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1 Department of Real Estate
107 South Broadway, Room 8107
2 Los Angeles, CA 90012
3 (213) 897-3937

FILED
SEP-3 1992

DEPARTMENT OF REAL ESTATE
BY Suzanne B. O'Leary

8 DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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| | | | |
|----|------------------------------------|---|-----------------------------|
| 11 | In the Matter of the Accusation of |) | NO. H-24623 LA |
| 12 | LOAN CENTER, INC., |) | <u>STIPULATION IN</u> |
| 13 | a California corporation; and |) | <u>SETTLEMENT AND ORDER</u> |
| 14 | FARROKH FRED HADJIAN, |) | |
| 15 | individually and as designated |) | |
| 16 | officer of Loan Center, Inc., |) | |
| | |) | |
| | Respondents. |) | |

17 It is hereby stipulated by and between LOAN CENTER,
18 INC. and FARROKH FRED HADJIAN (sometimes referred to as
19 "Respondents") and the Complainant, acting by and through
20 Christopher K.D. Leong, Counsel for the Department of Real Estate,
21 as follows for the purpose of settling and disposing of the
22 Accusation filed on May 14, 1991 in this matter:

23 1. All issues which were to be contested and all
24 evidence which was to be presented by Complainant and
25 Respondents at a formal hearing on the Accusation, which hearing
26 was to be held in accordance with the provisions of the
27 Administrative Procedure Act (APA), shall instead and in place

1 thereof be submitted solely on the basis of the provisions of
2 this Stipulation.

3 2. Respondents have received, read and understand the
4 Statement to Respondent, the Discovery Provisions of the APA and
5 the Accusation filed by the Department of Real Estate in this
6 proceeding.

7 3. On May 23, 1991, Respondents filed a Notice of
8 Defense pursuant to Section 11505 of the Government Code for the
9 purpose of requesting a hearing on the allegations in the
10 Accusation. Respondents hereby freely and voluntarily withdraw
11 said Notice of Defense. Respondents acknowledge that they
12 understand that by withdrawing said Notice of Defense they
13 thereby waive their right to require the Commissioner to prove
14 the allegations in the Accusation at a contested hearing held in
15 accordance with the provisions of the APA and that they will
16 waive other rights afforded to them in connection with the
17 hearing such as the right to present evidence in defense of the
18 allegations in the Accusation and the right to cross-examine
19 witnesses.

20 4. Respondents, pursuant to the limitations set forth
21 below, hereby admit that the factual allegations in Paragraphs
22 1 through 11 of the Accusation filed in this proceeding are true
23 and correct and the Real Estate Commissioner shall not be
24 required to provide further evidence of such allegations.

25 5. It is understood by the parties that the Real
26 Estate Commissioner may adopt the Stipulation and Agreement as
27 his decision in this matter thereby imposing the penalty and

1 sanctions on Respondents' real estate licenses and license
2 rights as set forth in the "Order" hereinbelow. In the event
3 that the Commissioner in his discretion does not adopt the
4 Stipulation and the Agreement, the Agreement shall be void and
5 of no effect, and Respondents shall retain the right to a
6 hearing and proceeding on the Accusation under the provisions of
7 the APA and shall not be bound by any admission or waiver made
8 herein.

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

15 DETERMINATION OF ISSUES

16 By reason of the foregoing stipulations, admissions
17 and waivers and solely for the purpose of settlement of the
18 pending Accusation without a hearing, it is stipulated and
19 agreed that the following determination of issues shall be made:

20 I

21 The conduct of respondent LOAN CENTER, INC., as
22 described in Paragraph 11 of the Accusation, constitutes a
23 violation of Section 10145 of the Code and Section 2832.1,
24 Chapter 6, Title 10 of the California Code of Regulations
25 (hereinafter the "Regulations"). Said conduct and violations
26 are cause to suspend or revoke the real estate license and
27 license rights of respondent LOAN CENTER under the provisions of

1 Section 10177(d) of the Code.

2 II

3 The conduct of respondent FARROKH FRED HADJIAN, in
4 allowing respondent LOAN CENTER, INC., to violate Section 10145,
5 of the Code and Regulation 2832.1, constitutes a failure by
6 respondent HADJIAN to exercise reasonable supervision of the
7 activities of respondent LOAN CENTER which require a real estate
8 license. Said conduct is cause to suspend or revoke the real
9 estate license and license rights of respondent HADJIAN under
10 Section 10177(h) of the Code.

