BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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FILED
MAR - 1 2011
DEPARTMENT OF REAL ESTATE
By

In the Matter of the Accusation of R&R HOLDINGS, INC. and RANDALL MAGDY AWAD, Respondents.	)	NO. H-36892 LA

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on February 8 2011, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On October 27, 2010, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, return receipt requested, to Respondents on November 2, 2010. The certified mailing was returned by the post office marked, "Return to Sender, undeliverable as addressed, unable to forward." On December 10, 2010, a second attempt at service was made by regular mail to Respondents. The regular mailing was returned by the post office marked, "Return to Sender, undeliverable as addressed, unable to forward."

On February 8, 2011, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

2.

Respondent R&R HOLDINGS, INC. ("R&R") is licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as a real estate corporation. Respondent was first issued a real estate corporation license by the Department of Real Estate ("Department") of the State of California on or about April 23, 2007.

3.

Respondent RANDALL MAGDY AWAD ("Respondent AWAD") is licensed and/or has license rights as a real estate broker and as the designated broker-officer of Respondent R&R.

4.

From April 23, 2007 to August 24, 2009, Respondent AWAD, as the officer designated by R&R, pursuant to Code Section 10211, was responsible for the supervision and control of activities conducted on behalf of R&R by its officers and employees as necessary to secure full compliance with the Real Estate Law as set forth in Code Section 10159.2.

5.

On January 2, 2009, the Secretary of State of the State of California suspended R&R's powers, rights, and privileges pursuant to the provisions of the California Revenue and Taxation Code. The entity's powers, rights, and privileges remain suspended.

6.

The current main office and mailing address maintained by Respondents with the Department is 18757 Burbank Blvd., Suite 100, Tarzana, California 91356. Respondents are no longer located at this address nor have Respondents informed the Real Estate Commissioner of any new address. Respondents are not presently maintaining any definite place of business in the State of California which shall serve as their office for the transaction of business requiring a real estate license.

7.

During a period of time from approximately September, 2008 through March, 2009, Respondents AWAD and R&R, doing business as Great Western Financial Services, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Code Sections 10131(d) and 10131.2, for or in expectation of compensation. Respondents solicited and represented borrowers in negotiating and modifying terms and obtaining mortgage loans, and collected advance fees within the meaning of Code Sections 10026 and 10131.2, pursuant to written agreements which constituted advance fee agreements within the meaning of Code Section 10085. Respondents failed to submit these advance fee agreements to the Commissioner before using them.

8.

Respondents entered into a loan modification agreement with numerous consumers including, but not limited to, the following:

a. Oswald Nelson Figueroa transaction

On or about September 19, 2008, Respondents charged Oswald Nelson Figueroa an advance fee of $2,800. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Norwalk, California. Respondents employed or compensated Mo Amir, an unlicensed person, to solicit and perform services for borrower Oswald Nelson Figueroa in connection with a loan secured by real property.

b. Donna Demtrius transaction

On or about October 24, 2008, Respondents charged Donna Demetrius an advance fee of $2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation; negotiation, and modification services to be provided by Respondents with respect to a loan secured by the real property located in Panorama City, California. Respondents employed or compensated Karen Ruano, an unlicensed person, to solicit and perform services for borrower Donna Demetrius in connection with a loan secured by real property.

c. Denise R. Thompson transaction

On or about December 18, 2008, Respondents charged Denise R. Thompson an advance fee of $1,900. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in the State of Maryland. Respondents employed or compensated unlicensed persons Michael Fernandez and Sam Masri, to solicit and perform services for borrower Denise R. Thompson in connection with a loan secured by real property.

d. Ann E. Riddle transaction

On or about March 12, 2009, Respondents charged Ann E. Riddle an advance fee of $2,000. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Reseda, California. Respondents employed or compensated Scott Haghverdian, an unlicensed person, to solicit and perform services for borrower, Ann E. Riddle, in connection with a loan secured by real property.

e. Gabriel A. Campos Guzman transaction

On or about December 8, 2008, Respondents charged Gabriel A. Campos Guzman an advance fee of $2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Indio, California.

f. Carlos Ortega transaction

On or about October 9, 2008, Respondents charged Carlos Ortega an advance fee of $2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in the State of Arizona. Respondents employed or compensated Karen Ruano, an unlicensed person, to solicit and perform services for borrower Carlos Ortega in connection with a loan secured by real property.

9.

Non-exempt from license requirements

Code Section 10133(a) states that the acts described in Code Section 10131 are not acts for which a real estate license is required if performed by:

"(3) An attorney at law in rendering legal services to a client."

10.

During all times relevant herein, Respondent AWAD was not licensed to practice law in the State of California. Respondent AWAD provided no legal services to the borrowers listed in Paragraph 8 that would exempt him from the license requirements under Section 10131.

11.

