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FILED

APR 29 2013

DEPARTMENT OF REAL ESTATE

BY:

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of CHASE CAPITAL GROUP, INC.; KOUROSH KHATIBLOU, individually and as designated officer of Chase Capital Group, Inc., and JAROD LEE CHASE, Respondents.	No. H-37146 LA

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

TO: JAROD LEE CHASE
406 E. 2nd St.
Los Angeles, CA 90012

On May 4, 2012, a restricted real estate salesperson license was issued by the Department of Real Estate ("Department") to JAROD LEE CHASE ("Respondent") on the terms, conditions and restrictions set forth in the Real Estate Commissioner's Decision in Case No. H-37146 LA. This Order, which became effective on April 3, 2012, provided that the right to a restricted real estate salesperson license was subject to

the provisions of Section 10156.7 of the Business and Professions Code and to enumerated additional terms, conditions and restrictions imposed under authority of Section 10156.6 of said Code ("Code"). Among those terms, conditions and restrictions, Respondent was required to provide satisfactory evidence that: (a) he has repaid $5,750 to Elvia A. within six (6) months from the effective date of the Decision; and (b) he has since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirement of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license, within nine (9) months from the effective date of the Decision.

The Commissioner has determined that as of October 3, 2012, Respondent has failed to satisfy condition (a) and as of January 3, 2013, Respondent has also failed to satisfy condition (b) by failing to provide proof of completion of 30 hours in consumer service and consumer protection courses. As such, Respondent is in violation of Section 10177(k) of the Code.

NOW, THEREFORE, IT IS ORDERED under authority of the Order issued in this matter that the real estate salesperson license heretofore issued to Respondent and the exercise of any privileges thereunder is hereby suspended until such time as Respondent provides proof satisfactory to the Department of compliance with the "condition" referred to above, or pending final determination made after hearing (see "Hearing Rights" set forth below).

IT IS FURTHER ORDERED that all license certificates and identification cards issued by Department which are in the possession of Respondent be immediately surrendered by personal delivery or by mailing in the enclosed, self-addressed envelope to:

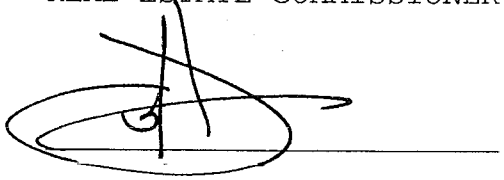
Department of Real Estate
Attn: Flag Section
P. O. Box 187000
Sacramento, CA 95818-7000

HEARING RIGHTS: You have the right to a hearing to contest the Commissioner's determination that you are in violation of the Order issued in this matter. If you desire a hearing, you must submit a written request. The request may be in any form, as long as it is in writing and indicates that you want a hearing. Unless a written request for a hearing, signed by or on behalf of you, is delivered or mailed to the Department at 320 W. 4th Street, Room 350, Los Angeles, California 90013, within 20 days after the date that this Order was mailed to or served on you, the Department will not be obligated or required to provide you with a hearing.

This Order shall be effective immediately.

DATED: APRIL 24, 2013

REAL ESTATE COMMISSIONER



By: Jeffrey Mason
Chief Deputy Commissioner

Department of Real Estate
320 W. 4TH Street, Suite 350
Los Angeles, CA 90013-1105

Telephone: (213) 576-6982

FILED

MAR 14 2012

DEPARTMENT OF REAL ESTATE
BY:

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of CHASE CAPITAL GROUP INC.; and KOUROSH KHATIBLOU, individually and as designated officer of Chase Capital Group Inc.; and JAROD LEE CHASE, Respondents.	No. H-37146 LA L-2011070291 STIPULATION AND AGREEMENT

It is hereby stipulated by and between Respondent JAROD LEE CHASE, (sometimes referred to as "Respondent"), and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on March 22, 2011, in this matter:

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

2. Respondent has received, read and understands the Statement to Respondent,

the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate in this proceeding.

3. Respondent filed a Notice of Defense pursuant to Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that he understands that by withdrawing said Notice of Defense he thereby waives his right to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA and that he will waive other rights afforded to him in connection with the hearing such as the right to present evidence in his defense the right to cross-examine witnesses.

4. This Stipulation is based on the allegations contained in the Accusation. In the interest of expedience and economy Respondent chooses not to contest these allegations but to remain silent and understands that, as a result thereof, these allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to provide further evidence to prove said allegations.

