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FILED

DEC 02 2019

DEPT. OF REAL ESTATE

By Zni-ja

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation against ) No. H-41416 LA  
13 )  
14 SHOBERT VARTAN; )  
15 ADENHEIM, INC; )  
16 OLOF KYROS GUSTAFSSON, individually ) FIRST AMENDED  
17 and doing business as Adenheim, Inc; ) ACCUSATION  
18 UNICITIZENS FINANCIAL INC; and )  
19 DANIEL DAVID REITBERG, individually )  
and as designated officer of Unicitizens )  
Financial Inc, )  
Respondents. )

20 This First Amended Accusation amends the Accusation filed on July 16, 2019.  
21 The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California,  
22 for cause of Accusation against SHOBERT VARTAN, ADENHEIM, INC, OLOF KYROS  
23 GUSTAFSSON, individually and doing business as Adenheim, Inc, UNICITIZENS  
24 FINANCIAL INC, and DANIEL DAVID REITBERG, individually and as designated officer  
25 of Unicitizens Financial Inc (sometimes referred to as "Respondents") alleges as follows:

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FIRST AMENDED ACCUSATION

1.

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, makes this Accusation in her official capacity.

2.

All references to the "Code" are to the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, of the California Code of Regulations.

LICENSE HISTORY

(SHOBERT VARTAN)

3.

a. Respondent SHOBERT VARTAN (sometimes referred to as "VARTAN") is presently licensed and/or has license rights under the Code, as a real estate salesperson, Department of Real Estate ("Department") license ID 01254110.

b. The Department originally issued VARTAN a salesperson license on February 24, 1999. VARTAN's license is set to expire on May 29, 2023, unless renewed.

c. From on or about August 16, 2016, through October 20, 2016, VARTAN was employed by corporate real estate broker EJT Holdings Inc, license ID 01840302.

d. From on or about December 14, 2016, through July 10, 2017, VARTAN was employed by corporate real estate broker Unicitizens Financial Inc, license ID 02023384.

e. From on or about August 30, 2017, through February 23, 2019, and May 30, 2019, through the present, VARTAN has been employed by corporate real estate broker Pinnacle Estate Properties Inc, license ID 00905345.

f. According to the Department's records to date, VARTAN has not held a Mortgage Loan Originator ("MLO") license endorsement with the Department.

g. According to the Department's records to date, VARTAN does not maintain any authorized fictitious business names with the Department.

///

(ADENHEIM, INC)

4.

a. Respondent ADENHEIM, INC (sometimes referred to as "AI") is presently licensed and/or has license rights under the Code as a corporate real estate broker, Department license ID 01984639.

b. The Department originally issued AI a corporate license on June 27, 2015. Its license is scheduled to expire on June 26, 2019, unless renewed.

c. According to the Department's records to date, AI does not currently have a designated officer through whom it engages in the business of a real estate broker pursuant to Code section 10211. From June 27, 2015, through August 3, 2017, AI's designated officer was Respondent OLOF KYROS GUSTAFSSON.

d. From December 3, 2015, through January 30, 2017, Respondent DANIEL DAVID REITBERG was a licensed officer of AI.

e. AI does not currently maintain any fictitious business names under its corporate real estate license.

f. According to the Department's records to date, AI has not held an MLO license endorsement with the Department.

(OLOF KYROS GUSTAFSSON)

5.

a. Respondent OLOF KYROS GUSTAFSSON (sometimes referred to as "GUSTAFSSON") is presently licensed and/or has license rights under the Code as a real estate broker, Department license ID 01977511.

b. The Department originally issued GUSTAFSSON a broker license on May 1, 2015. His license expired on April 30, 2019. The Department retains jurisdiction over the lapsed license pursuant to Code section 10103.

c. According to the Department records to date, GUSTAFSSON's main office address is 24007 Ventura Boulevard, Suite 120, Calabasas, California.

1 d. From June 27, 2015, through August 3, 2017, GUSTAFSSON was the  
2 designated officer for Respondent AI.

3 e. GUSTAFSSON does not currently maintain any fictitious business names  
4 under his real estate broker license.

5 f. According to the Department's records to date, GUSTAFSSON has not held  
6 an MLO license endorsement with the Department.

7 (UNICITIZENS FINANCIAL INC)

8 6.

9 a. Respondent UNICITIZENS FINANCIAL INC (sometimes referred to as  
10 "UFI") is presently licensed and/or has license rights under the Code as a corporate real estate  
11 broker, Department license ID 02023384.

12 b. The Department originally issued UFI a corporate license on December 12,  
13 2016. Its license is scheduled to expire on December 11, 2020, unless renewed.

14 c. According to the Department's records to date, UFI does not currently have a  
15 designated officer through whom it engages in the business of a real estate broker pursuant to  
16 Code section 10211. From December 12, 2016, through August 10, 2017, UFI's designated  
17 officer was Respondent DANIEL DAVID REITBERG.

18 d. UFI does not currently maintain any fictitious business names under its  
19 corporate real estate license.

20 e. UFI does not currently hold an MLO license endorsement with the  
21 Department. UFI held an MLO license endorsement from January 10, 2017, through December  
22 31, 2017, with National Mortgage Licensing System and Registry ("NMLS") unique identifier  
23 1579306.

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(DANIEL DAVID REITBERG)

7.

a. Respondent DANIEL DAVID REITBERG (sometimes referred to as "REITBERG") is presently licensed and/or has license rights under the Code as a real estate broker, Department license ID 01986631.

b. The Department originally issued REITBERG a broker license on September 30, 2015. REITBERG's license is scheduled to expire on September 29, 2019, unless renewed.

c. According to the Department's records to date, REITBERG's main office address is 24007 Ventura Boulevard, Suite 120, Calabasas, California.

d. From December 12, 2016, through August 10, 2017, REITBERG was the designated officer of Respondent UFI.

e. REITBERG does not currently maintain any fictitious business names under his real estate broker license.

f. REITBERG does not currently hold an MLO license endorsement with the Department. REITBERG held an MLO license endorsement on his broker license from December 8, 2016, through December 31, 2017, with NMLS unique identifier 1406650. REITBERG was authorized to represent UFI from January 10, 2017, through August 10, 2017.

