

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE

OCT 17 2011

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

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By F. Jones

In the Matter of the Accusation of )  
)  
UNITED LENDERS GROUP, INC., )  
and TARIQ ALI KANWAR )  
)  
Respondents. )

Case No. H-5373 SAC

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 August 17, 2011, and the findings of fact set forth herein, which are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

This Decision revokes a real estate license on grounds of Corporate License Application Misrepresentation.

The right to reinstatement of a revoked real estate license is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of Respondent.

FINDINGS OF FACT

1

On April 13, 2010, TRICIA D. SOMMERS 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, to Respondents' last known mailing addresses on file with the Department on April 13, 2010.

On August 17, 2011, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code by or on behalf of Respondent UNITED LENDERS GROUP, INC. only, Respondent UNITED LENDERS GROUP, INC.'s default was entered herein.

CORPORATE LICENSE APPLICATION MISREPRESENTATION

2

At all times relevant herein, Donald R. Hubbard was the Chief Executive Officer of Respondent United Lenders Group, Inc. (hereinafter "United Lenders"). Further, at all times relevant herein, Hubbard did not and does not hold a real estate license issued by the California Department of Real Estate.

3

On or about September 11, 2007, Hubbard filed an application (hereinafter the "Hubbard Application") for a corporate real estate license for United Lenders. This application was effectively withdrawn when on or about September 26, 2007, Tariq Ali Kanwar filed a new corporate license application for United Lenders (hereinafter the "Kanwar Application") indicating that as he held a valid real estate brokers license, he was seeking the issuance of the corporate license for United Lenders and that he was to be its Designated Officer/Broker. Under penalty of perjury and in both the Kanwar Application and the Hubbard Application, it was represented to the Department that events that would trigger the requirements to file a Corporation Background Statement pursuant to Commissioner's Regulation 2746(a), Title 10, California Code of Regulations (hereinafter "Commissioner's Regulations"), were not present.

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On or about September 27, 2007, in reliance on the representations made in the Hubbard application and the Kanwar application, the Department issued United Lenders a corporate real estate license (CREL # 01526101).

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On or about November 23, 2005, Donald R. Hubbard made application to the Department for a real estate salesperson license. Donald R. Hubbard withdrew this application and on or about May 2, 2006, filed an application for a California real estate brokers license. During the course of the background investigation into Donald R. Hubbard's fitness for broker licensure, it was discovered that he had several criminal convictions, including a December 17, 1993, conviction for violating Section 496 of the California Penal Code (Knowingly Receiving Stolen Property) and a 1996 conviction for violating Section 484 of the California Penal Code (Theft); both are misdemeanors and crimes involving moral turpitude which bear a substantial relationship under Section 2910, of the Commissioner's Regulations to the qualifications, functions, or duties of a real estate licensee.

6

Despite Hubbard's criminal convictions, the Kanwar Application and the Hubbard Application both misrepresented that the CEO of United Lenders had not been convicted of a crime.

As Donald R. Hubbard is the CEO of United Lenders and as these crimes are substantially related to the qualifications, functions or duties of a real estate licensee pursuant to Section 2746(a) (4) of the Commissioner's Regulations, in connection with United Lenders' application for a corporate real estate license, Hubbard was required to submit a completed Corporation Background Statement, DRE Form 212, to the Department. At no time up to the present has Hubbard completed and submitted a Corporate Background Statement to the Department as required by Commissioner's Regulation Section 2746(a).

The failure to disclose the convictions described in paragraph 5 above, in either the Hubbard Application and the Kanwar Application and Donald R. Hubbard's failure to provide the Department with a Corporate Background Statement constitutes the procurement of a corporate real estate license by fraud, misrepresentation, deceit, or by making a material misstatement of fact and is therefore, cause exists for revocation of Respondent UNITED LENDERS GROUP, INC.'s, corporate real estate license pursuant to Sections 498 and 10177(a) of the California Business and Professions Code.

#### DETERMINATION OF ISSUES

The findings above constitute cause for the suspension or revocation of the licenses and license rights of Respondent under Sections 498 and 10177(a) of the California Business and Professions Code.

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

#### ORDER

The Department having met its burden of proof, all licenses and licensing rights of Respondent UNITED LENDERS GROUP, INC., under the provisions of Part 1 of Division 4 of the Business and Professions Code are hereby revoked.

This Decision shall become effective at 12 o'clock noon on NOV 07 2011

DATED: 10/4/11

BARBARA J. BIGBY  
Acting Real Estate Commissioner



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OCT 17 2011

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DEPARTMENT OF REAL ESTATE

By L. Jones

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of )

No. H-5373 SAC

UNITED LENDERS GROUP INC., )  
and TARIQ ALI KANWAR, )

Respondents. )

DISMISSAL

The Accusation herein filed on April 13, 2010, is DISMISSED as to Respondent  
TARIQ ALI KANWAR only.