5. This Stipulation is made for the purpose of reaching an agreed disposition of this proceeding and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate ("Department"), or another licensing agency of this state, another state or if the federal government is involved, and otherwise shall not be admissible in any other criminal or civil proceeding.

6. It is understood by the parties that the Real Estate Commissioner may adopt this Stipulation as her Decision in this matter thereby imposing the penalty and sanctions on Respondent's real estate license and license rights as set forth in the below "Order". In the event that the Commissioner in his discretion does not adopt the Stipulation, the Stipulation shall be void and of no effect and Respondent shall retain the right to a hearing and proceeding on the Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver

made herein.

7. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further administrative or civil proceedings by the Department of Real Estate with respect to any matters which were not specifically alleged to be causes for accusation in this proceeding.

DETERMINATION OF ISSUES

By reason of the foregoing, it is stipulated and agreed that the following determination of issues shall be made:

I.

The conduct of JAROD LEE CHASE, as described in Paragraph 4, above, is in violation of Section 10177(g) and is a basis for discipline of Respondent's license and license rights pursuant to said Section 10177(g).

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

The real estate salesperson license of Respondent JAROD LEE CHASE under the Real Estate Law is revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondent, pursuant to Section 10156.5 of the Business and Professions Code, if Respondent:

Makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within ninety (90) days from the effective date of this Decision. The restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Code and the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code.

1. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction or plea of

nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

2. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two (2) years has elapsed from the effective date of the issuance of the restricted license.

4. Respondent shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Department of Real Estate which shall certify:

(a) That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and

(b) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

5. Respondent shall, within nine (9) months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to

the Administrative Procedure Act to present such evidence.

6. Respondent shall within six (6) months from the effective date of the Decision herein, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of Respondent's license until Respondent passes the examination.

7. As a further condition for the Commissioner to enter into this Stipulation, Respondent shall provide evidence satisfactory to the Real Estate Commissioner that Respondent has either repaid to Elvia A. $5,750, or otherwise satisfied Elvia A. If Respondent fails to provide such evidence to the Commissioner within six (6) months from the effective date of the Decision, the Commissioner may order suspension of Respondent's license until Respondent satisfies this condition.

DATED: 1-19-12

ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

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EXECUTION OF THE STIPULATION

I have read the Stipulation and Agreement. 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 Administrative Procedure Act (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.

FACSIMILE

Respondent can signify acceptance and approval of the terms and conditions of this Stipulation by faxing a copy of its signature page, as actually signed by Respondent, to the Department at the following facsimile number: Elliott Mac Lennan at (213) 576-6917. Respondent agree, acknowledge and understand that by electronically sending to the Department a fax copy of Respondent' actual signature as they appear on the Stipulation, that receipt of the faxed copy by the Department shall be as binding on Respondent as if the Department had received the original signed Stipulation.

DATED: 1/19/12

JAROD LEE CHASE,
Respondent

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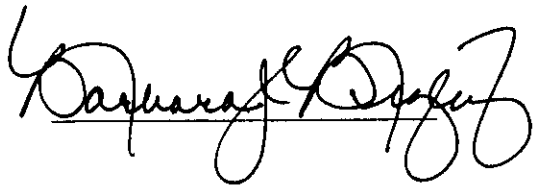
* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent JAROD LEE CHASE and shall become effective at 12 o'clock noon on April 3, 2012.

IT IS SO ORDERED 2/27, 2012.

BARBARA J. BIGBY
Acting Real Estate Commissioner



FILED

MAR 14 2012

DEPARTMENT OF REAL ESTATE
BY:

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of CHASE CAPITAL GROUP INC.; and KOUROSH KHATIBLOU, individually and as designated officer of Chase Capital Group Inc.; and JAROD LEE CHASE, Respondents.	)	No. H-37146 LA

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On March 22, 2011, an Accusation was filed in this matter against Respondent CHASE CAPITAL GROUP INC.

On January 18, 2012, Respondent petitioned the Commissioner to voluntarily surrender its real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that CHASE CAPITAL GROUP INC.'s petition for voluntary surrender of its real estate broker license and/or license rights are accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated January 18, 2012. Respondents' license certificate, pocket card and any branch office license certificate shall be sent to the below listed address so that they reach the Department on or before the effective date of this Order:

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

This Order shall become effective at 12 o'clock noon on

April 3, 2012.

