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FILED

MAY 17 2013

DEPARTMENT OF REAL ESTATE

BY: 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H- 38879 LA
SET 2 GO LOANS INC and)	
PAUL IPEK, individually and)	<u>A C C U S A T I O N</u>
as designated officer of)	
Set 2 Go Loans Inc)	
Respondent.)	

The Complainant, MARIA SUAREZ, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against SET 2 GO LOANS INC and PAUL IPEK, individually and as designated officer of Set 2 Go Loans Inc. ("Respondent"), alleges as follows:

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The Complainant, MARIA SUAREZ, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

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A. Respondent SET 2 GO LOANS INC ("SET 2 GO") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as a real estate corporation, license number 01479429. Respondent SET 2 GO was authorized to act by and through Respondent PAUL IPEK as SET 2 GO's designated officer pursuant to Business and Professions Code (hereinafter "Code") Sections 10159.2 and 10211 to be responsible for ensuring compliance with the Real Estate Law. SET 2 GO is a California Corporation with Articles of Incorporation on file with the Secretary of State. On the Statement of Information filed on February 10, 2010, Paul Ipek is listed as the Chief Executive Officer, the Secretary, and the Chief Financial Officer.

B. Respondent PAUL IPEK ("IPEK") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as a real estate broker, license number 01220729. Respondent IPEK is the designated officer of SET 2 GO and authorized to act for SET 2 GO from April 6, 2012 until his officer expiration date of March 14, 2017.

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FIRST CAUSE FOR DISCIPLINE

(LICENSE DISCIPLINE IN OTHER STATES)

A. State of Washington. On or about April 18, 2012, the State of Washington Department of Financial Institutions ("WDFI"), in Case No. C-09-461-12-FO01, revoked the mortgage broker license of SET2GO LOANS, INC. and the loan originator license of James Y. Ipek, and prohibited both from participation in the conduct of affairs of any mortgage broker subject to licensure by the Director [of the Department of Financial Institutions of the State of Washington] for violations of:

1. Revised Code of Washington ("R.C.W.") 19.146.200 for engaging in the business of a mortgage broker from an unlicensed location and for unlicensed loan originator activity;
2. R.C.W. 19.146.0201(1), (2), and (3) for directly or indirectly employing a scheme, device or artifice to defraud or mislead any person, engaging in an unfair or deceptive practice toward any person, and obtaining property by fraud or misrepresentation from any person by forging residential mortgage loan documents, not properly disclosing fees and costs, making no or incomplete disclosures, using unlicensed loan originators, and charging unearned fees;

1 3. R.C.W. 19.146.0201(6) and (11) by failing to comply
2 with the requirements of the Truth In Lending Act,
3 15 U.S.C. Section 1601 and Regulation Z, 12 C.F.R.
4 Section 226, by failing to provide complete and
5 accurate disclosures; are in apparent violation of
6 the Federal Trade Commission Act, 12 C.F.R. Part
7 203, 15 U.S.C. Section 45(a), by engaging in an
8 unfair or deceptive act or practice in trade or
9 commerce; and are in apparent violation of the Real
10 Estate Settlement Procedures Act, 12 U.S.C. Section
11 2601 and Regulation X, 24 C.F.R. Section 3500, by
12 failing to disclose to borrowers the fees which
13 inured to the benefit of Respondents on the GFE,
14 and by collecting unearned underwriting fees;

15 4. R.C.W. 19.146.0201(6) and (15) for not making
16 disclosures to loan applicants as required by
17 R.C.W. 19.146.030 by failing to provide borrowers
18 with full written disclosures containing an
19 itemization and explanation of all fees and costs
20 that the borrowers were required to pay in
21 connection with obtaining a residential mortgage
22 loan;
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24 5. R.C.W. 19.146.0201(6) and 15 for not making
25 disclosures to loan applicants as required by
26 R.C.W. 19.146.030, including the Yield Spread
27 Premium disclosures required by Washington

1 Administrative Code ("W.A.C.") 208-660-430(5) and
2 by the Real Estate Settlement Procedures Act, 12
3 U.S.C. Section 2601 and Regulation X, 24 C.F.R.
4 Section 3500; the Truth in Lending disclosures
5 required by the Truth in Lending Act, 15 U.S.C.
6 Section 1601 and Regulation Z, 12 C.F.R. Section
7 226; the rate lock disclosures required by R.C.W.
8 19.146.030(2)(c), (2)(e), and (3); the loan
9 originator license number disclosure required by
10 W.A.C. 208-660-350(24); the written disclosure
11 concerning borrower-paid services required by
12 R.C.W. 19.146.030(2)(d); and the written disclosure
13 concerning variable rate loans as required by
14 R.C.W. 19.146.030(2)(a);

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16 6. R.C.W. 19.146.060 and WAC 208-660-450 for failing
17 to maintain accurate and current books and records
18 readily available to the Department until at least
19 twenty-five months have elapsed following the
20 effective period to which the books and records
21 relate, including but not limited to loan files,
22 loan documents, and advertising;

23 7. W.A.C. 208-660-400(7)(a)(i), (7)(b)(iii), and WAC
24 208-660-400(21) for failing to timely notify the
25 Director in writing of the change in Respondent
26 Set2Go's principal place of business, the
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1 expiration of its corporate license, and the
2 administrative actions.

