

1 Department of Real Estate  
2 320 West 4th Street, Ste. 350  
3 Los Angeles, California 90013-1105  
4 Telephone: (213) 576-6982 (office)

**FILED**

MAY 20 2010

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H-35732 LA

12 FARRLAND GROUP INC.; doing )  
13 business as Merit Escrow; and )  
14 FARR SONEI, individually and as )  
designated officer of Farmland )  
Group Inc., )

STIPULATION  
AND  
AGREEMENT

15 Respondents. )  
16 )  
17 )  
18 )

19 It is hereby stipulated by and between Respondents  
20 FARRLAND GROUP INC. and FARR SONEI, individually and as  
21 designated officer of Farmland Group Inc., (sometimes  
22 collectively referred to as "Respondents"), and the Complainant,  
23 acting by and through Elliott Mac Lennan, Counsel for the  
24 Department of Real Estate, as follows for the purpose of settling  
25 and disposing of the Accusation ("Accusation") filed on February  
26 26, 2009, in this matter:  
27

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

8 2. Respondents have received, read and understand the  
9 Statement to Respondent, the Discovery Provisions of the APA and  
10 the Accusation filed by the Department of Real Estate in this  
11 proceeding.

12 3. Respondents timely filed a Notice of Defense  
13 pursuant to Section 11506 of the Government Code for the purpose  
14 of requesting a hearing on the allegations in the Accusation.  
15 Respondents hereby freely and voluntarily withdraw said Notice of  
16 Defense. Respondents acknowledge that they understand that by  
17 withdrawing said Notice of Defense they thereby waive their right  
18 to require the Commissioner to prove the allegations in the  
19 Accusation at a contested hearing held in accordance with the  
20 provisions of the APA and that they will waive other rights  
21 afforded to them in connection with the hearing such as the right  
22 to present evidence in their defense and the right to cross-  
23 examine witnesses.  
24

25 ///

26 ///

1                   4. This Stipulation is based on the factual  
2 allegations contained in the Accusation. In the interest of  
3 expedience and economy, Respondents choose not to contest these  
4 allegations, but to remain silent and understand that, as a  
5 result thereof, these factual allegations, without being admitted  
6 or denied, will serve as a prima facie basis for the disciplinary  
7 action stipulated to herein. The Real Estate Commissioner shall  
8 not be required to provide further evidence to prove said factual  
9 allegations.

10                   5. This Stipulation is made for the purpose of  
11 reaching an agreed disposition of this proceeding and is  
12 expressly limited to this proceeding and any other proceeding or  
13 case in which the Department of Real Estate ("Department"), the  
14 state or federal government, or any agency of this state, another  
15 state or federal government is involved.

16                   6. It is understood by the parties that the Real  
17 Estate Commissioner may adopt this Stipulation as his Decision in  
18 this matter thereby imposing the penalty and sanctions on  
19 Respondents' real estate licenses and license rights as set forth  
20 in the "Order" herein below. In the event that the Commissioner  
21 in his discretion does not adopt the Stipulation, it shall be  
22 void and of no effect and Respondents shall retain the right to a  
23 hearing and proceeding on the Accusation under the provisions of  
24 the APA and shall not be bound by any stipulation or waiver made  
25 herein.  
26  
27

1 7. The Order or any subsequent Order of the Real  
2 Estate Commissioner made pursuant to this Stipulation shall not  
3 constitute an estoppel, merger or bar to any further  
4 administrative or civil proceedings by the Department of Real  
5 Estate with respect to any matters which were not specifically  
6 alleged to be causes for Accusation in this proceeding but do  
7 constitute a bar, estoppel and merger as to any allegations  
8 actually contained in the Accusations against Respondent herein.

9 8. Respondents understand that by agreeing to this  
10 Stipulation, Respondents agree to pay, pursuant to Business and  
11 Professions Code Section 10148, the cost of the audit. The  
12 amount of said cost for the audit is \$4,201.55.