DATED: 2/27, 2012

BARBARA J. BIGBY
Acting Real Estate Commissioner

EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of CHASE CAPITAL GROUP INC.; and KOUROSH KHATIBLOU, individually and as designated officer of Chase Capital Group Inc.; and JAROD LEE CHASE.; Respondents.	No. H-37146 LA

DECLARATION

My name is KOUROSH KHATIBLOU and I am the designated officer of CHASE CAPITAL GROUP INC. which is licensed as a real estate broker and/or has license rights with respect to said licenses. I am acting on behalf of and am authorized and empowered to sign this declaration on behalf of CHASE CAPITAL GROUP INC.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedures Act (Sections 11400 et seq., of the Government Code) CHASE CAPITAL GROUP INC.. wishes to voluntarily surrender its real estate license issued by the

Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.

I understand that CHASE CAPITAL GROUP INC., by so voluntarily surrendering its license, can only have it reinstated in accordance with the provisions of Section 11522 of the Government Code. I also understand that by so voluntarily surrendering its license rights, CHASE CAPITAL GROUP INC. agrees to the following:

The filing of this Declaration shall be deemed as CHASE CAPITAL GROUP INC.'s petition for voluntary surrender. It shall also be deemed to be an understanding and agreement by CHASE CAPITAL GROUP INC. that, it waives all rights it has to require the Commissioner to prove the allegations contained in the Accusation ("Accusation") filed in this matter at a hearing held in accordance with the provisions of the Administrative Procedures Act (Government Code Sections 11400 et seq.), and that it also waives other rights afforded to it in connection with the hearing such as the right to discovery, the right to present evidence in defense of the allegations in the Accusation and the right to cross examine witnesses.

I further agree on behalf of CHASE CAPITAL GROUP INC. that upon acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant evidence obtained by the Department in this matter prior to the Commissioner's acceptance, and all allegations contained in the Accusation filed in the Department Case No. H-37146 LA, may be considered by the Department to be true and correct for the purpose of deciding whether or not to grant reinstatement of CHASE CAPITAL GROUP INC.'s license pursuant to Government Code Section 11522.

This Declaration is not an admission by CHASE CAPITAL GROUP INC.. as to the allegations in the Accusation. This Declaration is made for the purpose of reaching a resolution of allegations contained in the DRE Case number H-37146 LA, and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real

Estate is a party and shall not otherwise be admissible or relied upon by any third parties for any purpose.

I further agree on behalf of CHASE CAPITAL GROUP INC. to pay the Commissioner's reasonable cost for the audit which led to this action. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. CHASE CAPITAL GROUP INC. will pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities.

I am aware that if CHASE CAPITAL GROUP INC. petitions for reinstatement in the future, that payment of the audit costs will be a condition of reinstatement.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that I am acting freely and voluntarily on behalf of CHASE CAPITAL GROUP INC. to surrender its licenses and all license rights attached thereto.

1/12/2012, 2012
Los Angeles, California

BY: KOUROSH KHATIBLOU
Designated Officer of
CHASE CAPITAL GROUP INC.

FILED

MAR 14 2012

DEPARTMENT OF REAL ESTATE

BY:

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of CHASE CAPITAL GROUP INC.; and KOUROSH KHATIBLOU, individually and as designated officer of Chase Capital Group Inc.; and JAROD LEE CHASE, Respondents.	)	No. H-37146 LA

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On August 29, 2011, an Accusation was filed in this matter against Respondent KOUROSH KHATIBLOU.

On January 18, 2012, Respondent petitioned the Commissioner to voluntarily surrender his real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent KOUROSH KHATIBLOU's petition for voluntary surrender of his real estate broker license rights is accepted as of the effective date of

this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated December 7, 2011, (attached as Exhibit "A" hereto). Respondent's license certificate, pocket card and any branch office license certificate shall be sent to the below listed address so that they reach the Department on or before the effective date of this Order:

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

This Order shall become effective at 12 o'clock noon on April 3, 2012.

DATED: 2/27, 2012

BARBARA J. BIGBY
Acting Real Estate Commissioner

EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of CHASE CAPITAL GROUP INC.; and KOUROSH KHATIBLOU, individually and as designated officer of Chase Capital Group Inc.; and JAROD LEE CHASE; Respondents.	)	No. H-37146 LA

DECLARATION

My name is KOUROSH KHATIBLOU and I am currently licensed as a real estate broker and/or have license rights with respect to said license. In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code), I wish to voluntarily surrender my real estate license rights issued by the Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.