CAUSE FOR ACCUSATION

8.

At all times relevant herein, while not endorsed by the Department to act as a mortgage loan originator, Respondents VARTAN, ADENHEIM, INC, and GUSTAFSSON engaged in the business of, acted in the capacity of, advertised or assumed to act as mortgage loan originators, within the meaning of Code section 10166.01.

9.

At all times relevant herein Respondents were engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker, within the meaning of Code section 10131(d) by soliciting borrowers or lenders for or negotiating loans or collecting

1 payments or performing services for borrowers or lenders or note owners in connection with  
2 loans secured directly or collaterally by liens on real property or on a business opportunity  
3 ("mortgage loan origination").

4 10.

5 Whenever reference is made in an allegation in this Accusation to an act or  
6 omission of Respondents, such allegation shall be deemed to include the officers, directors,  
7 employees, agents, independent contractors, and/or real estate licensees employed by or  
8 associated with Respondents, who committed such acts or omissions while engaged in the  
9 furtherance of the business or operations of Respondents and while acting within the course and  
10 scope of their authority and employment.

11 11.

12 For an unknown period of time to the present, Respondents devised a scheme to  
13 defraud elderly mortgage borrowers, by making substantial misrepresentations and false  
14 promises to influence, persuade, or induce borrowers into refinancing their mortgage loans for  
15 Respondents' own use, gain, or benefit.

16 12.

17 As part of the scheme, Respondents solicited mortgage borrowers, including but  
18 not limited to the borrowers herein, in California through televised infomercials purporting to  
19 negotiate lower mortgage rates for homeowners. In violation of their fiduciary duties to their  
20 clients, Respondents induced mortgage borrowers to sign several pages of loan documents,  
21 sometimes incomplete or blank, misrepresented the contents of the documents, failed to provide  
22 copies of all documents to their clients, and failed to provide full disclosure of all material facts  
23 concerning the transaction. Unbeknownst to the homeowners, VARTAN, AI, and  
24 GUSTAFSSON negotiated the loan terms with the lender, while not endorsed by the  
25 Department to originate mortgage loans. At the close of escrow, UFI and AI demanded  
26 compensation.

27 ///

(1122 S. EXMOOR TRANSACTION)

13.

On an unknown date, L. L.<sup>1</sup>, a 69-year-old California resident, viewed an infomercial for "UniCitizens Mortgage" on the Alan Mendelson Best Buys TV Show ("Mendelson Show"). The paid presentation on the Mendelson Show advertised that UniCitizens Mortgage engaged in "Home Loans, Refi Loans, Commercial Loans," and advertised the Department license number "00425095," the website address "www.LowerMTG.com," and the phone number "800-765-555." According to the infomercial, UniCitizens Mortgage would help refinance mortgages with the best rates for clients when traditional lenders would not lend due to substandard credit and debt-to-income ratios. VARTAN directed the production of the UniCitizens Mortgage advertisement on the Mendelson Show. The web address www.LowerMTG.com is registered to VARTAN.

14.

The Department license number "00425095" used in the "UniCitizens Mortgage" infomercial is the Department license ID for James Joseph Mallen ("Mallen"), a licensed real estate broker and the designated officer for corporate real estate broker Unicitizens Inc, with Department license number 02022357. Mallen has never employed VARTAN as a salesperson. Mallen has never authorized VARTAN to advertise Mallen's license ID on the "UniCitizens Mortgage" infomercial on the Alan Mendelson Show.

15.

On the website www.LowerMTG.com ("VARTAN website"), however, VARTAN advertised as "UNICITIZENS Inc" and stated, "we strive to meet those specific needs with a wide array of products, investment tools, mortgages and best of all quality service and individual attention," and "through our website you can submit a complete on-line, secure

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<sup>1</sup> Initials are used in place of individual's full name to protect their privacy. Documents containing individual's full name will be provided during the discovery phase of this case to Respondents and/or their attorney(s), after service of a timely and proper request for discovery on Complainant's counsel.

1 loan application or pre-qualify for a home loan." The VARTAN website failed to disclose any  
2 real estate license number or National Mortgage Licensing System and Registry ("NMLS")  
3 unique identifier. The Contact Page listed the address 15230 S. Avalon Boulevard, West  
4 Rancho Dominguez, California ("Avalon location").

5 16.

6 After viewing the "UniCitizens Mortgage" commercial, on or around December  
7 19, 2016, L.L. called the "UniCitizens" Mortgage office in the city of El Monte, California, and  
8 spoke to "Diana Valenzuela," who identified herself as working for "UniCitizens Inc." and  
9 referred L.L. to meet VARTAN at the Avalon location. In an email dated December 19, 2016,  
10 Valenzuela provided L.L. with a list of documents to bring to his appointment with VARTAN.

11 17.

12 On or around January 24, 2017, L.L. met with VARTAN, whose employing  
13 broker was Respondent UFI, to refinance the mortgage on his primary residence at 1122 S.  
14 Exmoor Avenue in Compton, California ("Exmoor Property") with a cash out amount of  
15 \$20,000.00. At that time, L.L.'s mortgage loan amount was approximately \$80,000.00 with an  
16 interest rate of 10.5%, with a monthly loan payment of approximately \$754.00. L.L. spoke to  
17 VARTAN, who introduced himself as "Sean." VARTAN told L.L. that he could get L.L. a  
18 lower mortgage rate and cash on L.L.'s home. VARTAN told L.L. he could refinance his home  
19 from 10.5% interest rate to 3% interest rate on a loan amount of approximately \$100,000.00  
20 with \$10,000.00 to \$20,000.00 cashed-out for home repairs and a lower monthly payment. On  
21 or about that same day, relying on VARTAN's representations, L.L. signed a set of loan  
22 documents in the presence of VARTAN to proceed with the loan process.