13 9. Respondents have received, read, and understand the  
14 "Notice Concerning Costs of Subsequent Audit". Respondents  
15 further understand that by agreeing to this Stipulation, the  
16 findings set forth below in the Determination of Issues become  
17 final, and the Commissioner may charge Respondents for the cost  
18 of any subsequent audit conducted pursuant to Business and  
19 Professions Code Section 10148 to determine if the violations  
20 have been corrected. The maximum cost of the subsequent audit  
21 will not exceed \$4,201.55.

22 ///

23 ///

24 ///

25 ///

26 ///

27

DETERMINATION OF ISSUES

1                   By reason of the foregoing, it is stipulated and agreed  
2  
3 that the following determination of issues shall be made:

I.

4                   The conduct, acts or omissions of FARRLAND GROUP INC.  
5  
6 and FARR SONEI, as described in Paragraph 4, above, are in  
7 violation of Sections 10145 and 10159.5, of the Business and  
8 Professions Code ("Code") and Sections 2731, 2831.1, 2831.2,  
9 2832.1, 2950(d), 2950(g), 2950(h) and 2951 of Title 10, Chapter 6  
10 of the California Code of Regulations ("Regulations") and is a  
11 basis for discipline of Respondents' license and license rights  
12 as violation of the Real Estate Law pursuant to Code Sections  
13 10177(d) and 10177(g).

II.

14                   The conduct, acts or omissions of FARR SONEI, as  
15  
16 described in Paragraph 4, above, constitutes a failure to keep  
17 FARRLAND GROUP INC. in compliance with the Real Estate Law during  
18 the time that he was the officer designated by a corporate broker  
19 licensee in violation of Section 10159.2 of the Code. This  
20 conduct is a basis for the suspension or revocation of  
21 Respondent's license pursuant to Code Section 10177(h).

23 ///

24 ///

25 ///

26 ///

27

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

The license and licensing rights of Respondent FARRLAND GROUP INC. are hereby revoked

II.

The license and licensing rights of Respondent FARR SONEI, under the Real Estate Law, are suspended for a period of sixty (60) days from the effective date of this Decision.

A. Provided, however, that if Respondent requests, the initial thirty (30) days of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$66.66 per day for each day of the suspension for a monetary penalty of \$2,000.

2. Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be received by the Department prior to the effective date of the Decision in this matter.

3. No further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision in this matter.

///

1                   4. If Respondent fails to pay the monetary penalty in  
2 accordance with the terms of the Decision, the Commissioner may,  
3 without a hearing, order the immediate execution of all or any  
4 part of the stayed suspension, in which event the Respondent  
5 shall not be entitled to any repayment nor credit, prorated or  
6 otherwise, for money paid to the Department under the terms of  
7 this Decision.

8                   5. If Respondent pays the monetary penalty and if no  
9 further cause for disciplinary action against the real estate  
10 license of Respondent occurs within two (2) years from the  
11 effective date of the Decision, the stay hereby granted shall  
12 become permanent.

13                   B. The remaining thirty (30) days of the sixty (60)  
14 day suspension shall be stayed for two (2) years upon the  
15 following terms and conditions:

16                   (a) Respondent shall obey all laws, rules and  
17 regulations governing the rights, duties and responsibilities of  
18 a real estate licensee in the State of California; and  
19

20                   (b) That no final subsequent determination be made  
21 after hearing or upon stipulation, that cause for disciplinary  
22 action occurred within two (2) years from the effective date of  
23 this Decision. Should such a determination be made, the  
24 Commissioner may, in his discretion, vacate and set aside the  
25 stay order and reimpose all or a portion of the stayed  
26 suspension. Should no such determination be made, the stay  
27

1 imposed herein shall become permanent.

