammouri

Bank Account #2

Bank of America
16849 Bernardo Center Drive
San Diego, CA 92128

Account No.: XXXXX-X2579

Account Name: Walid Inc dba Town Mortgage & Realty

Signatories: Mohamed Ammouri

1 Thereafter, from time-to-time, Respondents made disbursements of said trust funds.

2 6

3 In the course of the real estate activities described in Paragraph 3, above, in
4 connection with the collection and disbursement of trust funds:

5 (a) Respondents failed to maintain adequate trust records resulting in an
6 inability by the Department's auditor to conduct a reconciliation of the adjusted
7 bank balance to the accountability of Trust Account #1 and Bank Accounts #1
8 and #2. Such acts and/or omissions by Respondents violate Section 10145 (trust
9 fund handling) of the Code.

10 (b) Respondents deposited advance fees they collected into Bank Accounts
11 #1 and #2, which were not designated as trust accounts. Such acts and/or
12 omissions by Respondents violate Sections 10145 and 10146 (deposit of advance
13 fees into trust account) of the Code.

14 (c) Respondents failed to designate Bank Accounts #1 and #2 as trust
15 accounts. Such acts and/or omissions by Respondents violate Section 10145 of
16 the Code and Section 2832 (trust fund handling) of Title 10 of the California
17 Code of Regulations ("the Regulations").

18 (d) Respondents failed to maintain adequate control records for Trust
19 Account #1 and Bank Accounts #1 and #2. Such acts and/or omissions by
20 Respondents violate Section 10145 of the Code and Section 2831 (trust fund
21 records maintenance) of the Regulations.

22 (e) Respondents failed to maintain separate records for each beneficiary of
23 funds held in Trust Account #1 and Bank Accounts #1 and #2. Such acts and/or
24 omissions by Respondents violate Section 10145 of the Code and Section 2831.1
25 (separate records for each beneficiary or transaction) of the Regulations.

26 (f) Respondents failed to maintain accurate written monthly reconciliations
27 for the balances of all of the separate records with the control records for Trust

1 Account #1 and Bank Accounts #1 and #2. Such acts and/or omissions by
2 Respondents violate Section 10145 of the Code and Section 2831.2 (trust
3 account reconciliation) of the Regulations.

4 (g) Respondents failed to retain all bank records related to its collection of
5 trust funds, including, but not limited to, cancelled checks and bank deposit
6 slips. Such acts and/or omissions by Respondents violate Section 10148 of the
7 Code (retention of records).

8 (h) Respondents failed to maintain records of all trust funds received and not
9 placed into its broker trust fund account. Such acts and/or omissions by
10 Respondents violate Section 10145 of the Code and Section 2831(a)(6) of the
11 Regulations.

12 (i) Respondents commingled trust funds with non-trust funds in Bank
13 Accounts #1 and #2. Such acts and/or omissions by Respondents violate
14 Sections 10145 and 10176(e) (commingling) of the Code and Section 2835
15 (commingling) of the Regulations.

16 7

17 The acts and/or omissions by Respondents as set forth in Paragraph 6, above,
18 violate Sections 10145, 10146, 10148 and 10176(e) of the Code, and Sections 2831, 2831(a)(6),
19 2831.1, 2831.2, 2832 and 2835 of the Regulations, and are grounds for discipline of
20 Respondents' real estate licenses and license rights under Sections 10176(e), and 10177(d)
21 (willful disregard/violation of real estate law) and/or 10177(g) (negligence or incompetence) of
22 the Code. In addition, the Department is entitled to reimbursement for the costs of its audit
23 pursuant to Section 10148(b) (cost of audit in final decision following disciplinary hearing) of
24 the Code.

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1 SECOND CAUSE OF ACTION

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3 On or about September 28, 2009, Respondents entered into agreements to
4 provide loan modification services for Lihn H. for his real properties located at 1265 Avenida
5 Amistad, San Marcos, California and 734 Silver Drive, Vista, California. In exchange for those
6 loan modification services, Respondents collected an advance fee of \$2,500 from Lihn H.

7 9

8 After receiving the advance fees from Lihn H., Respondents failed to obtain
9 loan modifications for him. After participating in mediation, Lihn H. received repayment of
10 \$1,250 of the advance fees from Respondents.

11 10

12 The acts and/or omissions by Respondents as alleged in Paragraphs 8 and 9,
13 above, violate Sections 10085.5 (collecting unauthorized advance fees) and 10085.6 (collection
14 of advance fees) of the Code, and are grounds for discipline of Respondents' real estate licenses
15 or license rights under Sections 10176(a) (making substantial misrepresentation), 10176(b)
16 (making false promises likely to influence, persuade or induce), 10176(i) (fraud or dishonest
17 dealing), and 10177(d) and/or 10177(g) of the Code, and are grounds for the discipline of
18 Respondents' real estate licenses and license rights under Sections 10176(i), and 10177(d)
19 and/or 10177(g) of the Code.