11 ORDER

12 WHEREFORE THE FOLLOWING ORDER IS MADE PURSUANT TO THE
13 WRITTEN STIPULATION OF THE PARTIES:

14 I

15 The corporate real estate broker license and license
16 rights of respondent LOAN CENTER, INC. are suspended for a
17 period of thirty (30) days from the effective date of this
18 Decision; provided, however, that twenty (20) days of said
19 suspension shall be stayed automatically and the remaining ten
20 (10) days of said suspension shall be stayed on the condition
21 that:

22 (A) Respondent LOAN CENTER petitions the Commissioner
23 in writing to pay a monetary penalty pursuant to Section 10175.2
24 of the Business and Professions Code in the amount of two
25 thousand five hundred dollars (\$2,500) to stay ten (10) days of
26 said suspension;

27 /

1 (B) The Commissioner, in exercising his discretion
2 under Section 10175.2 agrees by signing this Order, that it
3 would not be against the public interest to permit respondent to
4 pay a monetary penalty; and

5 (C) The payment of the monetary penalty shall be in
6 the form of a cashier's check or certified check made payable to
7 the Recovery Account of the Real Estate Fund. Payment must be
8 made prior to the effective date of the Decision in this matter.

9 If no further cause for disciplinary action occurs
10 against respondent LOAN CENTER, INC.'S real estate broker
11 license within one (1) year from the effective date of this
12 Decision, the automatic stay hereby granted and the stay granted
13 upon the payment of the monetary penalty shall become permanent.
14 If it is determined pursuant to the Administrative Procedure Act
15 that further cause for disciplinary action against the real
16 estate license or license rights of respondent has occurred
17 within one (1) year from the effective date of this Decision,
18 the stay of suspension hereby granted, or such portion thereof,
19 as the Real Estate Commissioner shall deem to be appropriate,
20 shall be vacated.

21 II

22 The real estate broker license and the designated real
23 estate broker-officer license of respondent FARROKH FRED HADJIAN
24 and all license rights pertaining to these licenses are
25 suspended for a period of thirty (30) days from the effective
26 date of this Decision; provided, however, that twenty (20) days
27 of said suspension shall be stayed automatically and the

1 remaining ten (10) days of said suspension shall be stayed on
2 the condition that:

3 (A) Respondent HADJIAN petitions the Commissioner in
4 writing to pay a monetary penalty pursuant to Section 10175.2 of
5 the Business and Professions Code in the amount of two thousand
6 five hundred dollars (\$2,500) to stay ten(10) days of said
7 suspension;

8 (B) The Commissioner, in exercising his discretion
9 under Section 10175.2 agrees by signing this Order, that it
10 would not be against the public interest to permit respondent to
11 pay a monetary penalty; and

12 (C) The payment of the monetary penalty shall be in
13 the form of a cashier's check or certified check made payable to
14 the Recovery Account of the Real Estate Fund. Payment must be
15 made prior to the effective date of the Decision in this matter.

16 If no further cause for disciplinary action occurs
17 against respondent FARROKH FRED HADJIAN'S real estate broker
18 license within one (1) year from the effective date of this
19 Decision, the automatic stay hereby granted and the stay granted
20 upon the payment of the monetary penalty shall become permanent.
21 If it is determined pursuant to the Administrative Procedure Act
22 that further cause for disciplinary action against the real
23 estate license or license rights of respondent has occurred
24 within one (1) year from the effective date of this Decision,
25 the stay of suspension hereby granted, or such portion thereof,
26 as the Real Estate Commissioner shall deem to be appropriate,
27 shall be vacated.