///

I understand that by so voluntarily surrendering my license rights, I may be relicensed as a broker or as a salesperson by petitioning for reinstatement pursuant to Section 11522 of the Government Code. I also understand that by so voluntarily surrendering my license(s), I agree to the following:

1. The filing of this Declaration shall be deemed as my petition for voluntary surrender.

2. It shall also be deemed to be an understanding and agreement by me that I waive all rights I have to require the Commissioner to prove the allegations contained in the Accusation ("Accusation") filed in this matter at a hearing held in accordance with the provisions of the Administrative Procedure Act (Government Code Sections 11400 et seq.), and that I also waive other rights afforded to me in connection with the hearing such as the right to discovery, the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

3. I further agree that upon acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant evidence obtained by the Department in this matter prior to the Commissioner's acceptance, and all allegations contained in the Accusation filed in the Department Case No. H-37146 LA, with respect to me may be considered by the Department to be true and correct for the purpose of deciding whether to grant relicensure or reinstatement pursuant to Government Code Section 11522.

4. I further agree on behalf of CHASE CAPITAL GROUP INC. to pay the Commissioner's reasonable cost for the audit which led to this action. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average

hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. I will pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities.

I am aware that if I petition for reinstatement in the future, that payment of the audit costs will be a condition of reinstatement.

5. This Declaration is not an admission by KOUROSH KHATIBLOU as to the allegations in the Accusation. This Declaration is made for the purpose of reaching a resolution of allegations contained in the DRE Case number H-37146 LA, and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate is a party and shall not otherwise be admissible or relied upon by any third parties for any purpose.

6. I freely and voluntarily surrender all my licenses and license rights under the Real Estate Law.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this declaration was executed on January 18, 2012, at Los Angeles, California.

KOUROSH KHATIBLOU

1/18/2012

FILED

MAR 22 2011

DEPARTMENT OF REAL ESTATE

BY:

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)

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of CHASE CAPITAL GROUP INC.; and KOUROSH KHATIBLOU, individually and as designated officer of Chase Capital Group Inc.; and JAROD LEE CHASE, Respondents.	No. H-37146 LA ACCUSATION

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against CHASE CAPITAL GROUP INC., KOUROSH KHATIBLOU, individually and as designated officer of Chase Capital Group Inc. and JAROD LEE CHASE, alleges as follows:

1.

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

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2.

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

3.

License Status

A. CHASE CAPITAL GROUP INC. ("CCGI"). At all times mentioned, Respondent CCGI was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On May 26, 2006, CCGI was originally licensed as a corporate real estate broker. At all times mentioned herein, Respondent CCGI was authorized to act by and through Respondent KOUROSH KHATIBLOU as CCGI's broker designated pursuant to Business and Professions Code (hereinafter "Code") Sections 10159.2 and 10211 to be responsible for ensuring CCGI's compliance with the Real Estate Law. CCGI's broker license expired on May 26, 2010.

B. KOUROSH KHATIBLOU ("KHATIBLOU"). At all times mentioned, KHATIBLOU was licensed or had license rights issued by the Department as a real estate broker. On April 18, 2006, KHATIBLOU was originally licensed as a real estate broker.

C. CCGI and KHATIBLOU conducted activities requiring a real estate license and an approved advance fee agreement from the Department without possessing the latter.

D. JAROD LEE CHASE ("JAROD CHASE"). At all times mentioned, JAROD CHASE was licensed or had license rights issued by the Department as a real estate salesperson. On September 10,

2007, JAROD CHASE was originally licensed as a real estate salesperson. JAROD CHASE is the nephew of KHATIBLOU.

Brokerage

4.

At all times mentioned, in the City of Anaheim, County of Orange, CCGI and KHATIBLOU acted as real estate brokers conducting licensed activities within the meaning of:

A. Code Section 10131(d). Respondents engaged in activities of a mortgage and loan broker 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. Between July 2008 and October 2009 CCGI brokered and closed seventy-two (72) loans averaging $300,000 each; and

B. Code Sections 10131(d) and 10131.2. CCGI and KHATIBLOU engaged in the business of a loan modification brokerage engaged in loss mitigation activities collecting advance fees requiring a real estate license.

Respondents CCGI and KHATIBLOU advertised, solicited and offered to provide loan modification services to economically distressed homeowners seeking adjustments to the terms and conditions of their home loans including, but not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or interest, foreclosure prevention and short sales.

