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DEPARTMENT OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
)
GOLDEN STATE FINANCING,) NO. H-5205 SAC
FARIDOON LODIN, and)
TIMMEY NAWABI,) ACCUSATION
)
Respondents.)

The Complainant, JOE M. CARRILLO, a Deputy Real Estate Commissioner of the State of California, for Accusation against Respondents GOLDEN STATE FINANCING, FARIDOON LODIN, and TIMMEY NAWABI, also known as Tim Nawabi Popal, (collectively referred to herein as Respondents), is informed and alleges as follows:

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The Complainant makes this Accusation against Respondents in his official capacity.

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At all times herein mentioned, Respondent GOLDEN STATE FINANCING ("GSF") was and now is licensed by the State of California Department of Real Estate ("the Department") as corporate real estate broker by and through Respondent FARIDOON LODIN

1 ("LODIN") as designated officer-broker of Respondent GSF to qualify said corporation to act as
2 a real estate broker.

3 3

4 At all times herein mentioned, Respondent LODIN was and now is licensed by the
5 Department as a real estate broker, individually and as designated officer-broker of Respondent
6 GSF. As said designated officer-broker, Respondent LODIN is at all times mentioned herein
7 responsible pursuant to Section 10159.2 of the California Business and Professions Code (herein
8 the "Code") for the supervision of the activities of the officers, agents, real estate licensees, and
9 employees of Respondent GSF for which a license is required.

10 4

11 At all times herein mentioned, Respondents engaged in the business of, acted in
12 the 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 the operation and conduct of a
14 real estate resale brokerage with the public wherein, on behalf of others, for compensation or in
15 expectation of compensation, Respondents solicited borrowers or lenders or note owners in
16 connection with loans secured directly or collaterally by liens on real property or on a business
17 opportunity pursuant to Section 10131(d).

18 FIRST CAUSE OF ACTION

19 5

20 The facts of Paragraphs 1 through 4, above, are incorporated here by reference.

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22 At all times herein mentioned, Respondent TIMMEY NAWABI ("NAWABI")
23 was and now is licensed by the Department as a real estate salesperson, and acting as a licensed
24 salesperson in the employ of Respondent GSF.

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26 In the course of the activities described in Paragraphs 4 and 6, above, in
27 July, 2006, Respondent GSF solicited the refinance of real property commonly identified as

1 2905 Willits Way ("Willits property") in Ceres, California, by the owners of the Willits property,
2 Maria and John Staggs ("Borrowers").

3 8

4 In the course of the activities described in Paragraphs 4 and 6, above, in August,
5 September, and/or October of 2006, Respondents GSF and NAWABI negotiated the refinance of
6 the Willits property on behalf of Borrowers.

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8 On or about October 3, 2006, Respondent NAWABI presented both application
9 and closing documents to the Borrowers on the refinance described above, with the Aegis
10 Wholesale Corporation ("Lender Aegis") identified as the lender.

11 10

12 In his interactions with the Borrowers on October 3, 2006, Respondent NAWABI,
13 using his alias of Tim Popal described above, was acting as a licensed real estate salesperson.
14 Respondent NAWABI also undertook to act using his notary public license, certifying signatures
15 of the Borrowers on some documents.

16 11

17 In his interactions with the Borrowers on October 3, 2006, Respondent NAWABI
18 described to Borrowers the terms of the loan documents being signed as fixed, specified interest
19 rate, with one adjustment to a specified interest rate to take place after five years, and the interest
20 rate to remain fixed at the new rate after that time. Borrowers signed the documents based upon
21 that representation.

22 12

23 The documents presented to and signed by Borrowers on October 3, 2006, bound
24 Borrowers to an adjustable rate mortgage that was subject to a change in interest rate on a
25 monthly basis.

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In October, 2006, Respondents GSF and NAWABI submitted loan documents in Borrowers' names to Lender Aegis. Within these documents, GSF and NAWABI included:

(A) Assertion that Borrower Maria Staggs had income based upon a private business, Staggs Janitorial Service, operated from the Willits property.

(B) Assertion that Borrowers' tax documents were prepared by Nicolas Munoz, tax advisor with license #A004003, of Professional Tax Services, LLC in San Jose, California.