23 18.

24 L.L. believed he was signing standard loan documents. L.L. did not read the  
25 documents since VARTAN verbally explained the contents of the documents and assured L.L.  
26 he would obtain the loan terms they discussed. VARTAN either covered the documents with  
27 his hands or another sheet of paper. Relying on VARTAN's representations, L.L. understood he



1 was signing loan documents for a 30-year fixed interest rate of 3% for a loan amount of  
2 approximately \$100,000.00.

3 19.

4 On or about January 24, 2017, VARTAN instructed L.L. to sign a "Certificate of  
5 Business Purpose of Loan" on Respondent AI's letterhead. The Certificate stated that the  
6 purpose of the trust deed loan of \$200,000.00 secured by the Exmoor property was "100%  
7 business" to "finance the business enterprise known as 1122 SOUTH EXMOOR AVENUE,  
8 COMPTON, CA 90220 that is in the business of REAL ESTATE INVESTMENT RENTAL  
9 PROPERTY." L.L. was not renting the Exmoor Property to anyone and it had been L.L.'s  
10 primary residence.

11 20.

12 On or about January 24, 2017, VARTAN instructed L.L. to sign a "Declaration  
13 of Non-Owner Occupancy" on Respondent AI's letterhead. The Declaration stated that L.L.'s  
14 true and only principal residence is located at 1822 W. Ave S12, Apt 202 [Lancaster] CA  
15 93534" ("Lancaster address"). L.L. did not provide VARTAN the Lancaster address as his  
16 principal residence nor reside at the Lancaster address.

17 21.

18 On or about February 28, 2017, L.L. executed an Agreement to Procure a Loan  
19 & Lender-Borrower Escrow Instructions ("L.L. Agreement to Procure Loan") dated February  
20 24, 2017. The L.L. Agreement to Procure Loan was between L.L. as the borrower and  
21 "ADENHEIM, INC WITH OLOF GUSTAFSSON AS ITS CEO" as the mortgage broker and  
22 "The REO Group Inc" as the lender. The L.L. Agreement to Procure Loan gave Respondent AI  
23 the exclusive right to obtain a loan for L.L. from January 20, 2017, through March 30, 2017.  
24 L.L. never had any contact with Respondents AI or GUSTAFSSON. L.L.'s contact regarding  
25 refinancing his mortgage was VARTAN.

26 ///

27 ///

22.

On or about February 28, 2017, L.L. signed a Uniform Residential Loan Application Fannie May Form 1003 ("1003") prepared by Carmen Martir ("Martir") to refinance his home loan for the Exmoor property. Martir worked with VARTAN for Respondent UFI. Martir worked as an assistant, receptionist, and notary for Respondent UFI. Martir handwrote the information on L.L.'s 1003 at the instruction of VARTAN. The footer of the 1003 listed "Adenheim, Inc. CALBRE #01984639," however the loan originator section on Page 4 of the 1003 was blank. The loan originator section, the type of mortgage, and terms of the loan were left blank when drafted by Martir at the instruction of VARTAN, including the loan amount, interest rate, and amortization type. L.L.'s present address was listed as the Lancaster address. L.L. did not provide VARTAN the Lancaster address as his principal residence nor reside at the Lancaster address.

23.

The Borrower's Estimated Closing Costs for Escrow No. 505784-SO dated March 2, 2017, with a closing date of March 27, 2017, listed, in part, the following debits:

Brokerage Fee to ADENHEIM, INC	\$35,000.00
Document Fee to ADENHEIM, INC	\$1,995.00
Processing Fee to ADENHEIM, INC	\$1,995.00
Underwriting Fee to ADENHEIM INC	1,995.00

24.

In an e-mail dated March 9, 2017, GUSTAFSSON, on behalf of AI, submitted a demand with wire instructions to the escrow company Rose Escrow Inc. ("Rose Escrow"). AI's wire instructions listed, in part, the following funding figures:

TO ADENHEIM, INC	
Commission	\$17,500.00

Processing Fee	\$997.50
Underwriting Fee	\$997.50
Document Preparation Fee	\$997.50
SUBTOTAL	\$20,492.50
TO UNICITIZENS FINANCIAL, INC	
Commission	\$17,500.00
Processing Fee	\$997.50
Underwriting Fee	\$997.50
Document Preparation Fee	\$997.50
SUBTOTAL	\$20,492.50

AI's fees were duplicative of UFI's fees. GUSTAFSSON provided the account name, routing number, bank account number and bank name for the wire transfers for Respondents AI and UFI.

25.

The Master Final Settlement Statement for Escrow No. 505784-SO with a closing date of March 9, 2017 listed, in part, the following debits:

Processing Fee to Unicitizens Financial Inc	\$695.00
Brokerage Fee to Unicitizens Financial Inc	\$17,500.00
Brokerage Fee to ADENHEIM, INC	\$17,500.00
Document Fee to ADENHEIM, INC	\$997.50
Processing Fee to ADENHEIM, INC	\$997.50
Underwriting Fee to ADENHEIM INC	\$997.50
Underwriting Fee to Unicitizens Financial Inc	\$997.50
Document Fee to Unicitizens Financial Inc	\$997.50

1 Unbeknownst to L.L., fees to UFI were added to the Master Final Settlement Statement. UFI  
2 fees were duplicative of AI fees. There was no mention of any fees to UFI in the Borrower's  
3 Estimated Closing Costs.

4 26.

5 On March 9, 2017, Rose Escrow wired payment in the amount of \$20,492.50  
6 (Check No. 58736) to AI. On that same day, Rose Escrow wired payment in the amount of  
7 \$20,492.50 (Check No. 58737) to UFI.

8 27.