IT IS SO ORDERED

9/26/11

BARBARA J. BIGBY  
Acting Real Estate Commissioner

[Signature]

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APR 13 2010

DEPARTMENT OF REAL ESTATE



8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of )

12 UNITED LENDERS GROUP INC., )  
13 and TARIQ ALI KANWAR, )  
14 Respondents. )

No. H-5373 SAC

ACCUSATION

15  
16 The Complainant, Tricia Sommers, a Deputy Real Estate Commissioner of the  
17 State of California, for cause of Accusation against UNITED LENDERS GROUP INC. and  
18 TARIQ ALI KANWAR (hereinafter "Respondents") alleges as follows:

19 1

20 Complainant, Tricia Sommers, a Deputy Real Estate Commissioner of the State  
21 of California, makes this Accusation in her official capacity.

22 2

23 Respondents are presently licensed and/or have license rights under the Real  
24 Estate Law, Part 1 of Division 4 of the Business and Professions Code (hereinafter "the Code").

25 3

26 Beginning on or about September 27, 2007, UNITED LENDERS GROUP INC.  
27 (hereinafter "ULG") was and is licensed by the State of California Department of Real Estate  
(hereinafter "the Department") as a real estate broker corporation.

At all times mentioned, TARIQ ALI KANWAR (hereinafter "KANWAR") was and is licensed by the Department individually as a broker. From on or about September 27, 2007 to November 21, 2008, KANWAR was licensed by the Department as the designated officer-broker of ULG. As said designated officer-broker, KANWAR was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees and employees of ULG for which a real estate license was and/or is required.

ULG made application to the Department of Real Estate of the State of California for a real estate broker corporate license on or about September 10, 2007 including in said application the designation of KANWAR as the broker officer of ULG.

Donald R. Hubbard (hereinafter "Hubbard") is an officer, director, or person owning or controlling ten percent (10%) or more of ULG's corporate stock.

In response to Section III of said application, to wit:

**Corporate Real Estate Brokers, Officers, Directors and Shareholders**

(a) At the time of application for, or in the reinstatement of, an original real estate broker license, the designated officer shall file a background statement of information for each director, the chief executive officer, the president, first level vice presidents, secretary, chief financial officer, subordinate officers with responsibility for forming policy of the corporation and all natural persons owning or controlling more than ten percent of its shares, if such a person has been the subject of any of the following:

- 1) Received an order or judgment issued by a court or governmental agency during the proceeding 10 years temporarily or permanently restraining or enjoining any business conduct, practice or employment;
- 2) Has had a license to engage in or practice real estate or other regulated profession, occupation or vocation denied, suspended or revoked during the proceeding 10 years;

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- 1 3) Engaged in acts requiring a real estate license of any state without the benefit  
2 of a valid license or permit authorizing that conduct during the preceding 10  
3 years which have been enjoined by a court or administrative tribunal;  
4 4) Been convicted of a crime which is substantially related to the qualifications  
5 or duties of a licensee of the Department as specified in Section 2910 of these  
6 Regulations (excluding drunk driving, reckless driving and speeding  
7 violations).

8 KANWAR, acting on behalf of ULG certified: "I also certify that a Corporation  
9 Background Statement (RE 212) is not needed for any officers or person owning or controlling  
10 more than ten percent of the corporation shares including myself."  
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12 8

13 On or about December 17, 1983, in the Superior Court, County of Placer,  
14 Hubbard was convicted of a violation of Section 496 of the California Penal Code (Knowingly  
15 Receiving Stolen Property), a misdemeanor involving moral turpitude and crime which bears a  
16 substantial relationship under Section 2910, Title 10, California Code of Regulations, to the  
17 qualifications, functions, or duties of a real estate licensee.  
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20 On or about November 12, 1996, in the Superior Court, County of Sacramento,  
21 Hubbard was convicted of a violation of Section 484 of the California Penal Code (Theft), a  
22 misdemeanor involving moral turpitude and crime which bears a substantial relationship under  
23 Section 2910, Title 10, California Code of Regulations, to the qualifications, functions, or duties  
24 of a real estate licensee.  
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26 10

27 Respondents failure to submit a completed Corporation Background Statement  
revealing the convictions set forth in Paragraphs 8 and 9 constitutes the procurement of a real  
estate license by fraud, misrepresentation, or deceit, or by making a material misstatement of fact  
in said application, which failure is cause for the suspension and or revocation of Respondents'  
licenses and license rights under Section 10177(a) of the California Business and Professions  
Code.

1                    WHEREFORE, the Complainant prays that the above-entitled matter be set for  
2 hearing and, upon proof of the charges contained herein, that the Commissioner refuse to  
3 authorize the issuance of, and deny the issuance of, a real estate licenses to Respondents, and for  
4 such other and further relief as may be proper in the premises.

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7 TRICIA SOMMERS  
8 Deputy Real Estate Commissioner

8 Dated at Sacramento, California,  
9 this 24<sup>th</sup> day of March, 2010.

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