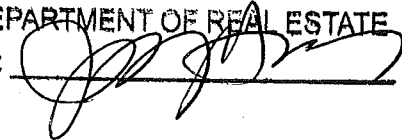


1 JULIE L. TO, SBN 219482  
2 Department of Real Estate  
3 320 West 4th Street, Ste. 350  
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6916 (direct)  
6 -or- (213) 576-6982 (office)

**FILED**

MAY 09 2012

DEPARTMENT OF REAL ESTATE  
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H- 38126 LA  
12 )  
13 )  
14 )  
15 )  
16 )  
17 )  
18 )  
19 )  
20 )  
21 )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )

NATIONWIDE MORTGAGE SOLUTIONS INC and ) A C C U S A T I O N  
RUBY DIANA RIOS, individually and )  
as former designated officer of )  
Nationwide Mortgage Solutions Inc., )  
Respondents. )

19 The Complainant, Maria Suarez, a Deputy Real Estate  
20 Commissioner of the State of California, for cause of Accusation  
21 against NATIONWIDE MORTGAGE SOLUTIONS INC and RUBY DIANA RIOS,  
22 individually and as former designated officer of NATIONWIDE  
23 MORTGAGE SOLUTIONS INC., alleges as follows:

24 1.

25 The Complainant, Maria Suarez, a Deputy Real Estate  
26 Commissioner of the State of California, makes this Accusation in  
27

1 her official capacity.

2 2.

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

6 LICENSE HISTORY

7 3.

8 A. At all times mentioned, NATIONWIDE MORTGAGE  
9 SOLUTINS INC. (hereinafter "NMSI" or "Respondent NMSI") and RUBY  
10 DIANO RIOS (hereinafter "RIOS" or "Respondent RIOS") were  
11 licensed or had license rights issued by the Department of Real  
12 Estate (hereinafter "Department").

13 B. NMSI is presently licensed and/or has license  
14 rights under the Real Estate Law (Part 1 of Division 4 of the  
15 Business and Professions Code) as a corporate real estate broker.  
16 Respondent NMSI was originally licensed as a corporate real  
17 estate broker by the Department on or about September 1, 2009.  
18 At all times relevant herein, Respondent NMSI was authorized to  
19 act by and through Respondent RIOS as its designated broker  
20 pursuant to Business and Professions Code Sections 10211 and  
21 10159.2 to supervise the activities requiring a real estate  
22 license conducted on behalf of NMSI and to be responsible for  
23 ensuring compliance with the Real Estate Law.

24 1. NMSI was a registered California limited  
25 liability corporation with Articles of Organization filed with  
26 the Secretary of State on or about August 27, 2008. On its  
27 Statement of Information filed on or about September 10, 2008,

1 the corporation name was listed as "Nationwide Mortgage  
2 Solutions, LLC" and Shabber Rahman was the only Manager/Member  
3 listed.

4                   2. On or about April 7, 2009, Nationwide Mortgage  
5 Solutions, Inc. filed its Articles of Incorporation with  
6 Statement of Conversion with the Secretary of State. On its  
7 Statement of Information filed with the Secretary of State on or  
8 about May 26, 2009, the corporation name was listed as  
9 "Nationwide Mortgage Solutions," with Shabber Rahman listed as  
10 the Chief Executive Officer and Ruby Rios as one of its  
11 Directors.

12                   3. Nationwide Mortgage Solutions, LLC was  
13 originally licensed by the California Department of Corporations  
14 as a California Finance Lender, license number 603H194, on or  
15 about March 12, 2009. As of April 21, 2010, Nationwide Mortgage  
16 Solutions, LLC is no longer licensed as a California Finance  
17 Lender.

18                   C. Respondent RIOS is presently licensed and/or has  
19 license rights under the Real Estate Law (Part 1 of Division 4 of  
20 the Code) as a real estate broker. Respondent KHOSHBIN was  
21 originally licensed as a real estate salesperson by the  
22 Department on or about August 27, 2005 and as a real estate  
23 broker since June 23, 2009. RIOS was the designated officer for  
24 NMS pursuant to Code Section 10159.2, responsible for ensuring  
25 compliance with the Real Estate Law until she was cancelled as  
26 designated officer on or about May 10, 2010.

