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DEPARTMENT OF REAL ESTATE

BY: C.R.

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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) NO. H-37934 LA
12)
13 STALLION LENDING, INC.,) A C C U S A T I O N
14 BRABUS FINANCIAL CORPORATION,)
15 IRFAN NAZIR, individually and as)
16 designated broker-officer of)
17 Stallion Lending, Inc. and)
18 KEVIN CHRISTOPHER VALLE,)
19 individually and as former)
20 designated broker-officer of)
21 Brabus Financial Corporation,)
22 Respondents.)
23)
24)
25)
26)
27)
28)

21 The Complainant, Maria Suarez, a Deputy Real Estate
22 Commissioner of the State of California, for cause of Accusation
23 against STALLION LENDING, INC., BRABUS FINANCIAL CORPORATION,
24 IRFAN NAZIR, individually and as designated broker-officer of
25 Stallion Lending, Inc. and KEVIN CHRISTOPHER VALLE, individually
26 and as former designated broker-officer of Brabus Financial
27 Corporation (collectively "Respondents"), is informed and
28 alleges as follows:

1. 1

2 The Complainant, Maria Suarez, a Deputy Real Estate
3 Commissioner of the State of California, makes this Accusation
4 in her official capacity.

2. 5

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

3. 9

10 From January 23, 2008, through the present, Respondent
11 STALLION LENDING, INC. ("STALLION") has been licensed as a real
12 estate corporation acting by and through Respondent IRFAN NAZIR
13 as its designated broker-officer pursuant to Code Section
14 10159.2 to be responsible for ensuring compliance with the Real
15 Estate Law.

4. 16

17 From May 5, 2003, through May 4, 2011, Respondent
18 BRABUS FINANCIAL CORPORATION ("BRABUS") was licensed by the
19 Department of Real Estate ("Department") as a real estate
20 corporation. From May 5, 2007, through May 26, 2009, Respondent
21 BRABUS was acting by and through Respondent KEVIN CHRISTOPHER
22 VALLE as its designated broker-officer pursuant to Code Section
23 10159.2 to be responsible for ensuring compliance with the Real
24 Estate Law. Respondent BRABUS' license expired on May 4, 2011.
25 BRABUS has renewal rights under Code Section 10201. The
26 Department retains jurisdiction pursuant Code Section 10103.

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1 5.

2 From June 26, 2002, through the present, Respondent
3 IRFAN NAZIR ("NAZIR") has been licensed as a real estate broker.

4 6.

5 From November 16, 2002, through the present,
6 Respondent KEVIN CHRISTOPHER VALLE ("VALLE") has been licensed
7 as a real estate broker.

8 7.

9 At no time mentioned herein has Pacific Mortgage
10 Resolutions, Inc. ("PMRI") ever been licensed by the Department
11 in any capacity.

12 8.

13 PMRI is a corporation formed in California. NAZIR is
14 currently President, Chief Executive Officer and a Director of
15 PMRI. VALLE was the former President, Chief Executive Officer
16 and Director of PMRI.

17 9.

18 At all times herein mentioned, in the State of
19 California, Respondents, while using their own names or other
20 fictitious business names, engaged in the business of a real
21 estate broker conducting activities requiring a real estate
22 license within the meaning of Code Section 10131(d) (solicit
23 borrowers for or negotiate loans or perform services for
24 borrowers in connection with loans secured by liens on real
25 property).

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FIRST CAUSE OF ACCUSATION
(ADVANCE FEE VIOLATIONS)

10.

On or about March 30, 2009, Respondents charged and collected an advance fee of \$1,500 from Hector and Maria Feria for performing services including, without limitation, loan modification and negotiation services in connection with a loan secured by real property. Respondents failed to perform the loan modification and negotiation services that had been promised to the Ferias. Respondents used advance fee materials and an agreement which were not submitted to the Department for review prior to use, in violation of Code Sections 10085 and 10085.5 and Regulation Section 2970, Title 10, Chapter 6, California Code of Regulations ("Regulations").

11.

On or about May 11, 2009, Respondents charged and collected an advance fee of \$2,500 from Jesus Ponce for performing services including, without limitation, loan modification and negotiation services in connection with a loan secured by real property. Respondents failed to perform the loan modification and negotiation services that had been promised to Jesus Ponce. Respondents used advance fee materials and an agreement which were not submitted to the Department for review prior to use, in violation of Code Sections 10085, 10085.5 and 10085.6 and Regulation Section 2970.