2 III.

3 Pursuant to Section 10148 of the Business and

4 Professions Code, Respondent FARR SONEI shall pay the  
5 Commissioner's reasonable cost for (a) the audit which led to  
6 this disciplinary action (b) a subsequent audit to determine if  
7 Respondent FARR SONEI is now in compliance with the Real Estate  
8 Law. The cost of the audit which led to this disciplinary action  
9 is \$4,201.55. In calculating the amount of the Commissioner's  
10 reasonable cost, the Commissioner may use the estimated average  
11 hourly salary for all persons performing audits of real estate  
12 brokers, and shall include an allocation for travel time to and  
13 from the auditor's place of work. Said amount for the prior and  
14 subsequent audits shall not exceed \$8,403.10.

15 Respondent FARR SONEI shall pay such cost within 60  
16 days of receiving an invoice from the Commissioner detailing the  
17 activities performed during the audit and the amount of time  
18 spent performing those activities.

19  
20 The Commissioner may suspend the license of Respondent  
21 FARR SONEI pending a hearing held in accordance with Section  
22 11500, et seq., of the Government Code, if payment is not timely  
23 made as provided for herein, or as provided for in a subsequent  
24 agreement between the Respondent and the Commissioner. The  
25 suspension shall remain in effect until payment is made in full  
26 or until Respondent enters into an agreement satisfactory to the  
27

1 Commissioner to provide for payment, or until a decision  
2 providing otherwise is adopted following a hearing held pursuant  
3 to this condition.

4 IV.

5 All license and licensing rights of Respondent FARR  
6 SONEI are indefinitely suspended unless or until Respondent  
7 provides evidence satisfactory to the Commissioner that the trust  
8 fund deficit set forth in the Accusation, in the amount of  
9 \$4,193.35, has been cured, including the identification of the  
10 source of funds used to cure the deficit.

11 V.

12 All licenses and licensing rights of Respondent FARR  
13 SONEI are indefinitely suspended unless or until Respondent  
14 provides proof satisfactory to the Commissioner, of having taken  
15 and successfully completed the continuing education course on  
16 trust fund accounting and handling specified in paragraph (3) of  
17 subdivision (a) of Section 10170.5 of the Business and  
18 Professions Code. Proof of satisfaction of this requirement  
19 includes evidence that Respondent has successfully completed the  
20 trust fund account and handling continuing education course  
21 within 120 days prior to the effective date of the Decision.

23 VI.

24 Respondent FARR SONEI shall, within nine (9) months  
25 from the effective date of this Decision, present evidence  
26 satisfactory to the Real Estate Commissioner that Respondent has,  
27

1 since the most recent issuance of an original or renewal real  
2 estate license, taken and successfully completed the continuing  
3 education requirements of Article 2.5 of Chapter 3 of the Real  
4 Estate Law for renewal of a real estate license. If Respondent  
5 fails to satisfy this condition, the Commissioner may order the  
6 suspension of the restricted license until Respondent presents  
7 such evidence. The Commissioner shall afford Respondent the  
8 opportunity for a hearing pursuant to the Administrative  
9 Procedure Act to present such evidence.

10  
11  
12  
13 DATED: 3-25-10

ELL  
14 ELLIOTT MAC LENNAN, Counsel for  
15 the Department of Real Estate

16 \* \* \*

17 EXECUTION OF THE STIPULATION

18 We have read the Stipulation. Its terms are understood  
19 by us and are agreeable and acceptable to us. We understand that  
20 we are waiving rights given to us by the California  
21 Administrative Procedure Act (including but not limited to  
22 Sections 11506, 11508, 11509 and 11513 of the Government Code),  
23 and we willingly, intelligently and voluntarily waive those  
24 rights, including the right of requiring the Commissioner to  
25 prove the allegations in the Accusation at a hearing at which we  
26 would have the right to cross-examine witnesses against us and to  
27 present evidence in defense and mitigation of the charges.