27

1 D. Shabber Rahman is not now, and has never been,  
2 licensed by the Department in any capacity.

3 E. John Muli is not now, and has never been, licensed  
4 by the Department in any capacity.

5 F. Anthony Joel is not now, and has never been,  
6 licensed by the Department in any capacity.

7 BROKERAGE

8 4.

9 At all times mentioned, in the city of Wilmington, Los  
10 Angeles County, Respondents NMSI and RIOS acted as real estate  
11 brokers and conducted licensed activities within the meaning of:

12 A. Code Section 10131(a): Respondents engaged in  
13 activities relating to selling, buying, offering to buy,  
14 soliciting prospective sellers or purchasers of, soliciting or  
15 obtaining listings of, or negotiating the purchase, sale or  
16 exchange of real property or a business opportunity.

17 B. Code Section 10131(d) and 10131.2: Respondents  
18 advertised, solicited and offered to provide loss mitigation and  
19 loan modification services to economically stressed homeowners  
20 seeking adjustments to the terms and conditions of their home  
21 loans including, but not limited to, repayment plans, forbearance  
22 plans, partial claims, and reduction in principal or interest,  
23 extenuations, foreclosure prevention and short sales.

24 5.

25 All further references to "Respondents" herein include  
26 the parties identified in Paragraph 3, above, and also include  
27 the officers, directors, employees, agents and real estate

1 licenses employed by or associated with said parties and who at  
2 all times herein mentioned were engaged in the furtherance of the  
3 business or operations of said parties and who were acting within  
4 the course and scope of their authority and employment.

5 6.

6 Respondent RIOS ordered, caused, authorized or  
7 participated in the conduct of Respondent NMS as is alleged in  
8 this Accusation.

9 AUDIT of NATIONWIDE MORTGAGE SOLUTIONS INC - LA 090217

10 7.

11 On July 30, 2010, the Department completed an audit  
12 examination of the books and records of NMSI pertaining to the  
13 activities described in Paragraph 4, above, which require a real  
14 estate license. The audit examination covered a period of time  
15 beginning on August 27, 2008 to April 30, 2010. The audit  
16 examination revealed violations of the Code and the Regulations  
17 as set forth in the following paragraphs, and more fully  
18 discussed in Audit Report LA090217 and the exhibits and work  
19 papers attached to said audit report.

20 Trust Account

21 8.

22 During the audit period, NMSI maintained one trust  
23 account for the advance fees collected for its loan modification  
24 activities between July 6, 2009 and April 30, 201. The trust  
25 account ("T/A 1") was maintained at JP Morgan Chase Bank (Account  
26 No. XXXXXXXX1318) activities. NMSI also made deposits of advance  
27 fees collected for loan modification services into NMSI's

1 general/bank account ("G/A 1") (Account No. XXXXXXXXXXXX1951).  
2 NMSI failed to make available during the audit proof of retention  
3 of: (i) records pertaining to T/A 1 and (ii) records pertaining  
4 to G/A 1, both failures of which are in violation of Section  
5 10148.

6 Audit Violations - Loan Modifications

7 9.

8 At all times mentioned, in connection with the  
9 activities described in Paragraph 4, above, Respondents acted  
10 engaged in the business of loan modification services and in  
11 advance fee brokerage and sales activities requiring a real  
12 estate license to operate, within the definitions of Code  
13 Sections 10131(d) and 10131.2.

14 General Allegations

15 10.

16 During the audit period and continuing thereafter,  
17 Respondents solicited economically distressed homeowners facing  
18 foreclosure and eviction from their homes, offered financial  
19 consulting, loss mitigation and loan modification services,  
20 charged, claimed and collected advance fees for services not  
21 rendered, for fees not refunded and for loan modifications not  
22 obtained.

23 Specific Allegations

24 11.