9 Unbeknownst to L.L., L.L.'s new first deed of trust loan amount for the Exmoor  
10 Property was \$180,000.00 with a 2-year fixed interest rate of 12%, a monthly payment of  
11 \$1,800.00, and a balloon payment of the entire unpaid principal balance of the loan and interest  
12 due at the end of the 2-year loan term. L.L. did not receive copies of the loan documents he  
13 signed.

14 28.

15 On or about March 14, 2017, having not received any copies of the loan  
16 documents he signed or the terms of the new loan. L.L. contacted Rose Escrow to cancel the  
17 loan. Rose Escrow informed L.L. that escrow closed on March 9, 2017, and escrow disbursed  
18 the funds, except for one check which had not been picked up. L.L. discovered loan documents  
19 from escrow were mailed to the Lancaster address.

20 (201 W. SECOND STREET TRANSACTION)

21 29.

22 In or around early December 2016, E.E., a 69-year-old California resident,  
23 viewed an infomercial for "Citizens Mortgage" on the television. The advertisement indicated  
24 that "Citizens Mortgage" can help refinance home loans and lower bills. Shortly after viewing  
25 the advertisement, E.E. called the number listed in the advertisement and made contact with  
26 Respondent UFI. E.E. spoke to VARTAN, who introduced himself as "Shaun Radeem." At that  
27 time, E.E.'s principal balance on his first deed of trust for E.E.'s primary residence located at

1 201 W. Second Street, in San Dimas, California ("Second Street Property") was approximately  
2 \$125,500.00 with a 30-year fixed interest rate of 5.5% and a monthly payment of \$1,025.60.  
3 E.E.'s principal balance on his home equity line of credit was approximately \$73,200.00.

4 30.

5 On or about December 8, 2016, E.E. went to UFI's office in El Monte,  
6 California and provided his information to refinance his home loan for the Second Street  
7 Property. E.E. did not meet with VARTAN at that time.

8 31.

9 In or around January 2017, VARTAN, whose employing broker was Respondent  
10 UFI, told E.E. that he could get E.E. a new mortgage for his primary home with a 30-year fixed  
11 interest rate of 3% with no points and a \$1,500.00 fee under a special program. VARTAN told  
12 E.E. he could drop E.E.'s monthly mortgage payments to approximately \$784.00 per month and  
13 payoff E.E.'s first and second mortgage to create one new loan. VARTAN told E.E. that if E.E.  
14 cashed out \$25,000.00 to make the mortgage total \$225,000.00, the loan process would be  
15 easier. Relying on VARTAN's representations, E.E. agreed to take the cash out and confirmed  
16 that he locked in the interest rate of 3% for 30 years.

17 32.

18 In or around early February 2017, VARTAN opened an escrow account, Escrow  
19 No. 41662-MD, with Tri-Liberty Escrow, Inc ("Tri-Liberty Escrow") for the refinance of the  
20 loan for Second Street Property. VARTAN presented himself to Tri-Liberty Escrow as the loan  
21 officer for the transaction and UFI as the broker.

22 33.

23 On or about February 16, 2017, E.E. met with VARTAN at the lobby of the W  
24 Hollywood hotel where VARTAN instructed E.E. to sign several loan documents. Relying on  
25 VARTAN's representations, E.E. did not read the documents since VARTAN purported  
26 explained the contents of the documents and assured E.E. he would receive copies of the  
27

1 documents he signed. E.E. understood he was signing loan documents for a 30-year fixed  
2 interest rate of 3% for a loan amount of \$225,000.00 with a \$1,500.00 fee.

3 34.

4 On or about February 24, 2017, Tri-Liberty Escrow sent the loan documents to  
5 VARTAN, GUSTAFSSON, and AI for E.E. to sign.

6 35.

7 On or around February 28, 2017, prior to the close of escrow, VARTAN  
8 instructed E.E. to re-sign the loan documents because the original loan documents were lost.  
9 VARTAN rushed E.E. to sign the documents to secure the interest rate that day. Carmen Martir  
10 was also present during the signing of the documents as a notary public.

11 36.

12 On or about February 28, 2017, E.E. executed an Agreement to Procure a Loan  
13 & Lender-Borrower Escrow Instructions ("E.E. Agreement to Procure Loan"), dated February  
14 24, 2017. The E.E. Agreement to Procure Loan was between E.E. as the borrower and  
15 "ADENHEIM, INC WITH OLOF GUSTAFSSON AS ITS CEO" as the mortgage broker and  
16 "The REO Group, Inc" as the lender. The E.E. Agreement to Procure Loan gave AI the  
17 exclusive right to obtain a 2nd trust deed lien on the Second Street Property for E.E. from  
18 February 24, 2017, through March 31, 2017. Beneath E.E.'s signature, the address "8623  
19 Stapleton Ave. Las Vegas, NV" ("Nevada address") was listed as the "borrower's residential  
20 address." E.E. did not provide the Nevada address to VARTAN nor reside at that address. E.E.  
21 discovered the Nevada address after the close of escrow when copies of the loan documents  
22 were finally provided to him. E.E. never had any contact with Respondents AI or  
23 GUSTAFSSON. E.E.'s contact regarding refinancing his mortgage was VARTAN. E.E.  
24 became aware of AI and GUSTAFSSON after the close of escrow when he received copies of  
25 transaction documents after the close of escrow.

26 ///

27 ///

1 37.

2 On or about February 28, 2017, E.E. signed a 1003 that was prepared by Martir  
3 to refinance E.E.'s home loan on the Second Street Property. Martir handwrote the information  
4 on E.E.'s 1003 at the instruction of VARTAN. The footer of the 1003 listed "Adenheim, Inc.  
5 CALBRE #01984639," however the loan originator section on Page 4 of the 1003 was blank.  
6 The loan originator section, the type of mortgage, and terms of the loan were left blank when  
7 drafted by Martir at the instruction of VARTAN, including the loan amount, interest rate, and  
8 amortization type. E.E.'s present address was listed as the Nevada address. E.E. did not provide  
9 the Nevada address to VARTAN nor reside at that address.