20 THIRD CAUSE OF ACTION

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22 On or after October 11, 2009, Respondents entered into at least 17 loan
23 modification agreements with clients in exchange for the payment of advance fees, including:

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<u>Borrower</u>	<u>Agreement Date</u>	<u>Amount of Fees</u>
Amador	04/19/10	\$2,000
Newman	05/27/10	\$2,000
Olhoff	06/02/10	\$2,000
Kullier	02/27/11	\$2,000

12

The acts and/or omissions of Respondents as alleged in Paragraph 11, above, violate Sections 10085.5 and 10085.6 of the Code, and are grounds for the discipline of Respondents' real estate licenses and license rights under Sections 10177(d) and/or 10177(g) of the Code. Such acts also violate Section 2944.7 (loan modification services – prohibition of advance fees) of the California Civil Code and are grounds for discipline under Section 10177(q) (failure to comply with Civil Code related to mortgages) of the Code.

FOURTH CAUSE OF ACTION

13

On or about April 1, 2010, WALID's right to conduct business in the State of California was suspended by the Secretary of State of the State of California. As a result, WALID was no longer in good standing with the Secretary of State. However, WALID continued to conduct real estate activities after its right to conduct business in California had been suspended, including:

<u>Borrower</u>	<u>Agreement Date</u>	<u>Amount of Fees</u>
Amador	04/19/10	\$2,000
Newman	05/27/10	\$2,000
Olhoff	06/02/10	\$2,000
Kullier	02/27/11	\$2,000

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The acts and/or omissions of WALID, as alleged in Paragraph 13, above, violate Section 2742(c) (requirement of good standing to conduct broker activity) of the Regulations, and are grounds for discipline of WALID's real estate license and license rights under Section 10177(d) and/or 10177(g) of the Code.

FIFTH CAUSE OF ACTION

15

On or about July 17, 2009, Respondents submitted a Residential Purchase Agreement to Affinity Escrow Services for the real property located at 801 Ash Street, #801, San Diego, California. As a part of that purchase offer, Respondents represented that they had in their possession an earnest money check in the amount of \$4,500 from the prospective buyers of the property. In fact, Respondents did not have a deposit check from the prospective buyers at the time it submitted the purchase offer.

16

The acts and/or omissions of Respondents as alleged in Paragraph 15, above, violate Section 10176(a) of the Code, and are grounds for the discipline of Respondents' real estate licenses and license rights under Sections 10176(i), and 10177(d) and/or 10177(g) of the Code.

SIXTH CAUSE OF ACTION

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As the designated broker officer for WALID, AMMOURI was responsible for the supervision and control of the activities conducted on behalf of WALID by its officers and employees. AMMOURI failed to exercise reasonable supervision and control over the property management activities of WALID. In particular, AMMOURI permitted, ratified and/or caused the conduct described in the First through Fifth Causes of Action, above, to occur, and failed to take reasonable steps, including, but not limited to, the handling of trust funds, supervision of

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1 employees and the implementation of policies, rules, procedures and systems to ensure
2 compliance with the Real Estate Law and the Regulations.

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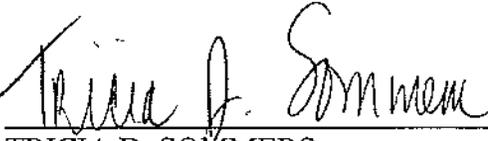
4 The acts and/or omissions of AMMOURI as set forth in Paragraph 17, above,
5 violate Section 10159.2 of the Code and Section 2725 (broker supervision) of the Regulations,
6 and are grounds for the discipline of AMMOURI's real estate licenses and license rights under
7 Sections 10177(d) and/or 10177(g), and 10177(h) (reasonable broker supervision) of the Code.

8 COST RECOVERY

9 19

10 Section 10106 of the Code provides, in pertinent part, that in any order issued in
11 resolution of a disciplinary proceeding before the department, the Commissioner may request
12 the administrative law judge to direct a licensee found to have committed a violation of this part
13 to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the
14 case.

15 WHEREFORE, Complainant prays that a hearing be conducted on the
16 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
17 disciplinary action against all licenses and license rights of Respondents under the Code, for
18 the reasonable cost of investigation and prosecution of this case, including agency attorney's
19 fees, and for such other and further relief as may be proper under other provisions of law.

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21 
22 TRICIA D. SOMMERS
23 Deputy Real Estate Commissioner

24 Dated at Sacramento, California,
25 this 10th day of September, 2012.