25 Respondents offered loss mitigation and loan modification  
26 services to homeowner-applicants seeking downward adjustments to,  
27 or payment extenuations of their home mortgages. Respondents

1 collected advanced fees from said homeowner-applicants without  
2 possessing a pre-approved advance fee agreement from the  
3 Department. Thereafter, Respondents failed to obtain the loan  
4 modification services for the borrowers. During the audit,  
5 Respondents failed to provide proof of retention of records for  
6 advance fees collected from such homeowner-applicants.

7 In the course of activities described in Paragraph 4,  
8 above, and during the audit examination described in Paragraph 7,  
9 Respondents NMSI and RIOS acted in violation of the Code and the  
10 Regulations in that Respondents:

11 A. Loan Modification Transactions

12 1. George and Beverly H. Loan Modification Transaction

13 a. Failed to submit the advance fee agreement,  
14 used to collect \$1,500 advance fees from George and Beverly H. on  
15 or about October 2, 2009, to the Department for approval at least  
16 ten (10) calendar days before using it, in violation of Code  
17 Section 10085 and Regulation 2972 (The Department issued an  
18 Advance Fee Prohibition" letter dated October 19, 2009 to NMSI.);

19 2. Manuel & Irene H. Loan Modification Transaction

20 a. Failed to submit the advance fee agreement,  
21 used to collect \$2,500 advance fees from Manuel & Irene H. on or  
22 about August 3, 2009, to the Department for approval at least ten  
23 (10) calendar days before using it, in violation of Code Section  
24 10085 and Regulation 2972 (NMSI was not issued a license by the  
25 Department until September 1, 2009, and the Department issued an  
26 "Advance Fee Prohibition" letter dated October 19, 2009 to  
27 NMSI.);

1  
2           b. Used the fictitious business names "Nationwide  
3 Mortgage Solutions.Org" and "Nationwide Mortgage Solutions" for  
4 conducting the Manuel & Irene H. loan modification transaction  
5 without first obtaining a license from the Department bearing  
6 such fictitious name, in violation of Code Section 10159.5, and  
7 Regulation 2731;

8           c. Employed Shabber Rahman and Anthony Joel, both  
9 of which are persons not licensed by the Department, to perform  
10 acts for which a real estate license is required, in violation of  
11 Code Section 10130.

12           3. Heather A.D. Loan Modification Transaction

13           a. Used the fictitious business names "Nationwide  
14 Mortgage Solutions.Org" and "Nationwide Mortgage Solutions" for  
15 conducting the Heather A.D. loan modification transaction and  
16 collecting advance fees totaling \$2,500 from Heather A.D.,  
17 between October 6, 2008 and November 24, 2008 for loan  
18 modification services without first obtaining a license from the  
19 Department, in violation of Code Section 10130.

20           4. Frank R. Loan Modification Transaction

21           a. Used the fictitious business names "Nationwide  
22 Mortgage Solutions.Org" and "Nationwide Mortgage Solutions" for  
23 conducting the Frank R. loan modification transaction and  
24 collecting advance fees totaling \$2,500 from Frank R., on or  
25 about June 9, 2009 for loan modification services without first  
26 obtaining a license from the Department, in violation of Code  
27 Section 10130.

1           5. Website: <http://nationwidemortgagesolution.org>

2           a. Published on July 3, 2009 a website  
3 advertising, promoting, and/or soliciting loan modification  
4 services under unlicensed fictitious business names "Nationwide  
5 Mortgage Solutions, LLC" and "Nationwide Mortgage Solutions"  
6 without first obtaining a license from the Department, in  
7 violation of Code Section 10130.

8           B. Advance Fee Agreement and Materials

9           1. NMSI performed loan modification services for  
10 borrowers and collected fees in advance from borrowers during the  
11 period from September 1, 2009 to April 30, 2010, prior to  
12 submitting the advance fee agreement and materials to the  
13 Department for approval, in violation of Code Section 10085 and  
14 Regulation 2970.