The representations made by Respondents to the lender in each transaction set out above were false, and Respondents knew that they were false when those representations were made. The true facts were that Borrowers did not tell Respondents GSF and NAWABI that Borrower Maria Staggs owned a private business named Staggs Janitorial Service, nor does she own such a private business by any name. Borrowers did not tell Respondents GSF and NAWABI that Borrowers' taxes were prepared by Nicolas Munoz of Professional Tax Services, LLC, nor were Borrowers' taxes done by that individual or corporation.

The income attributed to Borrowers on the basis of the documentary assertions described in Paragraph 13, above, did not and does not exist.

On or about October 7, 2006, Lender Aegis completed the transaction by issuing the loan sought by GSF and NAWABI on behalf of Borrowers.

Had Lender Aegis known the information provided by Respondents GSF and NAWABI in Paragraph 13 to be false, or known that the income described in those documentary assertions to be nonexistent, Lender Aegis would not have completed the transaction.

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On or about August 3, 2007, in response to a subpoena duces tecum served by the Department, Lender Aegis provided to the Department its loan file for Borrowers' loan, described above.

19

On or about June 7, 2008, in response to a subpoena duces tecum served by the Department and a letter inquiring about the lack of response to that subpoena, Respondents GSF and LODIN provided to the Department their loan file for Borrowers' loan, described above.

20

None of the documents received by Lender Aegis from Respondent GSF and retrieved by the Department from Lender Aegis pursuant to the process described in Paragraph 18 above, appear among the documents provided by Respondents directly to the Department in response to its subpoena, described in Paragraph 19, above.

21

The facts alleged in Paragraphs 18, 19, and 20 constitute failure by Respondent GSF to retain for three years copies of all documents executed by Respondent GSF and its employee, Respondent NAWABI, in connection with the Willits property mortgage refinance transaction, a transaction for which a real estate broker license is required.

22

On or about October 2, 2007, Respondent NAWABI submitted a written declaration to the Department in response to inquiries regarding the transaction described above. In this statement, Respondent NAWABI repeatedly asserts that his only role in this transaction was that of notary, verifying the identity of the Borrowers as they signed documents on October 3, 2006.

23

The representations made by Respondent NAWABI to the Department in the declaration described in Paragraph 22 above, are false, and Respondent NAWABI knew that they were false when those representations were made. The true facts were that NAWABI handled

1 the Willits property mortgage refinance on behalf of GSF in his licensed capacity, including
2 acting as the borrowers' primary contact for GSF in developing their loan application and
3 supporting documents, as well as negotiating the loan. Respondent NAWABI is identified on
4 documents within the Lender's file as broker's agent for the loan.

5 24

6 Within the last three years, Respondent LODIN failed to exercise reasonable
7 supervision over the activities of Respondents GSF and NAWABI for which a real estate license
8 is required. In particular, LODIN permitted and/or ratified NAWABI's conduct described above
9 and/or failed to take reasonable steps to implement effective supervision that would have
10 prevented it, including but not limited to the establishment of: (1) policies, rules, procedures, and
11 systems to review, oversee, inspect and manage the handling of loans, and the verification and
12 disclosure of material information to lenders; and, (2) the establishment of systems for
13 monitoring compliance with such policies, rules, procedures, and systems, to ensure compliance
14 by Respondents GSF and NAWABI with the Real Estate Law.

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16 The facts alleged in Paragraphs 1 through 17, as well as Paragraphs 22 and 23,
17 are grounds for the suspension or revocation of the licenses or license rights of Respondents
18 NAWABI and GSF under Sections 10176(a), (b), and/or (i) of the Code.

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20 The facts alleged in Paragraphs 18 through 20 are grounds for the suspension or
21 revocation of the licenses or license rights of Respondents GSF and LODIN under Section
22 10148(a) of the Code in conjunction with Section 10177(d) of the Code.

23 27

24 The acts and/or omissions of Respondent LODIN described in Paragraph 24
25 above, violate Section 10159.2 of the Code and Section 2725 of Title 10, California Code of
26 Regulations and are grounds for the revocation or suspension of his license under Section 10177
27 (d) and (h) of the Code.

On or about September 29, 2006, Respondent GSF submitted loan application documents to First Franklin Financial Group ("Lender First Franklin") on a loan to Borrower Keith Crowell to be secured by real property at 1329 Hillwood Loop, Lincoln, California. The documents submitted by GSF to Lender First Franklin included the following representations by GSF:

- A) That the loan application and associated documents were prepared by GSF employee Jackson.
- B) That 1329 Hillwood Loop would be Borrower Keith Crowell's primary residence.