MAILING AND FACSIMILE

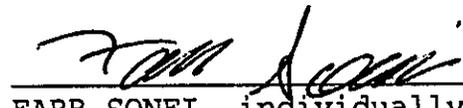
1 Respondents (1) shall mail the original signed  
2 signature page of the stipulation herein to Elliott Mac Lennan:  
3 Attention: Legal Section, Department of Real Estate, 320 W.  
4 Fourth St., Suite 350, Los Angeles, California 90013-1105.  
5 Respondents shall also (2) facsimile a copy of signed signature  
6 page, to the Department at the following telephone/fax number:  
7 (213) 576-6917, Attention: Elliott Mac Lennan.  
8

9 A facsimile constitutes acceptance and approval of the  
10 terms and conditions of this stipulation. Respondents agree,  
11 acknowledge and understand that by electronically sending to the  
12 Department a facsimile copy of Respondents' actual signature as  
13 it appears on the stipulation that receipt of the facsimile copy  
14 by the Department shall be as binding on Respondents as if the  
15 Department had received the original signed stipulation.  
16

17  
18 DATED: 4/17/2010

  
FARRLAND GROUP INC., a corporate  
real estate broker,  
BY: FARR SONEI D.O., Respondent

19  
20  
21  
22  
23 DATED: 4/17/2010

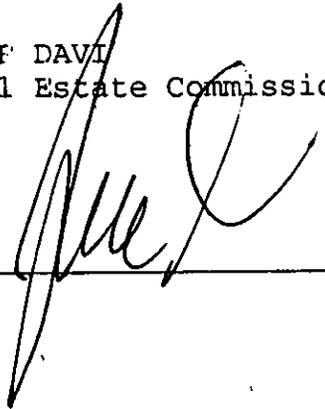
  
FARR SONEI, individually and as  
designated officer of Farmland  
Group Inc., Respondent

\* \* \*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

The foregoing Stipulation and Agreement is hereby  
adopted as my Decision as to Respondents FARRLAND GROUP INC. and  
FARR SONEI, individually and as designated officer of Farrland  
Group Inc. and shall become effective at 12 o'clock noon on  
June 18, 2010.

IT IS SO ORDERED 5-12, 2010.

JEFF DAVIS  
Real Estate Commissioner  




1.

1           The Complainant, Robin Trujillo, acting in her official  
2 capacity as a Deputy Real Estate Commissioner of the State of  
3 California, makes this Accusation against FARRLAND GROUP INC. and  
4 FARR SONEI.  
5

2.

6           All references to the "Code" are to the California  
7 Business and Professions Code and all references to "Regulations"  
8 are to Title 10, Chapter 6, California Code of Regulations.  
9

3.

10           A. At all times mentioned, FARRLAND GROUP INC. ("FGI")  
11 was licensed or had license rights issued by the Department of  
12 Real Estate ("Department") as a real estate broker. On March 14,  
13 2003, FGI was originally licensed as a corporate real estate  
14 broker.  
15

16           B. At all times mentioned, FARR SONEI ("SONEI") was  
17 licensed or had license rights issued by the Department as a real  
18 estate broker. On February 7, 2000, SONEI was originally  
19 licensed as a real estate salesperson. On February 22, 2003,  
20 SONEI was originally licensed as a real estate broker. On March  
21 14, 2003, SONEI was licensed as the designated officer or FGI.

22           C. At all times material herein, FGI was licensed by  
23 the Department as a corporate restricted real estate broker by  
24 and through SONEI, as the designated officer and broker  
25 responsible, pursuant to Code Section 10159.2 of the Business and  
26 Professions Code for supervising the activities requiring a real  
27

1 estate license conducted on behalf FGI of by FGI's officers,  
2 agents and employees, including SONEI.

3 4.