3 In addition, Respondents were prohibited from
4 participation in the conduct of affairs of any mortgage broker
5 subject to licensure by the Director, in any manner, for a
6 period of ten (10) years. Respondents were also ordered to
7 pay fines, investigation fees, and restitution to the borrowers
8 involved in the underlying acts, and to maintain records in
9 compliance with the Mortgage Broker Practices Act (R.C.W.
10 19.146) and provide WDFI with the location of the books, records
11 and other information relating to the mortgage broker business
12 of Respondent SET 2 GO and the name, address, and telephone
13 number of the individual responsible for maintenance of such
14 records in compliance with the Mortgage Broker Practices Act.

15 B. State of Oregon. On or about August 28, 2012, the
16 State of Oregon Department of Consumer and Business Services,
17 Division of Finance and Corporate Securities, Mortgage Lending
18 Section, ("OMLS"), in Case No. M-12-0061 ordered SET 2 GO to
19 cease and desist from violating the Oregon Mortgage Lender Law
20 and suspended SET 2 GO's mortgage banker/broker license for
21 violation of:
22

- 23 1. Oregon Revised Statutes ("O.R.S." 86A.239(2) for
24 failing to file the Q1 Mortgage Call Report ("MCR")
25 including Residential Mortgage Loan Activity
26 ("RMLA") by May 15, 2012 after being notified to do
27 so multiple times;

1 2. ORS 86A.239(2) for repeatedly violated or failed to
2 comply with a provision of ORS 86A.095 to 86A.198.

3 SET 2 GO was ordered by OMLS to cease and desist from
4 violating the Oregon Mortgage Lender Law and its license
5 suspended. In addition, SET 2 Go was ordered to pay civil
6 penalties.

7 4.

8 The acts resulting in the foregoing action taken with
9 respect to SET 2 GO, and IPEK, as designated officer of SET 2
10 GO, as alleged herein above in Paragraph 3, constitute cause
11 under Business and Professions Code Section 10177(f) for the
12 suspension or revocation of the license and license rights of
13 Respondents under the Real Estate Law.

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2 SECOND CAUSE FOR DISCIPLINE - RESPONDENT IPEK

3 (FAILURE TO REPORT)

4 Respondent IPEK did not report in writing to the
5 Department of Real Estate ("Department") the disciplinary action
6 described in Paragraph 3A, within 30 days of the action in
7 Washington (April 18, 2012) or within 30 days of the action in
8 Oregon (August 28, 2012). Respondent's failure to timely report
9 these actions constitutes cause for discipline under Business
10 and Professions Code Section 10186.2¹ of the license and license
11 rights of Respondent under the Real Estate Law.

12 6.

13 Code Section 10106 provides, in pertinent part, that
14 in any order issued in resolution of a disciplinary proceeding
15 before the Department of Real Estate, the Commissioner may
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17 ¹ Pursuant to Business and Professions Code 10186.2: (a)(1) A licensee shall
18 report any of the following to the department: (A) The bringing of an
19 indictment or information charging a felony against the licensee. (B) The
20 conviction of the licensee, including any verdict of guilty, or plea of
21 guilty or no contest, of any felony or misdemeanor. (c) Any disciplinary
22 action taken by another licensing entity or authority of this state or of
23 another state or an agency of the federal government. (2) The report
24 required by this subdivision shall be made in writing within 30 days of the
25 date of the bringing of the indictment or the charging of a felony, the
26 conviction, or the disciplinary action. (b) Failure to make a report
27 required by this section shall constitute a cause for discipline.

1 request the administrative law judge to direct a licensee found
2 to have committed a violation of this part to pay a sum not to
3 exceed the reasonable costs of the investigation and enforcement
4 of the case.

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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 Respondent SET
5 2 GO LOANS INC under the Real Estate Law (Part 1 of Division 4
6 of the Business and Professions Code), for the cost of
7 investigation and enforcement as permitted by law, and for such
8 other and further relief as may be proper under other provisions
9 of law.

10 Dated at Los Angeles, California

11 this 3rd day of May, 2013.

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14 MARIA SUAREZ
15 Deputy Real Estate Commissioner
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23 cc: SET 2 GO LOANS INC
24 PAUL IPEK
25 MARIA SUAREZ
26 Sacto.
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