15           C. Accounting Content

16           1. NSMI failed to provide a verified copy of  
17 accounting content including: the principal's loan requirements;  
18 description of services rendered or to be rendered; the amount of  
19 advance fee collected; identification of the trust fund into  
20 which the advance fee was deposited; and the amount allocated or  
21 disbursed from the advance fee at the end of each calendar  
22 quarter and when the contract has been completely performed by  
23 NMSI, in violation of Code Section 10146 and Regulation 2972.

24           D. Trust Fund Records

25           1. NMSI failed to maintain columnar records of advance  
26 fees collected from the borrowers for loan modification services,  
27 in violation of Code Section 10145 and Regulation 2831.

1           E. Separate Trust Fund Records

2           1. NMSI failed to maintain separate records for the  
3 advance fees collected from the borrowers for loan modification  
4 services, in violation of Code Section 10145 and Regulation  
5 2831.1.

6           F. Commingling

7           1. NMSI deposited \$1,200 of the \$2,500 collected from  
8 borrowers Manuel and Irene H. into NSMI's G/A 1 and commingled  
9 the funds with NMSI's general account funds, in violation of Code  
10 Sections 10145 and 10176(e) and Regulation 2832.

11           G. Fictitious Business Name

12           1. NSMI conducted mortgage loan activities by using  
13 the fictitious business names "Nationwide Mortgage  
14 Solutions.Org," "Nationwide Mortgage Solutions," and "Nationwide  
15 Mortgage Solutions, LLC" without first obtaining a license from  
16 the Department bearing such fictitious names, in violation of  
17 Section 10159.5 and Regulation 2731.

18           H. License Requirement

19           1. Non-licensees John Muli and Anthony Joel solicited  
20 homeowners and/or negotiated rates and terms of loans with  
21 various lenders on NSMI's "Loan Modification Submission" letter  
22 without first obtaining licenses from the Department, in  
23 violation of Code Section 10130.

24           2. NMSI performed real estate activities from August  
25 27, 2008 to August 30, 2009 under unlicensed fictitious business  
26 names "Nationwide Mortgage Solutions, LLC," "Nationwide Mortgage  
27

1 Solutions," and "Nationwide Mortgage Solutions.Org" when NMSI had  
2 no broker affiliation, in violation of Code Section 10130:

3 a. NMSI collective advance fees from borrowers in  
4 amounts ranging from \$1,300 to \$2,500 for loan modification  
5 services without first obtaining a license from the Department;

6 b. NMSI conducted its mortgage loan activities  
7 under fictitious business names "Nationwide Mortgage  
8 Solutions.Org," "Nationwide Mortgage Solutions," and "Nationwide  
9 Mortgage Solutions, LLC" without first obtaining a license from  
10 the Department bearing such fictitious names;

11 c. NSMI failed to make all trust fund records and  
12 transaction files available for audit examination;

13 d. NSMI published its website  
14 (<http://nationwidemortgagesolution.org>) on July 3, 2009 under the  
15 licensed fictitious business names "Nationwide Mortgage  
16 Solutions, LLC" and "Nationwide Mortgage Solutions" to advertise,  
17 promote, or solicit a loan modification service before NMSI was  
18 issued a license by the Department.

19 I. Business and Mailing Addresses of Licensees

20 1. NMSI failed to notify the Department regarding the  
21 change in location or address of the principal place of business  
22 in a timely manner, in violation of Regulation 2715.

23 J. Retention of Records

24 1. NMSI failed to make available for examination copies  
25 of the bank account records, columnar records, and separate  
26 beneficiary records related to fees collected in advance from  
27

1 borrowers for loan modification services and loan modification  
2 transaction files examined, in violation of Code Section 10148.

3 K. Failure to Supervise

4 The overall conduct of Respondent RIOS constitutes a  
5 failure on Respondent's part, as an officer designated by a  
6 corporate broker licensee, to exercise the reasonable supervision  
7 and control over the licensed activities of NMSI, as required by  
8 Code Sections 10159.2 and Regulation 2725, and to keep NMSI in  
9 compliance with the Real Estate Law, with specific regard to loan  
10 modifications services and advance fee handling, requiring a real  
11 estate license and is cause for the suspension or revocation of  
12 the real estate license and license rights of NMSI and RIOS  
13 pursuant to the provisions of Code Section 10177(h).