4 At all times mentioned, in City of Canoga Park, County  
5 of Los Angeles, FGI and SONEI acted as real estate brokers and  
6 conducted licensed activities within the meaning of:

7 A. Code Section 10131(d). Respondents' engaged in  
8 activities with the public wherein lenders and borrowers were  
9 solicited for loans secured directly or collaterally by liens on  
10 real property, wherein such loans were arranged, negotiated,  
11 processed and consummated on behalf of others for compensation or  
12 in expectation of compensation and for fees often collected in  
13 advance; and

14 B. FGI and SONEI conducted broker-controlled escrows  
15 through its escrow division, Merit Escrow aka Merit Escrow Inc.,  
16 under the exemption set forth in California Financial Code  
17 Section 17006(a)(4) for real estate brokers performing escrows  
18 incidental to a real estate transaction where the broker is a  
19 party and where the broker is performing acts for which a real  
20 estate license is required.  
21

22 ///

23 ///

24 ///

25 ///

26 ///

27

FIRST CAUSE OF ACTION

AUDIT EXAMINATION

5.

On May 18, 2007, the Department completed an audit examination of the books and records of FGI pertaining to the broker-escrow activities described in Paragraph 4 that require a real estate license. The audit examination covered a period of time beginning on January 1, 2005 to December 31, 2006. 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 060192 and the exhibits and work papers attached to said audit report.

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, FGI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties including lenders and borrowers, for loan transactions brokered and escrowed by FGI 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 FGI in the bank account as follows:

"Merit Escrow Inc. Trust Account  
Account No. 963-5771976"  
Wells Fargo Bank  
Portland, Oregon

(T/A #1)

1 "Merit Escrow Inc. Trust Account  
2 Account No. 00-83214882"  
3 East West Bank  
4 Los Angeles, California

(T/A #2)

7.

5 In the course of activities described in Paragraphs 4  
6 and 6 above and during the examination period described in  
7 Paragraph 5, Respondents FGI and SONEI, acted in violation of the  
8 Code and the Regulations in that they:

9 (a) Permitted, allowed or caused the disbursement of  
10 trust funds from the T/A #1 below where the disbursement of said  
11 funds reduced the total of aggregate funds as set forth below, to  
12 an amount which, on December 31, 2006, was \$4,193.35, less than  
13 the existing aggregate trust fund liability of FGI to every  
14 principal who was an owner of said funds, without first obtaining  
15 the prior written consent of the owners of said funds, in  
16 violation of Code Section 10145 and Regulations 2832.1, 2950(g)  
17 and 2951.

18 (b) Failed to maintain an accurate and complete  
19 separate record for each beneficiary or transaction, thereby  
20 failing to account for all trust funds received, deposited and  
21 disbursed for the escrow trust accounts T/A #1 and T/A #2, in  
22 violation of Code Section 10145 and Regulations 2831.1, 2950(d)  
23 and 2951.

24 (c) Failed to perform a monthly reconciliation of the  
25 balance of all separate beneficiary or transaction records  
26  
27

1 maintained pursuant to Regulation 2831.1 with the record of all  
2 trust funds received and disbursed by the escrow trust accounts,  
3 T/A #1 and T/A #2, in violation of Code Section 10145 and  
4 Regulation 2831.2, 2950(d) and 2951.

5 (d) Used the fictitious name of "Merit Escrow" and  
6 "Merit Escrow Inc.", to conduct licensed activities including  
7 broker-controlled escrows without holding a license bearing said  
8 fictitious business names, in violation of Code Section 10159.5  
9 and Regulation 2731; and

10 (e) Failed to advise all parties to its escrow  
11 operation, "Merit Escrow" aka "Merit Escrow Inc." of its  
12 ownership of and financial interest in said escrow operation, in  
13 violation of by Code Section 10145 and Regulation 2950(h).

14 8.

15 The conduct of Respondents FGI and SONEI described in  
16 Paragraph 7, above, violated the Code and the Regulations as set  
17 forth below:

18 PARAGRAPH

19 PROVISIONS VIOLATED

20  
21 7(a)

22 Code Section 10145 and Regulations  
23 2832.1, 2950(g) and 2951

24  
25 7(b)

26 Code Section 10145 and Regulations  
27 2831.1, 2950(d) and 2951



SECOND CAUSE FOR ACCUSATION

PRIMARY RESIDENCE LOAN AND LENDER FRAUD SCHEME

General Allegation

8.