10 38.

11 On or about February 28, 2017, VARTAN instructed E.E. to sign a blank  
12 "Borrowers' Letter of Explanation for Use of Funds" on Respondent AI's letterhead. In  
13 addition, VARTAN instructed E.E. to sign a "Certificate of Business Purpose of Loan" also on  
14 Respondent AI's letterhead. The Certificate stated that the purpose of the trust deed loan of  
15 \$150,000.00 secured by the Second Street property was "100% business" to "finance the  
16 business enterprise known as 201 WEST 2ND STREET, SAN DIMAS, CA 91773 that is in the  
17 business of REAL ESTATE INVESTMENT RENTAL PROPERTY." E.E. has never rented the  
18 Second Street Property to anyone and it has been E.E.'s primary residence since 1988.

19 39.

20 On or about February 28, 2017, VARTAN instructed E.E. to sign a "Declaration  
21 of Non-Owner Occupancy" on Respondent AI's letterhead. The Declaration stated that E.E.'s  
22 true and only principal residence is located at the Nevada address.

23 40.

24 On or about February 28, 2017, Respondent AI provide the Mortgage Loan  
25 Disclosure Statement dated February 28, 2017, to Tri-Liberty Escrow listed GUSTAFSSON, as  
26 the broker representative for AI, and AI as the mortgage broker for the Second Street Property  
27 refinance.

41.

The Borrower's Estimated Closing Costs for Escrow No. 041662-MD dated February 21, 2017, with a closing date of March 15, 2017, listed, in part, the following debits:

Credit or Charge for Interest Rate	\$3,000.00
Brokerage Fee	\$35,000.00
Document Fee	\$1,995.00
Processing Fee	\$1,995.00
Underwriting Fee	\$1,995.00

The Borrower's Estimated Closing Costs did not identify to whom these fees would be paid.

42.

On or about March 2, 2017, GUSTAFSSON, on behalf of AI, submitted a demand with wire instructions to Tri-Liberty Escrow. AI's wire instructions listed, in part, the following funding figures:

TO ADENHEIM, INC	
Commission	\$19,000.00
Processing Fee	\$997.50
Underwriting Fee	\$997.50
Document Preparation Fee	\$997.50
SUBTOTAL	\$21,992.50
TO UNICITIZENS FINANCIAL, INC	
Commission	\$19,000.00
Processing Fee	\$997.50
Underwriting Fee	\$997.50
Document Preparation Fee	\$997.50
SUBTOTAL	\$21,992.50



1 AI's fees were duplicative of UFI's fees. GUSTAFSSON provided the account name, routing  
2 number, bank account number and bank name for the wire transfers for Respondents AI and  
3 UFI.

4 43.

5 The Borrower's Final Settlement Statement for Escrow No. 041662-MD dated  
6 March 3, 2017, with a closing date of March 3, 2017, listed, in part, the following debits:

7

8 Credit or Charge for Interest Rate	\$3,000.00
9 Brokerage Fee	\$35,000.00
10 Document Fee	\$1,995.00
11 Processing Fee	\$1,995.00
12 Underwriting Fee	\$1,995.00

13 The Borrower's Final Settlement Statement did not identify to whom these fees would be paid.

14 44.

15 On or about March 3, 2017, Tri-Liberty Escrow wired payment in the amount of  
16 \$21,992.50 (Reference No. 3816) to UFI. On that same day, Tri-Liberty Escrow wired payment  
17 in the amount of \$21,992.50 (Reference No. 3815) to AI.

18 45.

19 Unbeknownst to E.E., E.E.'s new second deed of trust loan amount for the  
20 Second Street Property was \$150,000.00 with a 2-year fixed interest rate of 12%, a monthly  
21 payment of \$1,500.00, and a balloon payment of \$151,500.00 due at the end of the 2-year loan  
22 term. E.E.'s original first deed of trust loan was not refinanced.

23 46.

24 On or about March 10, 2017, having not received any copies of the loan  
25 documents he signed or the terms of the new loan, E.E. contacted Tri-Liberty Escrow to cancel  
26 the loan. Tri-Liberty Escrow informed E.E. that escrow closed and escrow disbursed all of the  
27 funds. E.E. was never previously informed that escrow closed.

(1229 STRATHMORE DRIVE TRANSACTION)

47.

On or about March 9, 2017, S.Z. contacted VARTAN to refinance her mortgage loan on her primary residence located at 12291 Strathmore Drive, Garden Grove, CA 92840 ("Strathmore Property"). At that time, S.Z.'s mortgage loan amount was approximately \$245,000.00 with an interest rate of 9.75%.

48.

On or about March 9, 2017, S.Z. executed an Agreement to Procure a Loan & Lender-Borrower Escrow Instructions ("S.Z. Agreement to Procure Loan"), dated March 8, 2017. The S.Z. Agreement to Procure Loan was between S.Z. as the borrower and "ADENHEIM, INC WITH OLOF GUSTAFSSON AS ITS CEO" as the mortgage broker and "The REO Group, Inc" as the lender. The S.Z. Agreement to Procure Loan gave AI the exclusive right to obtain a first trust deed lien on the Strathmore Property for S.Z. from February 16, 2017, through April 15, 2017. On S.Z.'s copy, beneath S.Z.'s signature, the address "1253 N. Evergreen St., Anaheim, CA 92805" ("Anaheim address") was listed as the "borrower's residential address." S.Z. did not handwrite the Anaheim address on the Agreement to Procure Loan, never provided the Anaheim address to VARTAN, and has not resided at the Anaheim address for fifty years.

49.