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Between July 2008 and October 2009 CCGI negotiated seventy-five (75) loan modifications collecting $258.948, 000 in advance fees, completing seventy-four.

FIRST CAUSE OF ACCUSATION
(Mortgage Loan and Loan Modification Audit)

5.

On April 24, 2010, the Department completed an audit examination of the books and records of CCGI pertaining to the mortgage loan, loan modification and advance fee activities described in Paragraph 4, which require a real estate license. The audit examination covered a period of time beginning on February 1, 2007 and January 29, 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 090137 and the exhibits and work papers attached to said audit report.

Bank Account

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, CCGI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties, including mortgage loan borrowers economically distressed homeowner for advance fees and loan modifications and loss mitigation handled by CCGI. Thereafter CCGI made deposits and or disbursements of such trust funds. From time to time herein

mentioned during the audit period, said trust funds were deposited and/or maintained by CCGI in this bank account:

"Chase Capital Group Inc.
Account No. XXXXXXXXX- 43287"
Bank of America
Irvine Branch
San Francisco, CA 94137-0001

(B/A #1 - Is the general operating bank account of CCGI. B/A #1 into which was also used for deposit of advance fees collected from homeowners for loan modifications)

Audit Violations

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the audit examination period described in Paragraph 5, Respondents CCGI, KHATIBLOU and JAROD CHASE acted in violation of the Code and the Regulations in which Respondent(s):

(A) JAROD CHASE. On or about August 12, 2008, Elvia Andrade (Andrade) paid $5,750.00 in advance to salesperson JAROD CHASE to secure a modification to the terms and conditions of her home loan for her home located at 1605 First Ave,, Salinas, California. Although licensed to and employed by CCGI, JAROD CHASE independently operated a similar name "Chase Residential Solutions" to that of CCGI. Andrade wired a money transfer from her bank to JAROD CHASE, as payee/beneficiary of the wire transfer activity. Chase performed loan modification services and acts independent of CCGI and KHATIBLOU by accepting payment

for his own purposes of Andrade's advance fees which require a real estate broker license pursuant to Code Section 10131.2, in violation of Code Sections 10085, 10130, 10137, 10176(a), 10176(i), and/or 10177(g);

(B) CCGI and KHATIBLOU. Collected advance fees within the meaning of Code Section 10026 from homeowners seeking loan modification services wherein CCGI failed to provide homeowners with a pre-approved advance fee agreement from the Department, in violation of Code Section 10085 and Regulation 2970. Between July 2008 and October 2009, prior to CCGI submitting and receiving an advance fee agreement form the Department on March 19, 2009, CCGI negotiated seventy-five loan modifications collecting $258.948, 000 in advance fees, completing seventy-four.

(C) CCGI and KHATIBLOU. With reference to the lack of an advance fee agreement, CCGI failed to provide a complete description of services to be rendered provided to each homeowner in 10 point type font and failed to provide an allocation and disbursement of the amount collected as the advance fee, in violation of Code Section 10146 and Regulation 2972.

(D) CCGI and KHATIBLOU. Permitted and/or caused the disbursement of trust funds to credit report companies on the representation that these amounts were needed to pay for credit report fees, which payments exceeded the actual costs of these services. Respondents did not disclose this "mark-up" in the

amount of $12.50 to borrower M. Torres nor obtain his consent to this "mark-up". Respondents retained the difference between the amounts paid and the actual costs of the services, in violation of Code Section 10176(g).

(E)(1) CCGI and KHATIBLOU. B/A #1 was not designated as a trust account, in violation of Code Section 10145 and Regulation 2832(a). B/A #1 was the general operating account of CCGI into which Respondents deposited advance fees collected from loan modification homeowner applicants.

(E)(2) CCGI and KHATIBLOU. Commingled trust funds and personal funds by depositing trust funds in the form of advance fees collected for loan modifications from homeowners into CCGI's general operating account, B/A #1, instead of depositing trust funds into a properly designated trust account, in violation of Code Sections 10145 and 10176(e) and Regulation 2832.

(F) CCGI and KHATIBLOU. Failed to maintain a control record in the form of a columnar record in chronological order of all trust funds including advance fees collected, deposited and disbursed in connection with loan modifications, in violation of Code Section 10145 and Regulation 2831.

(G) CCGI and KHATIBLOU. Failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all trust funds in the form of advance fees collected, deposited and disbursed, in violation of Code Section 10145 and Regulation 2831.1.

