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1	AMELIA V. VETRONE, Counsel (SBN 134612)
2	Department of Real Estate 320 West 4th Street, Suite 350
3	Los Angeles, California 90013-1105
4	Telephone: (213) 576-6982
5	(Direct) (213) 576-6940 By <u>Jun</u>
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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-41138 LA
12	MARKET ORDER OPEN) <u>ACCUSATION</u>
13	MARKETORDER FINANCIAL)
14	SERVICES INC.; and) HOMENTUM ACQUISITIONS) INTERNATIONAL, INC.,)
15	Respondents.
16)
17	The Complainant, Chika Sunquist, a Supervising Special Investigator of the
18	State of California, acting in her official capacity, for cause of Accusation against MARKET
19	ORDER OPEN LISTINGS XCHANGE INC., MARKETORDER FINANCIAL SERVICES
20	INC., and HOMENTUM ACQUISITIONS INTERNATIONAL, INC. (collectively
21	"Respondents") alleges as follows:
22	1.
23	All references to the "Code" are to the California Business and Professions
24	Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all
25	references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.
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1	2.
2	Respondent MARKET ORDER OPEN LISTINGS XCHANGE INC.
3	("MOOLXI") is presently licensed and/or has license rights under the Real Estate Law as a
4	corporate real estate broker. Respondent MOOLXI was originally licensed as a corporate real
5	estate broker by the Department of Real Estate ("DRE") ¹ on or about January 19, 2017, with
6	real estate broker Eric L. Nelson as its Designated Officer. Beginning on March 6, 2018, and
7	continuing to the present, real estate broker Matthew Eric Sauer has replaced Eric L. Nelson as
8	the Designated Officer of Respondent MOOLXI. Respondent's corporate real estate broker
9	license is due to expire on January 18, 2021.
10	3.
11	Respondent MARKETORDER FINANCIAL SERVICES INC. ("MFSI") is
12	presently licensed and/or has license rights under the Real Estate Law as a corporate real estate
13	broker. Respondent MFSI was originally licensed as a corporate real estate broker by the DRE
14	on or about March 15, 2016, with real estate broker Aldon Mike Soon as its Designated
15	Officer. Beginning on February 28, 2018, and continuing to the present, real estate broker
16	Egbert Oostburg has been the Designated Officer of Respondent MFSI. Respondent's
17	corporate real estate broker license is due to expire on March 14, 2020.
18	4.
19	Respondent HOMENTUM ACQUISITIONS INTERNATIONAL, INC.
20	("HAII") is presently licensed and/or has license rights under the Real Estate Law as a
21	corporate real estate broker. Respondent HAII was originally licensed as a corporate real estate
22	broker by the DRE on or about February 10, 2018. Since that date and continuing to the
23	present, real estate broker Richard Elliott Baron has been the Designated Officer of Respondent
24	HAII. Respondent's corporate real estate broker license is due to expire on February 9, 2022.
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27	Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Pool Estate

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⁷ Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

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Filings submitted to the California Secretary of State and the DRE for all Respondents list "Rashid Khalfani" or "R.K. Khalfani" as an officer, director and/or majority owner of all Respondents at the time each Respondent first applied for its corporate real estate broker license. Rashid Khalfani is the alias of Christopher Mark Lee.

6.

7 Christopher Mark Lee ("Lee") aka Rashid Khalfani aka R.K. Khalfani aka Rashid 8 Khalid Khalfani aka Richard Khalfani is not licensed by the DRE in any capacity under any 9 name. On January 12, 2007, Lee applied to the DRE for a conditional salesperson license. In DRE Case No. H-35029 LA, the Real Estate Commissioner denied Lee's application for a real 10 estate licensed based on Lee's 2004 criminal conviction for violating Penal Code Section 11 487(a) / 12022.6(a)(3) / 186.11(a)(2) (Grand Theft / Property Valued in Excess of 12 \$1,000,000.00 / Fraudulent Felony Conduct Taking Over \$500,000.00), a felony, along with a 13 2000 conviction for violating Penal Code Section 12031(a)(1) (Loaded Firearm in Vehicle), a 14 15 misdemeanor.

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7.

17 On August 2, 2013, effective October 22, 2013, in DRE Case No. H-38291 LA, the Real Estate Commissioner accepted the voluntary surrender of the corporate real estate 18 19 broker license for Aspyration Capital Advisors, Inc., a corporation owned and directed by Lee. 20 In its voluntary surrender declaration, signed by Lee as CEO, the respondent corporation 21 admitted to the allegations of the Accusation which alleged that Lee engaged in activities 22 requiring a real estate license when he has never had a real estate license. Specifically, the 23 Accusation alleges that Lee, while representing both buyer and seller in a real estate sales 24 transaction, misappropriated the buyer's \$59,500.00 earnest money deposit and failed to return 25 any of it to the buyer when the transaction was cancelled.

