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FILED

MAR 26 2014

BUREAU OF REAL ESTATE

By 

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H- 39371 LA
12)	
13	MAURO ANDRES FARFAN,)	<u>ACCUSATION</u>
14	Respondents.)	

15
16 The Complainant, Maria Suarez, a Deputy Real Estate
17 Commissioner of the State of California for cause of Accusation
18 against MAURO ANDRES FARFAN ("FARFAN") is informed and alleges
19 as follows:

20 1.

21 The Complainant, Maria Suarez, a Deputy Real Estate
22 Commissioner of the State of California, makes this Accusation
23 in her official capacity.

24 2.

25 All references to the "Code" are to the California
26 Business and Professions Code, and all references to
27

1 "Regulations" are to Title 10, Chapter 6, California Code of
2 Regulations unless otherwise specified.

3 3.

4 From October 17, 2011 through the present, Respondent
5 MAURO ANDRES FARFAN was and still is licensed and/or has license
6 rights under the Real Estate Law (Part 1 of Division 4 of the
7 California Business and Professions Code) as a real estate
8 salesperson, license no. 01903714. From October 17, 2011
9 through January 11, 2012, FARFAN was licensed as "NBA" or no
10 broker affiliation, which precluded FARFAN from engaging in
11 activities that required a real estate license. FARFAN is a
12 registered owner and partner of the fictitious business name
13 Citi Homes Financial ("CHF"), an unlicensed entity.

14 4.

15 At all times herein mentioned, FARFAN, on behalf of
16 others, and in expectation of compensation, engaged in the
17 business of, acted in the capacity of, advertised or assumed to
18 act as a real estate broker in the State of California within
19 the meaning of Code section 10131(d), which defines a broker as
20 one who:

21 Solicits borrowers or lenders for or negotiates loans
22 or collects payments or performs services for borrowers
23 or lenders in connection with loans secured directly or
collaterally by liens on real property.

24 5.

25 At all times herein mentioned, FARFAN, on behalf of
26 others, and in expectation of compensation, engaged in the
27 business of, acted in the capacity of, advertised or assumed to

1 act as a real estate broker in the State of California within
2 the meaning of Code section 10131.1(a), which defines a broker
3 as:

4 [A] person who engages as a principal in the business
5 of making loans or buying from, selling to, exchanging
6 with the public, real property sales contracts or
7 promissory notes secured directly or collaterally by
8 liens on real property, or who makes agreements with
9 the public for the collection of payments or for the
10 performance of services in connection with real
11 property sales contracts or promissory notes secured
12 directly or collaterally by liens on real property.

13 6.

14 At all times herein mentioned, FARFAN, on behalf of
15 others, and in expectation of compensation, engaged in the
16 business of, acted in the capacity of, advertised or assumed to
17 act as a real estate broker in the State of California within
18 the meaning of Code section 10131.2, which defines a broker as:

19 [A] person who engages in the business of claiming,
20 demanding, charging, receiving, collecting or
21 contracting for the collection of an advance fee in
22 connection with an employment undertaken to promote the
23 sale or lease of real property or of a business
24 opportunity by advance fee listing, advertisement or
25 other offering to sell, lease, exchange or rent
26 property or a business opportunity, or to obtain a loan
27 or loans thereon.

7.

Code section 10085.5(a) provides:

It shall be unlawful for any person to claim, demand,
charge receive, collect, or contract for an advance
fee (1) for soliciting lenders on behalf of borrowers
or performing services for borrowers in connection
with loans to be secured directly or collaterally by a
lien on real property, before the borrower becomes
obligated to complete the loan or, (2) for performing
any other activities for which a license is required,

1 unless the person is a licensed real estate broker and
2 has complied with the provisions of this part.

3 8.

4 Code section 10085.6(a) provides:

5 Notwithstanding any other provision of law, it shall
6 be unlawful for any licensee who negotiates, attempts
7 to negotiate, arranges, attempts to arrange, or
8 otherwise offers to perform a mortgage loan
9 modification or other form of mortgage loan
10 forbearance for a fee or other compensation paid by
11 the borrower, to do any of the following:

12 (1) Claim, demand, charge, collect or receive any
13 compensation until after the licensee has fully
14 performed each and every service the licensee
15 contracted to perform or represented that he,
16 she, or it would perform.

17 (2) Take any wage assignment, any lien of any
18 type on real or personal property, or other
19 security to secure the payment of compensation.

20 (3) Take any power of attorney from the borrower
21 for any purpose.

22 9.