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12.

The conduct, acts and/or omissions of Respondents STALLION, BRABUS, NAZIR and VALLE, as set forth above, was in violation of Code Sections 10085.5 and 10085.6 and Regulation 2970, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents STALLION, BRABUS, NAZIR and VALLE pursuant to Code Sections 10177(d) or 10177(g).

SECOND CAUSE OF ACCUSATION

(Unlicensed Activity and
(Use of Unauthorized Fictitious Business Name)

13.

There is hereby incorporated in this Second, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 12, above, with the same force and effect as if herein fully set forth.

14.

The activities described in Paragraphs 10 and 11, above, require a real estate license under Code Section 10131(d). Use of a fictitious business name for activities requiring the issuance of a real estate license requires the filing of an application for the use of such name with the Department in accordance with the provisions of Code Section 10159.5.

15.

Respondents NAZIR and VALLE acted without Department authorization in using the fictitious business name "Pacific

1 Mortgage Resolutions, Inc." to engage in activities requiring
2 the issuance of a real estate license.

3 16.

4 The conduct, acts and/or omissions of Respondents
5 NAZIR and VALLE, as set forth in Paragraphs 14 and 15, above,
6 violate Code Section 10159.5 and Regulation 2731, and are cause
7 for the suspension or revocation of the licenses and license
8 rights of Respondents NAZIR and VALLE pursuant to Code Sections
9 10177(d) and/or 10177(g).

10
11 THIRD CAUSE OF ACCUSATION
12 (Suspended Corporate Status)
13 (Respondent STALLION)

14 17.

15 There is hereby incorporated in this Third, separate,
16 Cause of Accusation, all of the allegations contained in
17 Paragraphs 1 through 16 above, with the same force and effect as
18 if herein fully set forth.

19 18.

20 On February 1, 2010, the California Franchise Tax
21 Board suspended the corporate powers, rights and privileges of
22 Respondent STALLION pursuant to the provisions of the California
23 Revenue and Taxation Code. STALLION's corporate status remains
24 suspended.

25 19.

26 The suspension of Respondent STALLION's corporate
27 status is in violation of Regulation 2742, subdivision (c) and
28 constitutes grounds to suspend or revoke Respondent STALLION's
corporate real estate broker license pursuant to Code Sections

1 10177(d) and/or 10177(g).

2
3 FOURTH CAUSE OF ACCUSATION
4 (Audits)

5 20.

6 There is hereby incorporated in this Fourth, separate
7 Cause of Accusation, all of the allegations contained in
8 Paragraphs 1 through 19, above, with the same force and effect
9 as if herein fully set forth.

10 BRABUS

11 21.

12 On September 15, 2010, the Department completed an
13 audit examination of the books and records of Respondent BRABUS
14 pertaining to its real estate activities that require a real
15 estate license. The audit examination covered a period of time
16 beginning on July 1, 2007 to May 26, 2009. The audit
17 examination revealed violations of the Code and the Regulations
18 as set forth in the following paragraphs, and more fully
19 discussed in Audit Reports LA090278 and LA100010 and the
20 exhibits and work papers attached to said Audit Reports.

21 22.

22 Violations

23 In the course of activities described in Paragraph 9,
24 above, and during the examination period described in Paragraph
25 21, Respondent BRABUS, acted in violation of the Code and the
26 Regulations as follows:

27 (a) Failed to disclose the yield spread
28 premium/rebate paid by the lender on the Mortgage Loan

1 Disclosure Statement in two (2) out of six files examined, in
2 violation of Code Section 10240 and Regulation 2840.

3 (b) While doing business as unlicensed entity PMRI,
4 engaged in the business of real estate and offered to perform or
5 performed services for borrowers including, but not necessarily
6 limited to, forensic loan audits and loan negotiation or
7 modification, in connection with loans secured by liens on real
8 property, in violation of Code Section 10130.

9 Disciplinary Statutes

10 23.

11 The conduct of Respondent BRABUS described in
12 Paragraph 22, above, violated the Code and the Regulations as
13 set forth below:

14 PARAGRAPH	PROVISIONS VIOLATED
15 22(a)	Code Section 10240 and Regulation 2840
16 22(b)	Code Section 10130

17 24.