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DATED: 8/19/92

Christopher K.D. Leong
CHRISTOPHER K.D. LEONG
Counsel for Complainant

* * * *

I have read the Stipulation In Settlement and Order, have discussed it with my counsel, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California 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.

DATED: Aug-19-92

Farrok Fred Hadjian
FARROKH FRED HADJIAN
Respondent

DATED: 8-19-92

Farrok Fred Hadjian
LOAN CENTER, INC.
by: FARROKH FRED HADJIAN
Respondent

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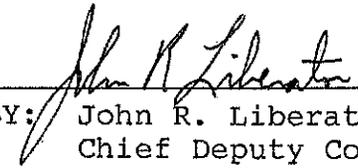
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The foregoing Stipulation and Agreement for settlement
is hereby adopted by the Commissioner as Decision and Order and
shall become effective at 12 o' clock noon on November 1,
1992.

IT IS SO ORDERED August 31, 1992.

CLARK WALLACE
Real Estate Commissioner


BY: John R. Liberator
Chief Deputy Commissioner

lbo

*Just
now*

TIMOTHY L. NEWLOVE, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
(213) 620-4790

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Laura B. Orme

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

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| In the Matter of the Accusation of) | NO. H-24623 LA |
| LOAN CENTER, INC., a) | A C C U S A T I O N |
| California corporation and) | |
| FARROKH FRED HADJIAN,) | |
| individually and as designated) | |
| officer of Loan Center, Inc.,) | |
|) | |
|) | |
| Respondents.) | |

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against LOAN CENTER, INC., a California corporation and FARROKH FRED HADJIAN, individually and as designated officer of Loan Center, Inc., alleges as follows:

1. The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner makes this Accusation in his official capacity.

2. Each respondent is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4

1 of the California Business and Professions Code (hereinafter
2 referred to as the "Code").

3 3. At all times material herein, respondent LOAN
4 CENTER, INC. (hereinafter "LOAN CENTER") was licensed by the
5 Department of Real Estate of the State of California
6 (hereinafter "Department") as a corporate real estate broker.

7 4. At all times material herein, respondent FARROKH
8 FRED HADJIAN (hereinafter "HADJIAN") was licensed by the
9 Department as a real estate broker.

10 5. At all times material herein, respondent HADJIAN
11 was licensed by the Department as the designated officer of
12 respondent LOAN CENTER. As the designated officer of LOAN
13 CENTER, HADJIAN was responsible for the supervision and control
14 of the activities conducted on behalf of the corporation by its
15 officers and employees as necessary to secure full compliance
16 with the Real Estate Law as set forth in Section 10159.2 of the
17 Code.

18 6. Effective November 12, 1986, In the Matter of the
19 Accusation of FARROKH FRED HADJIAN, NO. H-22441 LA, the
20 Department revoked the real estate broker license and all
21 license rights of respondent HADJIAN with the right to apply for
22 a restricted real estate broker license. On or about October
23 17, 1987, the Department issued a restricted real estate broker
24 license and designated officer license for LOAN CENTER to
25 HADJIAN.

26 7. All further reference to respondent LOAN CENTER
27 shall be deemed to refer to, in addition to LOAN CENTER, to the

1 officers, directors, employees, agents, and real estate
2 licensees employed by or associated with LOAN CENTER, who at all
3 times herein mentioned were engaged in the furtherance of the
4 business or operations of said parties and who were acting
5 within the course and scope of their corporate authority and
6 employment.

7 8. At all times mentioned herein, respondent LOAN
8 CENTER engaged in the business of, acted in the capacity of,
9 advertised, or assumed to act as a real estate broker in the
10 State of California within the meaning of Section 10131(d) of
11 the Code including the operation of a mortgage loan brokerage
12 business with the public, wherein LOAN CENTER solicited
13 borrowers and lenders for and negotiated loans secured by liens
14 on real property and packaged said loans for referral to
15 lenders, all for or in expectation of compensation.