Respondent SONEI represented borrower Tandiwe Mushonga in fraudulent loan scheme involving the obtaining of loans secured by two separate parcels of real property claiming both as primary residences, contrary to fact. The scheme involved in inducing lender HSBC Mortgage Services to make these loans prepared and signed and/or handled by SONEI by representing in the loan applications that borrower Tandiwe Mushonga was purchasing each separate property as her primary residence.

Specific Allegations

720 W. 4<sup>th</sup> St #116, Long Beach, California

9.

Commencing on or around March 13, 2006, SONEI represented Tandiwe Mushonga in obtaining a loan to purchase residential property located at 720 W. 4<sup>th</sup> St #116, Long Beach, California ("4<sup>th</sup> St. property"). The loan was a 100% loan in the amount of the purchase price of \$390,000 and was secured by the 4<sup>th</sup> St. property.

10.

On or about March 13, 2006, SONEI signed a Uniform Residential Loan Application. Respondent SONEI signed the application as the interviewer, and indicated that she conducted

1 a telephonic interview with borrower Tandiwe Mushonga.

2 11.

3 Tandiwe Mushonga originated the 4<sup>th</sup> St property loan to  
4 finance the \$390,000 purchase price and stated that her income  
5 was \$9,400 per month and that the 4<sup>th</sup> St property would be her  
6 primary residence. These statements were false.

7 Specific Allegations

8 1516 S. California Ave, Compton, California

9 12.

10 Respondent SONEI represented Tandiwe Mushonga in  
11 obtaining loans to purchase residential property located at 1516  
12 S. California Ave, Compton, California ("California Ave"). The  
13 loans, \$292,000 and \$73,000, in total constituted 100% of  
14 purchase price \$365,000, and were secured by the California Ave.  
15 property.

16 13.

17 On or about February 28, 2006, Respondent SONEI  
18 prepared a Uniform Residential Loan Application for a loan in the  
19 amount of \$365,000 for the purchase of the California Ave.  
20 Respondent SONEI's name was typewritten on the Loan Application  
21 as the interviewer and indicated that she conducted a telephonic  
22 interview with borrower Tandiwe Mushonga, who also signed the  
23 application.  
24

25 14.

26 The California Ave. application represented that  
27 Tandiwe Mushonga intended to reside in the property as her

1 primary residence and that she had not had any other ownership  
2 interest in property in the previous three years. This statement  
3 was false. The purchase of the 4<sup>th</sup> St. property closed escrow on  
4 March 22, 2006, four days after the signing of the California  
5 Ave. loan application.

6 15.

7 Tandiwe Mushonga stated her income as \$9,400 per month  
8 on the 4th Ave. loan application. This statement was false. She  
9 stated her income as \$8,700 per month on the California Ave.  
10 This statement was false.

11 16.

12 Respondent SONEI submitted both the 4<sup>th</sup> St. Road and  
13 the California Ave. loan applications and related documentation  
14 to lenders. In reliance on the information contained in the loan  
15 application and representations made therein, lender HSBC  
16 Mortgage Services funded both loans.

17 17.

18 In connection with the loan brokerage activities  
19 related to the 4<sup>th</sup> St. Road and California Ave. properties,  
20 Respondent SONEI received a commission at the closing, for 4<sup>th</sup> St  
21 property on March 22, 2006 and for California Ave., on April 3,  
22 2006.

23 18.

24 The loan applications for mortgage loans in relation to  
25 the purchase of the 4<sup>th</sup> St. Road and California Ave. properties  
26 described above contained material misrepresentations of fact  
27 regarding the borrower's intent to reside in each of the

1 properties as her "primary residence." At the time the  
2 representations were made, Respondent knew, or should reasonably  
3 have known, that they were false and/or misleading, and that the  
4 loans were being made in reliance on those misrepresentations.

5 19.

