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FILED

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DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	
)	No. H- 36482 LA
PLATINUM ACCEPTANCE CORP.; and)	
MIR NOORBAKSH, individually)	
and as designated officer of)	
Platinum Acceptance Corp.; and)	<u>A C C U S A T I O N</u>
ROBERT DOMENIC LONARDO,)	
)	
Respondents.)	

17 The Complainant, Robin Trujillo, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against PLATINUM ACCEPTANCE CORP., MIR NOORBAKSH, individually
20 and as designated officer of Platinum Acceptance Corp., and
21 ROBERT DOMENIC LONARDO aka Robert Leonardo, alleges as follows:

22 1.

23 The Complainant, Robin Trujillo, acting in her official
24 capacity as a Deputy Real Estate Commissioner of the State of
25 California, makes this Accusation against PLATINUM ACCEPTANCE
26 CORP., MIR NOORBAKSH and ROBERT DOMENIC LONARDO.
27

2.

1 All references to the "Code" are to the California
2 Business and Professions Code and all references to "Regulations"
3 are to Title 10, Chapter 6, California Code of Regulations.
4

3.

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6 License History

7 A. PLATINUM ACCEPTANCE CORP. ("PAC"). At all times
8 mentioned, Respondent PAC was licensed or had license rights
9 issued by the Department of Real Estate ("Department") as a real
10 estate broker. On July 18, 2006, PAC was originally licensed as
11 a corporate real estate broker. At all times mentioned herein,
12 Respondent PAC was authorized to act by and through Respondent
13 MIR NOORBAKSHSH as PAC's broker designated pursuant to Business
14 and Professions Code (hereinafter "Code") Sections 10159.2 and
15 10211 to be responsible for ensuring compliance with the Real
16 Estate Law.
17

18 B. MIR NOORBAKSHSH. At all times mentioned, Respondent
19 MIR NOORBAKSHSH ("NOORBAKSHSH") was licensed or had license rights
20 issued by the Department as a real estate broker. On March 15,
21 2006, NOORBAKSHSH was originally licensed as a real estate broker
22 and on July 18, 2006, became the designated officer of PAC.

23 C. ROBERT DOMENIC LONARDO. At all times mentioned,
24 Respondent ROBERT DOMENIC LONARDO aka Robert Leonardo dba
25 Mitigation Online Consultants and Rob Lonardo Consulting and
26 Productions Inc. (LONARDO) was licensed or had license rights
27

1 issued by the Department as a real estate salesperson. On
2 November 16, 2005, LONARDO was originally licensed as a real
3 estate salesperson. On May 17, 2007, LONARDO's salesperson
4 license was conditionally suspended pursuant to Code Section
5 10156.7. On November 15, 2009, LONARDO's salesperson license
6 expired. The Department re retains jurisdiction over expired and
7 lapsed license rights pursuant to Code Section 10103.

8 D. MIR NOORBAKSHSH is the corporate President of PAC
9 and is sole shareholder of PAC.

10 Brokerage

11 4.

12 At all times mentioned, in the City of Fullerton and
13 County of Orange, PAC and NOORBAKSHSH acted as real estate brokers
14 conducting licensed activities within the meaning of Code
15 Sections 10131(d) and 10131.2. PAC, NOORBAKSHSH and LONARDO
16 engaged in the business of a loan modification and an advance fee
17 brokerage. For compensation or in expectation of compensation
18 and for fees often collected in advance, Respondents contacted
19 lenders' loss mitigation departments on behalf of economically
20 distressed homeowner-borrowers seeking modification of the terms
21 of their home loans including, but not limited to, repayment
22 plans, forbearance, Deed-In-Lieu of Foreclosure, partial claims,
23 and reduction in principal or interest. PAC, NOORBAKSHSH and
24 LONARDO handled the following loan modifications during the audit
25 period:
26
27

Loan Modifications	Advance Fees Collected	Transferred from Diamond Funding Corporation
133	\$225,850.14	\$190,009.96

Audit Examination

5.

On November 30 2009, the Department completed an audit examination of the books and records of PAC pertaining to the 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 September 1, 2006 to August 31, 2009. 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 090041 and the exhibits and work papers attached to said audit report.