The activities described in Paragraphs 7 and 8, require a real estate license under Code Sections 10131(d) and 10131.2. Respondents violated Code Section 10137 by employing and/or compensating individuals who were not licensed as a real estate salesperson or as a broker to perform activities requiring a license. Among the unlicensed employees or representatives performing activities requiring a real estate license were Mo Amir, Sam Masri, Michael Fernandez, Scott Haghverdian and Karen Ruano.

DETERMINATION OF ISSUES

1.

The suspension of R&R's corporate powers, rights and privileges constitutes cause for the suspension or revocation of all real estate licenses and license rights of R&R under the provisions of Regulation 2742(c) of Chapter 6, Title 10, California Code of Regulations ("Regulations") and Code Sections 10177(d) and 10177(f).

2.

The acts and omissions of Respondents R&R and AWAD, as set forth in Paragraph 6, for office abandonment, are in violation of Code Section 10162 and are grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Section 10165.

3.

The conduct, acts and/or omissions of Respondents R&R and AWAD as set forth in Paragraphs 7 and 8 above, in collecting advance fees from prospective borrowers pursuant to a written fee agreement, which agreement was not submitted to the Department for review prior to use, was in violation of Code Section 10085 and Regulation 2970, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Section 10177(d).

4.

The conduct, acts and/or omissions of Respondents as set forth in Paragraph 11 constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents R&R and AWAD pursuant to Code Sections 10137 and 10177(d).

5.

The conduct, acts and/or omissions of Respondent AWAD, as set forth above in Paragraphs 4 through 11, in failing to adequately supervise the activities of R&R, constitutes grounds to discipline the license and/or license rights of Respondent AWAD pursuant to Code Sections 10159.2, 10177(d), 10177(h), and/or 10177(g).

6.

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

ORDER

The licenses and license rights of Respondent, R&R HOLDINGS, INC. and RANDALL MAGDY AWAD, under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on March 21, 2011.

DATED: 2/23, 2011.

JEFF DAVI
Real Estate Commissioner

BY: Barbara J. Bigby
Chief Deputy Commissioner

Department of Real Estate
320 West Fourth Street, Suite 350
Los Angeles, California 90013-1105

FILED
FEB - 8 2011
DEPARTMENT OF REAL ESTATE
By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of R&R HOLDINGS, INC., and RANDALL MAGDY AWAD, Respondents.	NO. H-36892 LA DEFAULT ORDER

Respondents, R&R HOLDINGS, INC. and RANDALL MAGDY AWAD, having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, are now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED February 8, 2011.

JEFF DAVI
Real Estate Commissioner

By: DOLORES WEEKS
Regional Manager

SAC

LISSETE GARCIA SBN# 211552
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of R&R HOLDINGS, INC. and RANDALL MAGDY AWAD, Respondents.	No. **H-36892 LA** A C C U S A T I O N

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against R&R HOLDINGS, INC. ("R&R") and RANDALL MAGDY AWAD ("AWAD"), is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

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2.

Respondents R&R and AWAD are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) ("Code"),

3.

At all times herein mentioned, Respondent R&R was licensed as a real estate corporation acting by and through Respondent AWAD as its designated broker-officer.

4.

At all times herein mentioned, Respondent AWAD was licensed a real estate broker and as the designated broker-officer of Respondent R&R.

5.

From April 23, 2007 to August 24, 2009, Respondent AWAD, as the officer designated by R&R, pursuant to Code Section 10211, was responsible for the supervision and control of activities conducted on behalf of R&R by its officers and employees as necessary to secure full compliance with the Real Estate Law as set forth in Code Section 10159.2.

FIRST CAUSE OF ACCUSATION
(Suspended Corporate Status)

6.

On January 2, 2009, the Secretary of State of the State of California suspended R&R's powers, rights, and privileges pursuant to the provisions of the California Revenue and Taxation Code. The entity's powers, rights, and privileges remain suspended.

7.

The suspension of R&R's corporate powers, rights and privileges constitutes cause for the suspension or revocation of all real estate licenses and license rights of R&R under the provisions of Regulation 2742(c) of Chapter 6, Title 10, California Code of Regulations ("Regulations") and Code Sections 10177(d), 10177(f) and/or 10177(g).

SECOND CAUSE OF ACCUSATION
(Office Abandonment)

8.

There is hereby incorporated in this Second, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 7, with the same force and effect as if herein fully set forth.

9.

The current main office and mailing address maintained by Respondents with the Department is 18757 Burbank Blvd., Suite 100, Tarzana, California 91356. Respondents are no longer located at this address nor have Respondents informed the Real Estate Commissioner of any new address. Respondents are not presently maintaining any definite place of business in the State of California which shall serve as their office for the transaction of business requiring a real estate license.

10.

The acts and omissions of Respondents, as set forth in Paragraph 9 are in violation of Code Section 10162 and are

grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Section 10165.

THIRD CAUSE OF ACCUSATION
(Advance Fee Violations)

11.

There is hereby incorporated in this Third, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 10, with the same force and effect as if herein fully set forth.