16 9. From August to November, 1989, the Department
17 conducted an audit of respondent LOAN CENTER concerning trust
18 fund handling and record-keeping by LOAN CENTER in the above-
19 described mortgage loan brokerage business. The time period
20 covered by said audit was from January 1, 1988 to and including
21 June 29, 1989, and, unless otherwise mentioned, the relevant
22 period of time referenced herein shall be the same.

23 10. At all times material herein in the conduct of
24 its mortgage loan brokerage business, respondent LOAN CENTER
25 received trust funds in the form of credit reports and appraisal
26 fees and deposited or caused to be deposited and disbursed or
27 caused to be disbursed said trust funds into and from a trust

1 account maintained at Gibraltar Savings entitled Loan Center,
2 Inc. Trust Account (hereinafter "Loan Center Trust Account").

3 11. Respondent LOAN CENTER disbursed or allowed the
4 disbursement of trust funds from the Loan Center Trust Account
5 without the prior written consent of every principal who then
6 was an owner of funds in the said account wherein the
7 disbursement reduced the balance of funds in the said accounts
8 as of July 29, 1989, to an amount which was \$3,628 less than the
9 existing aggregate trust fund liability to all owners of said
10 funds.

11 FIRST CAUSE OF ACCUSATION

12 (Violation by respondent LOAN CENTER of Regulation
13 2832.1 and Section 10145 of the Code)

14 12. As a First Cause of Accusation, complainant
15 incorporates herein by this reference the Preamble and each of
16 the allegations in Paragraphs 1 through 11 hereinabove.

17 13. The conduct of respondent LOAN CENTER, in
18 disbursing trust funds from the Loan Center Trust Account
19 resulting in a reduction of the balance of funds in the said
20 account to an amount which was less the then-existing aggregate
21 trust fund liability of respondent LOAN CENTER to the owners of
22 the trust funds in the said account without the prior written
23 consent of the owners thereof, as described in Paragraph 11
24 hereinabove, constitutes a violation of Section 10145 of the
25 Code and Section 2832.1 of Chapter 10 of the California Code of
26 Regulations (hereinafter "Regulations"). Said conduct and
27 violation are cause to suspend or revoke the real estate license

1 and license rights of respondent LOAN CENTER under the
2 provisions of Section 10177(d) of the Code.

3 SECOND CAUSE OF ACCUSATION

4 (Violation by respondent HADJIAN of
5 Section 10177(h) of the Code)

6 14. As a Second Cause of Accusation, the complainant
7 incorporates herein by this reference the Preamble and each of
8 the allegations in Paragraphs 1 through 11 and 13 hereinabove.

9 15. The conduct of respondent HADJIAN, in allowing
10 respondent LOAN CENTER to violate Sections 10145 and 10177(d) of
11 the Code and Regulation 2832.1, as described hereinabove,
12 constitutes a failure by respondent HADJIAN to exercise
13 reasonable supervision of the activities of respondent LOAN
14 CENTER which require a real estate license. Said conduct is
15 cause to suspend or revoke the real estate license and license
16 rights of respondent HADJIAN under Section 10177(h) of the Code.

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1 WHEREFORE, complainant prays that a hearing be
2 conducted on the allegations of this Accusation and, that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and license rights of respondents
5 LOAN CENTER, INC., a California corporation; and FARROKH FRED
6 HADJIAN, individually and as designed officer of Loan Center,
7 Inc., under the Real Estate Law (Part 1 of Division 4 of the
8 Business and Professions Code) and for such other and further
9 relief as may be proper under other applicable provisions of
10 law.

11 Dated at Los Angeles, California
12 this 14th day of May, 1991.

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17 Deputy Real Estate Commissioner
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25 cc: Loan Center, Inc.
26 Farrokh Fred Hadjian
27 Sacto.
MJG

lbo