On or about August 31, 2006, Lender First Franklin completed the transaction by issuing the loan sought by GSF on behalf of Borrower Keith Crowell.

Certain representations made by Respondents to the lenders in each of the transactions set out above were false, and Respondents knew that they were false when those representations were made. The true facts were that documents submitted by Respondent GSF to Lenders described in Paragraphs 31 and 33 were not prepared by Jackson, nor were the "signatures" represented to be Jackson's actually her own. The documents submitted were prepared by Browning, and Jackson's "signatures" written by Browning. Further, Respondent GSF knew or should have known that Keith Crowell could not primarily reside in both residences, as represented in the documents submitted by Respondents to the lenders.

Had Lender WaMu known that the signatures of Jackson provided by Respondent GSF as described in Paragraph 31(A), above, were falsified, Lender WaMu would not have completed the transaction.

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2 Had Lender First Franklin known that the signatures of Jackson provided by
3 Respondent GSF as described in Paragraph 33(A), above, were falsified, and/or that Borrower
4 Keith Crowell had recently applied for and received another loan designating a different address
5 as his primary residence, Lender First Franklin would not have completed the transaction.

7 The proceeds of the broker's compensation for the loans described in Paragraphs
8 31 and 33, above, were retained by Browning save that portion of the amount remitted by
9 Browning to Respondents GSF and LODIN pursuant to the agreement described in Paragraph 29,
10 above.

12 On or about August 13, 2007, in response to a subpoena duces tecum served by
13 the Department, Lender WaMu provided to the Department its loan file for Borrower Keith
14 Crowell's loan on 1323 Hillwood Loop, described above.

16 On or about August 13, 2007, in response to a subpoena duces tecum served by
17 the Department, Lender First Franklin provided to the Department its loan file for Borrower
18 Keith Crowell's loan on 1329 Hillwood Loop, described above.

20 On or about August 13, 2007, the Department issued a subpoena duces tecum
21 upon Respondents GSF and LODIN requesting copies of the licensees' files related to the two
22 Hillwood Loop loans described above. Respondents acknowledged receipt of the subpoena. As
23 of the date of this pleading, Respondents have not tendered to the Department any documents in
24 response to the subpoena.

26 The facts alleged in Paragraphs 39, 40, and 41, above, constitute failure by
27 Respondent GSF to retain for three years copies of all documents executed by Respondent GSF

1 and its employee, Browning, in connection with the 1323 Hillwood Loop mortgage refinance
2 transaction or the 1329 Hillwood Loop mortgage refinance transactions, each transaction a
3 transaction for which a real estate broker license is required.

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5 Within the last three years, Respondent LODIN failed to exercise reasonable
6 supervision over the activities of Respondent GSF and Browning for which a real estate license is
7 required. In particular, LODIN permitted and/or ratified Browning's conduct described above
8 and/or failed to take reasonable steps to implement effective supervision that would have
9 prevented it, including but not limited to the establishment of: (1) policies, rules, procedures, and
10 systems to review, oversee, inspect and manage the handling of loans, and the verification and
11 disclosure of material information to lenders; and, (2) the establishment of systems for
12 monitoring compliance with such policies, rules, procedures, and systems, to ensure compliance
13 by Respondent GSF and Browning with the Real Estate Law.

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15 The facts alleged in Paragraphs 28 through 43 are grounds for the suspension or
16 revocation of the licenses or license rights of Respondents GSF and LODIN under Section 10137
17 of the Code.

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19 The facts alleged in Paragraphs 28 through 43 are grounds for the suspension or
20 revocation of the licenses or license rights of Respondent GSF under Sections 10176(a) and/or (i)
21 of the Code.

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23 The facts alleged in Paragraphs 39 through 42 are grounds for the suspension or
24 revocation of the licenses or license rights of Respondents GSF and LODIN under Section
25 10148(a) of the Code in conjunction with Section 10177(d) of the Code.

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The acts and/or omissions of Respondent LODIN described in Paragraph 43, above, violate Section 10159.2 of the Code and Section 2725 of Title 10, California Code of Regulations and are grounds for the revocation or suspension of LODIN's licenses under Section 10177 (d) and (h) of the Code.

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 licenses and license rights of Respondents under the Code, and for such other and further relief as may be proper under other provisions of law.


JOE M. CARRILLO
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 28 day of April, 2009.