18 The foregoing violations constitute cause for the
19 suspension or revocation of the real estate license and license
20 rights of Respondent BRABUS, under the provisions of Code
21 Section 10177(d) for violation of the Real Estate Law and/or
22 10177(g) for negligence.

23 STALLION

24 25.

25 On September 15, 2010, the Department completed an
26 audit examination of the books and records of Respondent
27
28

1 STALLION pertaining to its real estate activities that require a
2 real estate license. The audit examination covered a period of
3 time beginning on January 23, 2008 to June 30, 2010. The audit
4 examination revealed violations of the Code and the Regulations
5 as set forth in the following paragraphs, and more fully
6 discussed in Audit Report LA 090276 and the exhibits and work
7 papers attached to said Audit Report.

8 26.

9 Violations

10
11 In the course of activities described in Paragraph 9,
12 above, and during the examination period described in Paragraph
13 25, Respondent STALLION acted in violation of the Code and the
14 Regulations as follows:

15 (a) Held earnest money deposits without written
16 authorization from the principals beyond three business days
17 following the acceptance of an offer to purchase in connection
18 with the sales activity in ten (10) out of twenty (20) files
19 examined, in violation of Code Section 10145 and Regulation
20 2832.

21 (b) While doing business as unlicensed entity PMRI,
22 engaged in the business of real estate and offered to perform or
23 performed services for borrowers including, but not necessarily
24 limited to, forensic loan audits and loan negotiation or
25 modification, in connection with loans secured by liens on real
26 property, in violation of Code Section 10130.

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1 Disciplinary Statutes

2 27.

3 The conduct of Respondent STALLION described in
4 Paragraph 26, above, violated the Code and the Regulations as
5 set forth below:

6 (a)

7 PARAGRAPH	PROVISIONS VIOLATED
8 26(a)	Code Section 10145 and Regulation 2832
9 26(b)	Code Section 10130

10 28.

11 The foregoing violations constitute cause for the
12 suspension or revocation of the real estate license and license
13 rights of Respondent STALLION, under the provisions of Code
14 Section 10177(d) for violation of the Real Estate Law and/or
15 10177(g) for negligence.
16

17 FIFTH CAUSE OF ACCUSATION

18 (Failure to Supervise)

19 (NAZIR and VALLE)

20 29.

21 There is hereby incorporated in this Fifth, separate
22 Cause of Accusation, all of the allegations contained in
23 Paragraphs 1 through 28, above, with the same force and effect
24 as if herein fully set forth.

25 30.

26 The conduct, acts and/or omissions of Respondent
27 NAZIR, in allowing Respondent STALLION to violate the Real
28 Estate Law, as set forth above, constitutes a failure by

Respondent NAZIR, as the broker-officer designated by the corporate broker licensee, to exercise the supervision and control over the activities of Respondent STALLION, as required by Code Section 10159.2, and is cause to suspend or revoke the real estate license and license rights of Respondent NAZIR under Code Sections 10177(h), 10177(d) and/or 10177(g).

31.

The conduct, acts and/or omissions of Respondent VALLE, in allowing Respondent BRABUS to violate the Real Estate Law, as set forth above, constitutes a failure by Respondent VALLE, as the broker-officer designated by the corporate broker licensee, to exercise the supervision and control over the activities of Respondent BRABUS, as required by Code Section 10159.2, and is cause to suspend or revoke the real estate license and license rights of Respondent VALLE under Code Sections 10177(h), 10177(d) and/or 10177(g).

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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/or license rights under the Real
5 Estate Law (Part 1 of Division 4 of the California Business and
6 Professions Code) of Respondents STALLION LENDING, INC., BRABUS
7 FINANCIAL CORPORATION, IRFAN NAZIR, individually and as
8 designated broker-officer of Stallion Lending, Inc. and KEVIN
9 CHRISTOPHER VALLE, individually and as former designated broker-
10 officer of Brabus Financial Corporation, and for such other and
11 further relief as may be proper under other applicable
12 provisions of law.
13

14 Dated at Los Angeles, California.

15 this 27th day of February, 2012.

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18 
19 MARIA SUAREZ

20 Deputy Real Estate Commissioner
21
22
23
24

25 cc: Stallion Lending, Inc.
26 Brabus Financial Corporation
27 Irfan Nazir
28 Kevin Christopher Valle
Maria Suarez
Sacto
Zaky Wanis - Audits