Bank and Trust Accounts

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, PAC accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties, including lenders, borrowers, homeowners for loan modifications handled by PAC. Thereafter PAC made deposits and or

1 disbursements of such trust funds. From time to time herein
2 mentioned during the audit period, said trust funds were
3 deposited and/or maintained by PAC in the bank account as
4 follows:

5
6 "Platinum Acceptance Corp. Bank Account
7 Account No. 200041727298
8 Wachovia Bank
9 P.O. Box 563966
10 Charlotte NC 28256-3966

(B/A #1)

11 "Platinum Acceptance Corp. Bank Account
12 Account No. 06907-70288
13 Bank of America
14 17430 Brookhurst St.
15 Fountain Valley, CA 92708

(B/A #2)

16 Audit Violations

17 7.

18 In the course of activities described in Paragraphs 4
19 and 6, above, and during the examination period described in
20 Paragraph 5, Respondents PAC and NOORBAKSHH acted in violation of
21 the Code and the Regulations in which Respondents:

22 (a) PAC, NOORBAKSHH and LONARDO permitted, allowed or
23 caused the disbursement of trust funds from the escrow trust
24 account where the disbursement of funds reduced the total of
25 aggregate funds in B/A#1 trust account, to an amount which, on
26 August 31, 2009, was \$205,679.39, less than the existing
27

1 aggregate trust fund liability to every principal who was an
2 owner of said funds, without first obtaining the prior written
3 consent of the owners of said funds, in violation of Code
4 Sections 10130 (LONARDO only), 10145, 10176(i) and 10177(g) and
5 Regulation 2832.1. The \$205,679.39 is due to the unauthorized
6 withdrawal by expired licensee ROBERT DOMENIC LONARDO aka Robert
7 Leonardo, as set forth in Table: Unauthorized Withdrawals

9	Counter Withdrawal on 06/12/09	\$ < 59,707.25>
10	Counter Withdrawal on 06/16/09	\$ < 66,879.68>
11	Counter Withdrawal on 06/23/09	\$ < 6,336.03>
12	Counter Withdrawal on 07/06/09	\$ < 24,675.51>
13	Check Withdrawal on 07/10/2009	\$ < 18,791.09>
14	Automated debit – Rob Leonardo 07/16/2009	\$ < 10,000.00>
15	Automated debit – Rob Leonardo on 07/17/2009	\$ < 14,798.56>
16	Various debits less than \$5,000.00	\$ < 4,491.27>
17	<u>Total</u>	<u>\$ < 205,679.39 ></u>

18
19 (b) Failed to establish and maintain a trust account at
20 a bank or other recognized financial institution in the name of
21 the broker for deposit of advance fees collected by PAC, in
22 violation of Code Section 10146, including but not limited to
23 homeowner/borrowers Jesus Penaloza/Graciela Calzidillas and
24 Janelle Strohmayer. Neither B/A #1 nor B/A 32 were designated as
25 bank accounts. Sometime in 2009, B/A #2 was re-designated as a
26 trust account after advance fees had been deposited into it.
27

1 (c) Permitted LONARDO, an expired licensee and
2 unbonded person, to be a signatory on B/A #1, in violation of
3 Code Section 10145 and Regulation 2834.

4 (d) Failed to maintain a control record in the form of
5 a columnar record in chronological order of all trust funds
6 including advance fees collected in connection with loan
7 modifications, deposited and disbursed, in violation of Code
8 Section 10145 and Regulation 2831, for the aforesaid
9 homeowner/borrowers.

10 (e) Failed to maintain a separate record for each
11 beneficiary or transaction, thereby failing to account for all
12 advance fees collected, in violation of Code Section 10145 and
13 Regulation 2831.1, for the aforesaid homeowner/borrowers.

14 (f) Failed to perform a monthly reconciliation of the
15 balance of all separate beneficiary or transaction records
16 maintained pursuant to Regulation 2831.1 with the record of all
17 trust funds received and disbursed from the general account for
18 loan modification services, in violation of Code Section 10145
19 and Regulation 2831.2, for the aforesaid homeowner/borrowers; and

20 (g) Commingled trust funds and personal funds by
21 depositing trust funds in the form of advance fees collected for
22 loan modifications into B/A #2 during 2008 and part of 2009, in
23 violation of Code Sections 10145 and 10176(e) and Regulation
24 2832.

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1 Discipline Statutes

8.