6 In making misrepresentations of material fact in the  
7 loan applications for the purchases of the 4<sup>th</sup> St. and California  
8 Ave. properties and in failing to otherwise disclose the  
9 borrower's true financial situation including her income as a  
10 underwriting technician for the California State Compensation  
11 Board of respectively \$9,400 and \$8,7000, Respondent SONEI  
12 intended to mislead and/or deceive the lenders and to induce  
13 their reliance on the representations made in the loan  
14 applications to grant the loans on the 4<sup>th</sup> St. and California  
15 Ave. properties. The lender, HSBC Mortgage Services did, in  
16 fact, rely on the representations made in the loan applications  
17 and related documentation and funded the loans. HSBC Mortgage  
18 Services would not have made the loans had the lender had known  
19 the true facts. Respondents received commissions as a result of  
20 the loans being funded.

21 20.

22 Respondents FGI and SONEI dishonest conduct, in making  
23 representations which she knew were false and/or misleading,  
24 and/or in omitting material facts, in the loan applications set  
25 forth above, constitutes grounds to suspend or revoke  
26 Respondent's real estate broker license pursuant to Code Sections  
27 10176(a), 10176(i) and/or 10177(g).

1 21.

2 SONEI and FGI intentionally engaged in the conduct  
3 above set forth in Paragraphs 8 and 19. Alternatively, SONEI and  
4 FGI engaged in negligent misrepresentations in transactions for  
5 which real estate licenses are required, violation of Code  
6 Sections 10176(a), 10176(i) and/or 10177(g)

7 VIOLATIONS OF THE REAL ESTATE LAW BY SONEI AND FGI  
8

9 22.

10 A. 10176(a) for inducing lender HSBC Mortgage Services  
11 to finance the loans on the 4<sup>th</sup> St. and California Ave.  
12 properties by false income and false primary purchase status of  
13 borrower Tandiwe Mushonga.

14 B. 10176(i) for fraud and dishonest dealing by fraud  
15 upon lender HSBC Mortgage Services.

16 C. 10177(g) for negligence or incompetence for which a  
17 real estate license is required, in connection with the 4<sup>th</sup> St.  
18 and California Ave. primary home purchase loan transactions.  
19 Respondents knew or should have known at the time through the  
20 exercise of reasonable diligence, that Tandiwe Mushonga was near  
21 simultaneously applying for and obtaining mortgage loan  
22 obligation for the 4<sup>th</sup> St. property in the amount of \$390,000 and  
23 the California Ave. property in the amount of \$365,000.

24 D. 10176(i) and/or 10177(g) for breach of fiduciary  
25 duty; and  
26

27 ///

1 E. 10176(c) for a continued and flagrant course of  
2 misrepresentations or making of false promises through real  
3 estate salespersons, in connection with the 4<sup>th</sup> St. and  
4 California Ave. primary residence purchase loan transactions.

5 23.

6 The overall conduct of Respondents FGI and SONEI  
7 constitutes negligence or incompetence. This conduct and  
8 violation are cause for the suspension or revocation of the real  
9 estate license and license rights of Respondents FGI and SONEI  
10 pursuant to Code Section 10177(g).

11 24.

12 The overall conduct of Respondent SONEI constitutes a  
13 failure on Respondent's part, as officer designated by a  
14 corporate broker licensee, to exercise the reasonable supervision  
15 and control over the licensed activities of FGI as required by  
16 Code Section 10159.2, and to keep FGI in compliance with the Real  
17 Estate Law, and is cause for the suspension or revocation of the  
18 real estate license and license rights of SONEI pursuant to the  
19 provisions of Code Section 10177(h).  
20

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27

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 the license and license rights of Respondents  
5 FARRLAND GROUP INC. dba Merit Escrow and FARR SONEI, under the  
6 Real Estate Law (Part 1 of Division 4 of the Business and  
7 Professions Code) and for such other and further relief as may be  
8 proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 25 day of February 2009.   
11 Deputy Real Estate Commissioner

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24 cc: Farrland Group Inc.  
25 c/o Farr Sonei D.O.  
26 Robin Trujillo  
27 Sacto  
Audits - Godswill Keraoru