23 Code section 10137 provides:

24 It is unlawful for any licensed real estate broker to
25 compensate, directly or indirectly, any person for
26 performing any of the acts within the scope of this
27 chapter who is not a licensed real estate broker, or a
real estate salesperson licensed under the broker
employing or compensating him or her . . . No real
estate salesperson shall be employed by or accept
compensation from any person other than the broker
under whom he or she is at the time licensed.

(Advance Fee Violations)

10.

On or about December 15, 2010, FARFAN and Alex Munoz
("Munoz"), an unlicensed person, formed CHF, an unlicensed
entity. CHF employed or compensated various individuals who

1 acted as agents, independent contractors, or employees of CHF
2 including, but not limited to FARFAN, Munoz, and Mario Lopez
3 ("Lopez"). CHF used office addresses located at 225 E.
4 Broadway, #211C, Glendale, California 91205 and 12115 Magnolia
5 Blvd, #167, Valley Village, California 91607-2609.

6 11.

7 During the period of time set out below, FARFAN, while
8 doing business as CHF, solicited borrowers (including, but not
9 necessarily limited to, those noted below) and negotiated to do
10 one or more of the following acts for another or others, for or
11 in expectation of compensation: negotiate the purchase, sale, or
12 exchange of real property; negotiate one or more loans for, or
13 perform services for, borrowers and/or lenders in connection
14 with loans secured directly or collaterally by one or more liens
15 on real property; and charge, demand, or collect an advance fee
16 for any of the services offered.

17 12.

18 Romo Transaction: On or about April 1, 2011, FARFAN,
19 Munoz, and Lopez, while using the fictitious business name CHF,
20 solicited loan modification and negotiation services to
21 borrowers Raymond Romo and Bonnie Romo (collectively "the
22 Romos") in connection with loans secured by real property.
23 FARFAN, Munoz, and Lopez charged and collected an advance fee of
24 \$3,500.00 from the Romos pursuant to an advance fee agreement
25 for loan modification and negotiation services. FARFAN
26 instructed the Romos to make the \$3,000.00 advance fee payable
27 to CHF. FARFAN, Munoz, and Lopez made substantial

1 misrepresentations to the Romos, including, but not limited to,
2 assuring the Romos that they would handle a modification or
3 negotiation of his mortgage loan. FARFAN failed to perform the
4 loan modification and negotiation services that had been
5 promised to the Romos and/or refund the Romos' advance fee.

6 13.

7 The conduct, acts, and/or omissions of FARFAN, as set
8 forth above, in collecting advance fees from prospective
9 borrowers is in violation of California Business and Professions
10 Code sections 10085.5 and 10085.6, and constitutes grounds for
11 the suspension or revocation of the licenses and license rights
12 of FARFAN pursuant to Code sections 10177(d) and/or 10177(g).

13 14.

14 FARFAN was employed and/or compensated by CHF, an
15 entity that was not licensed by the Bureau of Real Estate as a
16 real estate broker for performing acts for which a real estate
17 license is required, including soliciting lenders on behalf of
18 borrowers or performing services for borrowers in connection
19 with loans to be secured directly or collaterally by a lien on
20 real property, and constitutes grounds for the suspension or
21 revocation of the licenses and license rights of FARFAN pursuant
22 to Code section 10137.

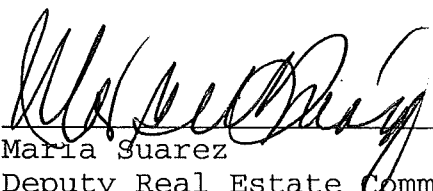
23 15.

24 Code Section 10106 provides, in pertinent part, that
25 in any order issued in resolution of a disciplinary proceeding
26 before the Bureau of Real Estate, the Commissioner may request
27 the administrative law judge to direct a licensee found to have

1 committed a violation of this part to pay a sum not to exceed
2 the reasonable costs of the investigation and enforcement of the
3 case.

4 WHEREFORE, Complainant prays that a hearing be
5 conducted on the allegations of this Accusation and that upon
6 proof thereof, a decision be rendered imposing disciplinary
7 action against all licenses and/or license rights of Respondents
8 MAURO ANDRES FARFAN under the Real Estate Law (Part 1 of
9 Division 4 of the California Business and Professions Code) and
10 for such other and further relief as may be proper under other
11 applicable provisions of law.

12 Dated at Los Angeles, California: 25 March, 2014.

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15 _____
16 Maria Suarez
17 Deputy Real Estate Commissioner
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25 cc: Mauro Andres Farfan
26 The Real Estate Plaza, Inc.
27 Maria Suarez
Sacto.