2 The conduct of Respondents PAC, NOORBAKSH and LONARDO
3 described in Paragraph 7, above, violated the Code and the
4 Regulations as set forth below:
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7 PARAGRAPH	PROVISIONS VIOLATED
9 7(a)	Code Sections 10130 (LONARDO only), 10145 and 10176(i) 10 Regulation 2832.1
11 7(b)	Code Section 10146
13 7(c)	Code Section 10145 and Regulation 2834
15 7(d)	Code Section 10145 and Regulations 2831
17 7(e)	Code Section 10145 and Regulation 2831.1
19 7(f)	Code Section 10145 and Regulation 2831.2
21 7(g)	Code Sections 10145 and 10176(e) and Regulation 2832

1 The foregoing violations constitute cause for the suspension or
2 revocation of the real estate license and license rights of
3 Respondents PAC, NOORBAKHSB and LONARDO under the provisions of
4 Code Sections 10130, 10176(e), 10176(i), 10177(d) and/or
5 10177(g).

6 SECOND CAUSE OF ACCUSATION
7 (Loan Modification Services)

8 9.

9 Complainant hereby incorporates by reference the allegations set
10 forth in Paragraphs 1 through 8, above.

11 10.

12 At all times mentioned herein, Respondent LONARDO
13 engaged in the business of a loan modification and advance fee
14 brokerage, within the definition of Code Sections 10131.2 and
15 10131(d), as aforesaid in Paragraph 4.

16 General Allegations

17 11.

18 During 2008 and continuing thereafter to date,
19 Respondents PAC, NOORBAKHSB and LONARDO, dba Mitigation Online
20 Consultants, solicited economically distressed homeowner-
21 borrowers facing foreclosure and eviction from their homes,
22 offered loan modification service, charged and collected advance
23 fees paid to PAC:

24 ///

25 ///

Table: Loan Modification Transactions

Homeowner	Agent(s)	Advance Fee	Refund
Larry/Cathy Hill	The Buzzones	\$950	\$475
Anthony/Catherine Triola	"Pat"	\$1,000	\$475

Loan Modification Violations

The conduct of offering of a "100 Money Back Guarantee", in order to induce reliance of economically distressed homeowner-borrowers, and in otherwise misleading borrowers into a loan modification scheme to the detriment of the forenamed homeowners, as set forth in Paragraphs 9 through 12 above, wherein upon notice of cancellation said homeowners only received \$475 of their original fees paid, constitutes grounds to discipline the license and/or license rights of Respondents pursuant to Code Sections:

a. 10176(a) for substantial misrepresentation with respect to the forenamed homeowners.

b. 10176(b) for making false promises of a character likely to influence, persuade, entice or induce the forenamed homeowners.

c. 10235 for misleading advertising.

d. 10177(d) for willful disregard of, or violation of

1 the Real Estate Law.

2 e. 10177(g) for negligence or incompetence.

3 f. 10137 for employing and/or compensating unlicensed
4 los mitigation agents and counselors Eric "Pat" Buzzone and
5 Kimberly Buzzone.

6 g. 10176(a)/10177(g) for misrepresenting the offering
7 of the loan modification scheme.

8 Negligence

9 9.

10 The overall conduct of Respondents PLATINUM ACCEPTANCE
11 CORP. and MIR NOORBAKHSB constitutes negligence and is cause for
12 the suspension or revocation of the real estate license and
13 license rights of said Respondents pursuant to the provisions of
14 Code Section 10177(g).

15 Supervision and Compliance

16 10.

17 The overall conduct of Respondent MIR NOORBAKHSB
18 constitutes a failure on said Respondents' part, as officer
19 designated by a corporate broker licensee, to exercise the
20 reasonable supervision and control over the licensed activities
21 of PAC as required by Code Section 10159.2 and Regulation 2725,
22 and to keep PAC in compliance with the Real Estate Law, and is
23 cause for discipline of the real estate license and license
24 rights of all Respondents pursuant to the provisions of Code
25 Sections 10177(d), 10177(g) and 10177(h).
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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 the license and license rights of Respondents
5 PLATINUM ACCEPTANCE CORP., MIR NOORBAKHSH and ROBERT DOMENIC
6 LONARDO, under the Real Estate Law (Part 1 of vision 4 of the
7 Business and Professions Code) and for such other and further
8 relief as may be proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 24 day of February 2010


11 Deputy Real Estate Commissioner

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22 cc: Platinum Acceptance Corp.
23 c/o Mir Noorbakhsh D.O.
24 Robert Domenic Lonardo
25 Robin Trujillo
26 Sacto
27 Tiffany D. Williams
Audits - Godswill Keraoru