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1	8.
2	On August 10, 2012, in DRE Case No. H-38439 LA, the Real Estate
3	Commissioner issued an Order to Desist and Refrain directed at Lee, based on the conduct
4	described in paragraph 6, above, to order Lee to desist and refrain from engaging in unlicensed
5	real estate activity.
6	9.
7	On November 13, 2013, in the Superior Court of California, County of Los
8	Angeles, in Case No. KA102218, Lee was convicted of violating Penal Code Section 470
9	(Forgery), a misdemeanor.
10	10.
11	On March 22, 2018, in the United States District Court for the Central District of
12	California, in Case No. 15-cv-980, Securities and Exchange Commission v. Capital Cove
13	Bancorp LLC and Christopher M. Lee aka Rashid K. Khalfani, the court ordered judgment
14	against Lee, and his corporation, in the amount of \$3.8 million for pocketing investor funds
15	solicited through the sales of real estate investments. Lee was further ordered to permanently
16	refrain from engaging in any similar securities offering activities.
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1	11.
2	The last page of the DRE corporate license application Form RE201 contains the
3	following explanation set out in a large text box followed by the Designated Officer's
4	certification as shown below:
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6	SECTION III — REGULATION 2746 Corporate Real Estate Brokers, Officers, Directors and Shareholders
	(a) At the time of application for, or in the reinstatement of, an original real estate broker license, the designated officer shall file a background statement of information for each director, the
7	chief executive officer, the president, first level vice presidents secretary chief financial
8	officer, subordinate officers with responsibility for forming policy of the corporation and all natural persons owning or controlling more than ten percent of its shares, if such person has
9	 (1) Received an order or judgment issued by a court or governmental agency during the
10	preceding 10 years temporarily or permanently restraining or enjoining any business conduct, practice or employment;
11	(2) Has had a license to engage in or practice real estate or other regulated profession
12	 (3) Engaged in acts requiring a real estate license of any state without the benefit of a valid
13	license or permit authorizing that conduct during the preceding 10 years which have been enjoined by a court of law or administrative tribunal;
14	(4) Been convicted of a crime which is substantially related to the qualifications functions or
	(excluding drunk driving, reckless driving and speeding violations)
15	(b) The background statement shall be set forth in DRE Form 212 and shall inquire only about the information to be disclosed pursuant to subdivision (a). The background statement must be used for the background statement must be approximately and the set of the background statement must be approximately and the set of the background statement must be approximately approximat
16	verified and completed by each corporate officer, director or stockholder as named in
17	subdivision (a) to the fullest extent of the signatory's actual knowledge. (c) Whenever there is a change in the person whose background statements are required to be on
18	file with the Department for a corporate licensee pursuant to subdivision (a) or an addition to the persons required to file statements pursuant to subdivision (a), the designated officer of the
19	corporation shall, within 30 days thereafter file with the Department a background statement of
20	information for each new or changed person. Note: Authority cited: Section 10080, Business and Professions Code. Reference: Section 10152,
21	Business and Professions Code.
• •	CERTIFICATION
22	I certify that I have read and understand the provisions described above. (NOTE: Failure to check one of the boxes below will delay the processing of your license application).
23	□ I also certify that a Corporation Background Statement (RE 212) is not needed for any officers
24	or persons owning or controlling more than ten percent of the corporation shares including myself.
25	□ A completed Corporation Background Statement(s) (RE 212) is attached for each officer, director or shareholder with a reportable item under Regulation 2746.
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On the corporate real estate broker license applications for all Respondents, the

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4	broker-officer applicant checked the first box stating "I also certify that a Corporation
5	Background Statement (RE 212) is not needed for any officers or persons owning or controlling
6	more than ten percent of the corporation shares including myself." This statement was false in
7	that Lee was and is an officer, director, owner, founder and/or controlling person of all
8	corporations.
9	13.
10	Respondents' failure to reveal the need for a Corporate Background Statement
11	as described in Regulation 2746 in their license applications constitutes an attempt to procure a
12	real estate license by fraud, misrepresentation, or deceit, or by making a material misstatement
13	of fact, or by knowingly omitting to state a material fact in said applications, and constitutes
14	cause under Code Section 10177(a) for the suspension or revocation of the licenses and license
15	rights of Respondents under the Real Estate Law.
16	14.
17	California Business and Professions Code Section 10106 provides, in pertinent
18	part, that in any order issued in resolution of a disciplinary proceeding before the Department,
19	the Commissioner may request the administrative law judge to direct a licensee found to have
20	committed a violation of this part to pay a sum not to exceed the reasonable costs of
21	investigation and enforcement of the case.
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1	WHEREFORE, Complainant prays that a hearing be conducted on the
2	allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3	disciplinary action against all the licenses and license rights of Respondents, MARKET
4	ORDER OPEN LISTINGS XCHANGE INC., MARKETORDER FINANCIAL SERVICES
5	INC., and HOMENTUM ACQUISITIONS INTERNATIONAL, INC. under the Real Estate
6	Law, for the costs of investigation and enforcement as provided by law, and for such other and
7	further relief as may be proper under other applicable provisions of law.
8	Dated at Sacramento, California: August 6, 2018
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11	Ce o
12	Chika Sunquist Supervising Special Investigator
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25	cc: Market Order Open Listings Xchange Inc. Marketorder Financial Services Inc.
26	Homentum Acquisitions International, Inc.
27	Chika Sunquist Sacto.
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