(H)(1) CCGI and KHATIBLOU. Failed to retain a true and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrowers Crawford, Ankele, Farris, Perez, Annette, Torrez, Ancheta and Watson, in violation of Code Section 10240 and Regulation 2840; and

(H)(2) CCGI and KHATIBLOU. Failed to disclose yield spread premiums from lenders on the approved Mortgage Loan Disclosure Statement for the aforesaid borrowers in violation of Code Section 10240, 10241 and Regulation 2840.

(I) CCGI and KHATIBLOU. Failed to display CCGI's corporation's license number on the Mortgage Loan Disclosure Statements to borrowers Crawford, Ankele, Farris, Perez, Annette, Torrez, Ancheta and Watson. Nor did CFLI disclose the loan agent's license number for each loan broker by and through CCGI, in violation of Code Section 10236.4.

(J) CCGI and KHATIBLOU. Failed to retain the salesperson license certificate for three of three salespersons, G. Barraza, S. Daneshmand and Mario Garcia, in violation of Code Section 10160 and Regulation 2753;

(K) CCGI and KHATIBLOU. Failed to maintain a signed broker salesperson agreement with salespersons G. Barraza, S. Daneshmand and Mario Garcia, in violation of Regulation 2726.

(L) Failed to retain all records of CCGI's activity during the audit period requiring a real estate broker license, in violation of Code Section 10148.

Discipline Statutes

8.

The conduct of Respondents CCGI, KHATIBLOU and JAROD CHASE described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
7(A)	Code Sections 10085, 10130, 10137, 10176(a), 10176(i), and/or 10177(g) (JAROD CHASE only)
7(B)	Code Section 10085 and Regulation 2970
7(C)	Code Section 10146 and Regulation 2972
7(D)	Code Section 10176(g)
7(E)	Code Sections 10145 and 10176(e) and Regulation 2832
7(F)	Code Section 10145 and Regulation 2831
7(G)	Code Section 10145 and Regulation 2831.1

7(H)	Code Sections 10240 and 10241 and Regulation 2840
7(I)	Code Section 10236.4
7(J)	Code Section 10160 and Regulation 2753
7(K)	Regulation 2726
7(L)	Code Section 10148

JAROD CHASE. The foregoing violation, Paragraph 7(A), constitutes cause for discipline of the real estate license and license rights of JAROD CHASE, as aforesaid, under the provisions of Code Sections 10130 for unlicensed activity, 10137 for unlawful employment/compensation, 10085 for lack of advance fee agreement, 10176(a) for substantial misrepresentation, 10176(i) for conversion, fraud and dishonest dealing, 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

CCGI and KHATIBLOU. The foregoing violations, excluding Paragraph 7(A) above, constitutes cause for discipline of the real estate license and license rights of CCGI and KHATIBLOU, as aforesaid, under the provisions of Code Sections 10176(e) for commingling, for undisclosed compensation 10176(g), 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

SECOND CAUSE OF ACCUSATION
(Broker Controlled Escrow Audit)

9.

On April 21, 2010, the Department completed an audit examination of the books and records of CCGI pertaining to the broker-escrow activities described in Paragraph 4 that require a real estate license. The audit examination covered the period from February 1, 2007 to January 29, 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 090193 and the exhibits and work papers attached to LA 091093 audit report.

Bank Accounts

10.

At all times mentioned, in connection with the activities described in Paragraph 4, above, CCGI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties including buyers and sellers, lenders and borrowers, for loan transactions brokered and escrowed by CCGI and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by CCGI in the bank accounts as follows:

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"Chase Capital Group Inc. Escrow Division Trust Account
Account No. XXXXXXXXXXX-5293
US Bank
P.O. Box 1800
Saint Paul, MN (B/A #1)

"Chase Capital Group Inc.
Account No. XXXXXXXXXXX-6400
Citizens Business Bank
1010 E. Colorado Blvd.
Pasadena, CA (B/A #2)

(B/A #1 and B/A #2 are virtual escrow bank accounts handled by Stewart Title of California for escrow receipts and disbursements for CCGI's broker escrow activities)

11.