On or about March 9, 2017, S.Z. signed a 1003 that was prepared by Martir to refinance S.Z.'s mortgage loan at the Strathmore Property. Martir handwrote the information on S.Z.'s 1003 at the instruction of VARTAN. The footer of the 1003 listed "Adenheim, Inc. CALBRE #01984639," however the loan originator section on Page 4 of the 1003 was blank. The loan originator section, type of mortgage, and terms of the loan were left blank when drafted by Martir at the instruction of VARTAN, including the loan amount, interest rate, and amortization type. The copy of the 1003 in S.Z.'s possession listed S.Z.'s present address as the

Anaheim address. S.Z. never provided the Anaheim address to VARTAN and has not resided at the Anaheim address for fifty years.

50.

On or about March 9, 2017, VARTAN instructed S.Z. to sign a blank "Borrowers' Letter of Explanation for Use of Funds" on Respondent AI's letterhead. In addition, VARTAN instructed S.Z. to sign a "Certificate of Business Purpose of Loan" also on Respondent AI's letterhead. The Certificate stated that the purpose of the trust deed loan of \$325,000.00 secured by the Strathmore Property was "100% business" to "finance the business enterprise known as 12291 STRATHMORE DRIVE, GARDEN GROVE, CA 92840 that is in the business of REAL ESTATE INVESTMENT RENTAL PROPERTY." The Strathmore Property, however, is S.Z.'s primary residence.

51.

On or about April 10, 2017, GUSTAFSSON, on behalf of AI, submitted a demand with wire instructions to Rose Escrow. AI's wire instructions listed, in part, the following funding figures:

TO ADENHEIM, INC	
Commission	\$17,500.00
Processing Fee	\$997.50
Underwriting Fee	\$997.50
Document Preparation Fee	\$997.50
SUBTOTAL	\$20,492.50
TO UNICITIZENS FINANCIAL, INC	
Commission	\$17,500.00
Processing Fee	\$997.50
Underwriting Fee	\$997.50
Document Preparation Fee	\$997.50
SUBTOTAL	\$20,492.50

1 AI's fees were duplicative of UFI's fees. GUSTAFSSON provided the account name, routing  
2 number, bank account number and bank name for the wire transfers for Respondents AI and  
3 UFI.

4 52.

5 Unbeknownst to S.Z., S.Z.'s new first deed of trust loan amount for the  
6 Strathmore Property was \$325,000.00 with a 2-year fixed interest rate of 12%, a monthly  
7 payment of \$3,250.00, and a balloon payment of \$328,250.00 due at the end of the 2-year loan  
8 term.

9 (3402 W. 111TH STREET TRANSACTION)

10 53.

11 In or about October 2016, R.F., a 58-year-old California resident, contacted UFI  
12 after viewing its television advertisement on the Mendelson Show. R.F. made contact with  
13 VARTAN, who introduced himself as "Sean." R.F. sought to refinance his current mortgage  
14 loan and obtain cash on his primary residence located at 3402 W. 111th Street in Inglewood,  
15 California ("W. 111th Street Property"). At that time, R.F.'s principal balance on his mortgage  
16 loan was approximately \$161,000.00 with an interest rate of 3.375%, and a monthly payment of  
17 \$898.98. VARTAN represented himself to R.F. as a direct lender and that VARTAN could get  
18 R.F. approved for a refinance at 3% interest rate and a cash out amount of \$44,000.00.

19 54.

20 On or about December 21, 2016, R.F. went to VARTAN's office to sign  
21 documents for his refinance and cash-out. After signing documents, R.F. requested a copy of  
22 the documents he just signed. VARTAN stated that it was too late in the day to make copies  
23 and requested R.F. return the next day for the copies. The next day, R.F. returned to  
24 VARTAN's office, however, VARTAN was not there and the copies were not ready. Martir  
25 was at the office, but could not provide the copies to R.F. Suspecting something was wrong,  
26 R.F. checked with his current mortgage company whether his mortgage loan was paid off in a  
27 refinance.

1 55.

2 On or about December 24, 2016, R.F. sent an email and facsimile to VARTAN  
3 to cancel the W. 111<sup>th</sup> Street transaction. R.F. did not receive a response from VARTAN.

4 56.

5 The Borrower's Final Statement for Escrow No. 505697-SO with Rose Escrow  
6 dated January 17, 2017, with a closing date of January 13, 2017, listed in part, the following  
7 debits on a \$90,000.00 new second deed of trust for R.F.:

8 Brokerage Fee to ADENHEIM, INC	\$37,000.00
9 Document Fee to ADENHEIM, INC	\$995.00
10 Processing Fee to ADENHEIM, INC	\$1,995.00
11 Underwriting Fee to ADENHEIM INC	\$1,995.00

12 57.

13 Unbeknownst to R.F., R.F.'s new second deed of trust loan amount for the W.  
14 111th Street Property was \$90,000 with 2-year fixed interest rate of 12%, a monthly payment of  
15 \$900.00, and a balloon payment of the entire unpaid balance of the loan and interest due at the  
16 end of the 2-year loan term. R.F.'s original mortgage loan was not refinanced.

17 58.

18 Having not heard from VARTAN for several weeks and unaware the lender  
19 funded the new loan, on or about February 1, 2017, R.F. found VARTAN at his office and  
20 demanded copies of the loan documents.

21 (27678 HAMMACK AVENUE TRANSACTION)

22 59.

23 In or around August 2016, R.H. and R.M., 63-year-old and 71-year-old  
24 California residents, respectively, contacted VARTAN after R.H. viewed an advertisement on  
25 television for VARTAN. R.H. and R.M. sought a Home Equity Line of Credit for their  
26 investment property in Alhambra, California. VARTAN told R.H. and R.M. that he could get  
27 them a 30-year fixed interest rate of 5% for one of their other properties located at 27678

1 Hammack Avenue, Perris, CA 92570 ("Hammack Property"). At that time, R.H. and R.M.'s  
2 mortgage loan amount for the Hammack Property was approximately \$48,600.00. VARTAN  
3 told R.H. and R.M. that it would be easier to refinance their mortgage loan on their Hammack  
4 Property instead of the applying for a Home Equity Line of Credit on the property located in  
5 Alhambra.