12.

During a period of time from approximately September, 2008 through March, 2009, Respondents AWAD and R&R, doing business as Great Western Financial Services, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Code Sections 10131(d) and 10131.2, for or in expectation of compensation. Respondents solicited and represented borrowers in negotiating and modifying terms and obtaining mortgage loans, and collected advance fees within the meaning of Code Sections 10026 and 10131.2, pursuant to written agreements which constituted advance fee agreements within the meaning of Code Section 10085. Respondents failed to submit these advance fee agreements to the Commissioner before using them.

13.

Respondents entered into a loan modification agreement with numerous consumers including, but not limited to, the following:

a. Oswald Nelson Figueroa transaction

On or about September 19, 2008, Respondents charged Oswald Nelson Figueroa an advance fee of $2,800. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Norwalk, California. Respondents employed or compensated Mo Amir, an unlicensed person, to solicit and perform services for borrower Oswald Nelson Figueroa in connection with a loan secured by real property.

b. Donna Demetrius transaction

On or about October 24, 2008, Respondents charged Donna Demetrious an advance fee of $2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by the real property located in Panorama City, California. Respondents employed or compensated Karen Ruano, an unlicensed person, to solicit and perform services for borrower Donna Demetrius in connection with a loan secured by real property.

c. Denise R. Thompson transaction

On or about December 18, 2008, Respondents charged Denise R. Thompson an advance fee of $1,900. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan

secured by real property located in the State of Maryland. Respondents employed or compensated unlicensed persons Michael Fernandez and Sam Masri, to solicit and perform services for borrower Denise R. Thompson in connection with a loan secured by real property.

d. Ann E. Riddle transaction

On or about March 12, 2009, Respondents charged Ann E. Riddle an advance fee of $2,000. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Reseda, California. Respondents employed or compensated Scott Haghverdian, an unlicensed person, to solicit and perform services for borrower, Ann E. Riddle, in connection with a loan secured by real property.

e. Gabriel A. Campos Guzman transaction

On or about December 8, 2008, Respondents charged Gabriel A. Campos Guzman an advance fee of $2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Indio, California.

f. Carlos Ortega transaction

On or about October 9, 2008, Respondents charged Carlos Ortega an advance fee of $2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to

be provided by Respondents with respect to a loan secured by real property located in the State of Arizona. Respondents employed or compensated Karen Ruano, an unlicensed person, to solicit and perform services for borrower Carlos Ortega in connection with a loan secured by real property.

14.

Non-exempt from license requirements

Code Section 10133(a) states that the acts described in Code Section 10131 are not acts for which a real estate license is required if performed by:

"(3) An attorney at law in rendering legal services to a client."

15.

During all times relevant herein, Respondent AWAD was not licensed to practice law in the State of California. Respondent AWAD provided no legal services to the borrowers listed in Paragraph 13 that would exempt him from the license requirements under Section 10131.

16.

The conduct, acts and/or omissions of Respondents as set forth in Paragraphs 12 through 15 above, in collecting advance fees from prospective borrowers pursuant to a written fee agreement, which agreement was not submitted to the Department for review prior to use, was in violation of Code Section 10085 and Regulation 2970, and constitutes grounds for the suspension or revocation of the licenses and license rights

of Respondents pursuant to Code Sections 10177(d) and/or 10177(g).

FOURTH CAUSE OF ACCUSATION
(Employment or Compensation for Unlicensed Activities)

17.

There is hereby incorporated in this Fourth, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 16, with the same force and effect as if herein fully set forth.

18.

The activities described in Paragraphs 12 through 15, require a real estate license under Code Sections 10131(d) and 10131.2. Respondents violated Code Section 10137 by employing and/or compensating individuals who were not licensed as a real estate salesperson or as a broker to perform activities requiring a license. Among the unlicensed employees or representatives performing activities requiring a real estate license were Mo Amir, Sam Masri, Michael Fernandez, Scott Haghverdian and Karen Ruano. The conduct, acts and/or omissions of Respondents constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10137, 10177(d) and/or 10177(g).

FIFTH CAUSE OF ACCUSATION
(Failure to Supervise)

19.

There is hereby incorporated in this Fifth, separate Cause of Accusation, all of the allegations contained in

Paragraphs 1 through 18, with the same force and effect as if herein fully set forth.

20.

The conduct, acts and/or omissions of Respondent AWAD, as set forth above in Paragraphs 6 through 18, in failing to adequately supervise the activities of R&R, constitutes grounds to discipline the license and/or license rights of Respondent AWAD pursuant to Code Sections 10159.2, 10177(d), 10177(h), and/or 10177(g).

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all the licenses and license rights of R&R HOLDINGS, INC. and RANDALL MAGDY AWAD, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California
this 27th day of October, 2010.

Maria Suarez
Deputy Real Estate Commissioner

cc: R&R Holdings, Inc.
Randall Magdy Awad
Maria Suarez
Sacto.