Audit Violations

In the course of activities described in Paragraphs 4 and 10 above and during the examination period described in Paragraph 9, Respondents CCGI and KHATIBLOU, acted in violation of the Code and the Regulations in which Respondents:

(A)(1) Permitted, allowed or caused the disbursement of trust funds from the escrow bank account B/A #1 below where the disbursement of said funds reduced the total of aggregate funds as set forth below, to an amount which, on December 31, 2008 was $3,305.00, less than the existing aggregate trust fund liability of CCGI to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Code Section 10145 and Regulations 2832.1, 2950(g) and 2951; and

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(A)(2) Permitted, allowed or caused the disbursement of trust funds from the escrow bank account B/A #2 below where the disbursement of said funds reduced the total of aggregate funds as set forth below, to an amount which, on January 22, 2009 was $3,305.00, less than the existing aggregate trust fund liability of CCGI to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Code Section 10145 and Regulations 2832.1, 2950(g) and 2951;

(B)(1) Failed to place trust funds into a trust account in the name of the broker as trustee at a bank or other financial institution, in violation of Code Section 10145 of the Code and Regulations 2832(a), 2950(d) and 2951. Neither B/A #1 nor B/A #2 were designated as trust accounts; and

(B)(2) While acting in the capacity of an escrow holder, failed to place trust funds, accepted on behalf of another into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account in the name of the broker at a bank or other financial institution not later than the next business day following receipt of the funds by the broker or by the broker's salesperson, in violation of Code Section 10145 and Regulations 2832(e), 2950(d) and 2951. A withdrawal was made from B/A #1 on January 22, 2009 in the amount of $2,447.05 to close B/A #1. Said escrow trust fund balances were not deposited into B/A #2 until February 4, 2009;

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(C) Failed to retain the salesperson license certificate for all three of CCGI's salespersons, G. Barraza, S. Daneshmand and Mario Garcia, in violation of Code Section 10160 and Regulation 2753;

(D) Failed to maintain a signed broker salesperson agreement for all three of CCGI's salespersons, G. Barraza, S. Daneshmand and Mario Garcia, in violation of Regulation 2726; and

(E) Failed to retain all records of CCGI's activity during the audit period requiring a real estate broker license, in violation of Code Section 10148. Not all the advance fee agreement maintained between CCGI and the borrowers applying for loan modification services and the records of the advance fees the borrowers paid to CCGI in connection to its loan modification service activity were made available for review during the audit. Additionally, the following records were not made available for the audit during the course of examination: the deposit records for the $255,198.00 fees CCGI collected in advance from borrowers; the canceled checks for the partial refunds totaling $5,729.67 made to the borrowers in connection to its loan modification activity; the payment records for the payments made to the credit report company in connection to CCGI's mortgage loan activity.

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12.

The conduct of Respondents CCGI and KHATIBLOU described in Paragraph 12, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
11(A)	Code Section 10145 and Regulations 2832.1, 2950(g) and 2951
11(B)	Code Section 10145 and Regulations 2832(a) and (e), 2950(d) and 2951
11(C)	Code Section 10160 and Regulation 2753
11(D)	Regulation 2726
11(E)	Code Section 10148

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of CCGI and KHATIBLOU, under the provisions of Code Sections 10177(d) and/or 10177(g).

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Negligence

13.

The overall conduct of Respondents CCGI and KHATIBLOU constitutes negligence. This conduct and violation is cause for the suspension or revocation of the real estate license and license rights of Respondents, pursuant to Code Section 10177(g).

Breach of Fiduciary Duty

14.

The overall conduct of Respondents CCGI and KHATIBLOU constitutes a breach of fiduciary duty. This conduct and violation is cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

THIRD CAUSE OF ACCUSATION
(Supervision and Compliance)

15.

The overall conduct of Respondent KHATIBLOU constitutes a failure on his part, as officer designated by corporate broker licensees CCGI and ASHI, to exercise the reasonable supervision and control over the licensed activities of said corporate licensees, as required by Code Section 10159.2 and Regulation 2725, and to keep CCGI in compliance with the Real Estate Law. Said conduct, acts and omissions are cause for the suspension or revocation of the real estate license and license rights of

KHATIBLOU pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h). KHATIBLOU failed to exercise reasonable care and supervision over CCGI. Nor did KHATIBLOU have policies and procedures in place to maintain and monitor CCGI's compliance with the Real Estate Law.

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 the license and license rights of Respondents CHASE CAPITAL GROUP INC., and KOUROSH KHATIBLOU, 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 18 March 2011.

Deputy Real Estate Commissioner

cc: Chase Capital Group Inc.
c/o Kourosh Khatiblou D.O.
Maria Suarez
Sacto
Audits - Chona Soriano