6 60.

7 On or about August 16, 2016, R.H. and R.M. executed an Agreement to Procure  
8 a Loan & Lender-Borrower Escrow Instructions ("Agreement to Procure Loan"), dated August  
9 14, 2016. The Agreement to Procure Loan was between R.H. and R.M. as the borrowers and  
10 "ADENHEIM, INC WITH OLOF GUSTAFSSON AS ITS CEO" as the mortgage broker and  
11 "Balboa LLC" as the lender. The Agreement to Procure Loan gave AI the exclusive right to  
12 obtain a first trust deed lien on the Hammack Property for from August 14, 2016, through  
13 November 1, 2016. R.H. and R.M. never had any contact with Respondents AI or  
14 GUSTAFSSON. Their contact regarding refinancing their mortgage loan was VARTAN.

15 61.

16 On or about August 16, 2016, R.H. and R.M. signed a 1003 that was prepared by  
17 Martir to refinance their mortgage loan on the Hammack Property. Martir handwrote the  
18 information on R.H. and R.M.'s 1003 at the instruction of VARTAN. The footer of the 1003  
19 listed "Adenheim, Inc. CALBRE #01984639," however the loan originator section on Page 4 of  
20 the 1003 was blank. The loan originator section, the type of mortgage, and terms of the loan  
21 were left blank when drafted by Martir at the instruction of VARTAN, including the loan  
22 amount, interest rate, and amortization type.

23 62.

24 R.H. and R.M. did not fully read or understand the documents they signed and  
25 relied on VARTAN's verbal explanation of its contents. VARTAN assured R.H. and R.M. that  
26 they were signing loan documents for the terms they discussed. R.H. and R.M. understood they  
27

1 was signing loan documents for a 30-year fixed interest rate of 5%. R.H. and R.M. did not  
2 receive copies of the documents they signed.

3 63.

4 Unbeknownst to R.H. and R.M., their new first deed of trust loan amount for the  
5 Hammack property was \$90,000.00 with a 2-year fixed interest rate of 12%, a monthly payment  
6 of \$900.00, and a balloon payment of the entire unpaid principal balance of the loan and interest  
7 due at the end of the 2-year loan term.

8 64.

9 In or around September 2016, R.H. and R.M. discovered escrow closed without  
10 their knowledge and their new interest rate of 12%. R.M. confronted VARTAN who refused to  
11 cancel their loan and, instead, offered R.M. a real estate investment opportunity to afford the  
12 monthly loan payments. VARTAN represented to R.M. that if R.M. invested \$58,000.00 from  
13 R.H. and R.M.'s new loan to purchase the real property located at 14822 S. Butler Avenue,  
14 Compton, California 90021 ("Butler Property") as a "flipper," that R.M. would profit an  
15 additional \$55,5000.00 once the Butler Property was resold. R.M. and VARTAN entered into  
16 an agreement to memorialize this arrangement.

17 65.

18 VARTAN further represented in writing to R.M. that the Butler Property would  
19 be "flipped" or resold within twelve months. R.M. was reluctant to invest, and requested  
20 additional security. VARTAN, then, represented to R.M. that R.M. would become a 49% owner  
21 of real property he owned at 6412 Whittier Boulevard, Los Angeles, California ("Whittier Blvd  
22 Property") and that R.M. could sell that Whittier Blvd Property if the Butler Property did not  
23 sell within twelve months.

24 66.

25 In or around October 2016, VARTAN presented R.M. with a second real estate  
26 investment opportunity. VARTEN represented to R.M. that if R.M. invested \$65,000.00 in the  
27 real property located at 35535 State Highway 18, Lucerne Valley, California 92356 ("Lucerne

1 Valley Property”), R.M. would obtain titled interest in the property. VARTAN represented that  
2 the Lucerne Valley Property would generate huge monthly rental income. VARTAN further  
3 represented that he would repay R.M. in three monthly payments of \$30,000.00 each beginning  
4 in February 1, 2017, which represented all of the monthly rents plus her initial investment.  
5 VARTAN executed a promissory note and three checks for \$30,000.00 each. R.M. tried to  
6 deposit the first \$30,000.00 check and was informed by the bank that there was insufficient  
7 funds.

8 (FRAUD IN A CIVIL ACTION)

9 67.

10 On or about August 10, 2017, in a civil action entitled Rosemary Marshall v.  
11 Schobert Vartan, et al., before the Superior Court of California, County of Los Angeles, Case  
12 No. BC652008, a final judgement was entered against VARTAN, among others, finding  
13 VARTAN, and co-defendants, engaged in fraudulent conduct through intentional  
14 misrepresentations and deceit causing the plaintiff cruel and unusual hardship with reference to  
15 the Butler, Whittier and Lucerne Valley real estate investment opportunities. The court awarded  
16 the plaintiff punitive damages in the amount of \$50,000.00, in addition to other monetary relief,  
17 against VARTAN.

18 GROUND FOR REVOCATION OR SUSPENSION

19 68.

20 **Code section 10142** states:

21 “When a licensee prepares or has prepared an agreement authorizing or  
22 employing such licensee to perform any of the acts for which he or she is  
23 required to hold a license, or when such licensee secures the signature of  
24 any person to any contract pertaining to such services or transaction, he  
or she shall deliver a copy of the agreement to the person signing it as  
soon as reasonably practicable after the time the signature is obtained...”

25 69.

26 **Code section 10159.2** states:

27 “(a) The officer designated by a corporate broker licensee pursuant to  
Section 10211 shall be responsible for the supervision and control of the  
activities conducted on behalf of the corporation by its officers and



1 employees as necessary to secure full compliance with the provisions of  
2 this division, including the supervision of salespersons licensed to the  
3 corporation in the performance of acts for which a real estate license is  
4 required."

70.