14 ///  
15 ///  
16 ///  
17 ///  
18 ///  
19 ///  
20 ///  
21 ///  
22 ///  
23 ///  
24 ///  
25 ///  
26 ///  
27 ///

1 Disciplinary Statutes

2 12.

3 The conduct of Respondents RIOS and NMSI described in  
4 Paragraph 11, above, violated the Code and the Regulations as set  
5 forth below:

6	7 <u>PARAGRAPH</u>	8 <u>PROVISIONS VIOLATED</u>
9	10 11, A., 1.	11 Code Section 10085 and Regulation 12 2972; Code Section 10145, 10146, 13 and Regulation 2972.
14	15 11, A., 2.	16 Code Section 10085 and Regulation 17 2972 and Regulation 2731; Code 18 Sections 10145, 10146, and 19 Regulation 2972; Code Section 20 10159.5 and Regulation 2731; and 21 Code Section 10130
22	23 11, A., 3.	24 Code Section 10130
25	26 11, A., 4.	27 Code Section 10130
	11, A., 5.	Code Section 10130
	11, B.	Code Section 10085 and Regulation 2970

1	11, C.	Code Section 10146 and Regulation
2		2972
3		
4	11, D.	Code Section 10145 and Regulation
5		2831.
6		
7	11, E.	Code Section 10145 and Regulation
8		2831.1
9		
10	11, F.	Code Sections 10145, 10176(e) and
11		Regulation 2832
12		
13	11, G.	Code Section 10159.5 and Regulation
14		2731
15		
16	11, H.	Code Section 10130
17		
18	11, I.	Regulation 2715
19		
20	11, J.	Code Section 10148
21		
22	11, K.	Code Sections 10159.2, 10177(h) and
23		Regulation 2725
24		
25	///	
26	///	
27	///	

1 The foregoing violations, as described in Paragraph 11,  
2 constitute cause for discipline of the real estate license and  
3 license rights of NMSI and RIOS, as aforesaid, under the  
4 provisions of Code Sections 10176(a) for substantial  
5 misrepresentation; 10176(f) for claiming, demanding, or receiving  
6 a fee, compensation or commission under an exclusive agreement  
7 to perform any acts set forth in Section 10131 for compensation  
8 or commission where the agreement does not contain a definite,  
9 specified date of final and complete termination; 10177(d) for  
10 violation of the Real Estate Law; 10177(h) for failure to  
11 supervise by RIOS; and/or 10177(g) for negligence.

12 Negligence

13 13.

14 The overall conduct of Respondents NMSI and RIOS  
15 constitutes negligence. This conduct and violation are cause for  
16 the suspension or revocation of the real estate license and  
17 license rights of said Respondents pursuant to the provisions of  
18 Code Section 10177(g).

19 Breach of Fiduciary Duty

20 14.

21 The overall conduct of Respondents NMSI and RIOS  
22 constitutes a breach of fiduciary duty. This conduct and  
23 violation are cause for the suspension or revocation of the real  
24 estate license and license rights of said Respondents pursuant to  
25 the provisions of Code Section 10177(g).

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 NATIONWIDE MORTGAGE SOLUTIONS INC. RUBY DIANO RIOS, under the  
6 Real Estate Law (Part 1 of vision 4 of the Business and  
7 Professions Code), for the cost of investigation and enforcement  
8 as permitted by law, and for such other and further relief as may  
9 be proper under other provisions of law, and for costs of audit.

10 Dated at Los Angeles, California

11 this 1st day of May, 2012.

12  
13  
14   
15 MARIA SUAREZ  
16 Deputy Real Estate Commissioner

17  
18  
19  
20  
21 cc: ASR PROPERTIES, INC.  
22 c/o RUBY DIANA RIOS, D.O.  
23 Maria Suarez  
24 Sacto  
25 Antonio Chavez  
26 Audits - Chona T. Soriano  
27