**Code section 10166.02(b)** states:

5 "No individual may engage in business as a mortgage loan originator  
6 under this article without first doing both of the following:

7 (1) Obtaining and maintaining a real estate license pursuant to Article 2  
(commencing with Section 10150).

8 (2) Obtaining and maintaining a real estate license endorsement pursuant  
9 to this article identifying that individual as a licensed mortgage loan  
10 originator."

71.

**Code section 10176** states:

11 "The commissioner may, upon his or her own motion, and shall, upon  
12 the verified complaint in writing of any person, investigate the actions of  
13 any person engaged in the business or acting in the capacity of a real  
14 estate licensee within this state, and he or she may temporarily suspend  
15 or permanently revoke a real estate license at any time where the  
16 licensee, while a real estate licensee, in performing or attempting to  
17 perform any of the acts within the scope of this chapter has been guilty of  
18 any of the following:

19 (a) Making any substantial misrepresentation.

20 (b) Making any false promises of a character likely to influence,  
21 persuade, or induce.

22 ...

23 (i) Any other conduct, whether of the same or of a different character  
24 than specified in this section, which constitutes fraud or dishonest  
25 dealing.

26 ...

72.

**Code section 10177** states:

23 "The commissioner may suspend or revoke the license of a real estate  
24 licensee, delay the renewal of a license of a real estate licensee, or deny  
25 the issuance of a license to an applicant, who has done any of the  
26 following...:

27 ...

(c) Knowingly authorized, directed, connived at, or aided in the  
publication, advertisement, distribution, or circulation of a material false  
statement or representation concerning his or her designation or

1 certification of special education, credential, trade organization  
2 membership, or business, or concerning a business opportunity or a land  
3 or subdivision, as defined in Chapter 1 (commencing with Section  
4 11000) of Part 2, offered for sale.(d) Willfully disregarded or violated the  
5 Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1  
6 (commencing with Section 11000) of Part 2 or the rules and regulations  
7 of the commissioner for the administration and enforcement of the Real  
8 Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

9 ...  
10 (d) Willfully disregarded or violated the Real Estate Law (Part 1  
11 (commencing with Section 10000)) or Chapter 1 (commencing with  
12 Section 11000) of Part 2 or the rules and regulations of the commissioner  
13 for the administration and enforcement of the Real Estate Law and  
14 Chapter 1 (commencing with Section 11000) of Part 2.

15 ...  
16 (g) Demonstrated negligence or incompetence in performing an act for  
17 which he or she is required to hold a license.

18 ...  
19 (h) As a broker licensee, failed to exercise reasonable supervision over  
20 the activities of his or her salespersons, or, as the officer designated by a  
21 corporate broker licensee, failed to exercise reasonable supervision and  
22 control of the activities of the corporation for which a real estate license  
23 is required.

24 ...  
25 (j) Engaged in any other conduct, whether of the same or a different  
26 character than specified in this section, that constitutes fraud or dishonest  
27 dealing..."

73.

**Code section 10177.5 states:**

"When a final judgment is obtained in a civil action against any real  
estate licensee upon grounds of fraud, misrepresentation, or deceit with  
reference to any transaction for which a license is required under this  
division, the commissioner may, after hearing in accordance with the  
provision of this part relating to hearings, suspend or revoke the license  
of such real estate licensee."

74.

**Code section 10240(a) states:**

"Every real estate broker, upon acting within the meaning of subdivision  
(d) of Section 10131, who negotiates a loan to be secured directly or  
collaterally by a lien on real property shall, within three business days  
after receipt of a completed written loan application or before the  
borrower becomes obligated on the note, whichever is earlier, cause to be  
delivered to the borrower a statement in writing, containing all the

1 information required by Section 10241. It shall be personally signed by  
2 the borrower and by the real estate broker negotiating the loan or by a  
3 real estate licensee acting for the broker in negotiating the loan. When so  
4 executed, an exact copy thereof shall be delivered to the borrower at the  
5 time of its execution. The real estate broker negotiating the loan shall  
6 retain on file for a period of three years a true and correct copy of the  
7 statement as signed by the borrower."

75.

8 **Regulations section 2725** states:

9 "A broker shall exercise reasonable supervision over the activities of his  
10 or her salespersons. Reasonable supervision includes, as appropriate, the  
11 establishment of policies, rules, procedures and systems to review,  
12 oversee, inspect and manage...A broker shall establish a system for  
13 monitoring compliance with such policies, rules, procedures and systems.  
14 A broker may use the services of brokers and salespersons to assist in  
15 administering the provisions of this section so long as the broker does  
16 not relinquish overall responsibility for supervision of the acts of  
17 salespersons licensed to the broker."

#### 18 VIOLATIONS

##### 19 (DELIVERY OF AGREEMENT)

20 76.

21 The conduct, acts and/or omissions of Respondents VARTAN, ADENHEIM,  
22 INC, and UNICITIZENS FINANCIAL, INC, as described in Paragraphs 11 through 62 above,  
23 constitute cause for the suspension or revocation of the license and license rights of  
24 Respondents under Code section 10142, for failing to deliver a copy of the agreement or  
25 contract.

##### 26 (MLO ACTIVITY)

27 77.

28 At all times mentioned in Paragraphs 11 through 62 above, Respondents  
29 VARTAN, ADENHEIM, INC, and GUSTAFSSON, although licensed by the Department, did  
30 not hold an MLO license endorsement while engaging in the business of, acting in the capacity  
31 of, advertising or assuming to act as a mortgage loan originator pursuant to Code section  
32 10166.01 in violation of Code section 10166.02.

1 (SUBSTANTIAL MISREPRESENTATION)

2 78.

3 The conduct, acts and/or omissions of Respondents VARTAN, ADENHIEM,  
4 INC, GUSTAFFSON, and UNICITIZENS FINANCIAL, INC, as described in Paragraphs  
5 Paragraphs 11 through 66 above, constitute cause for the suspension or revocation of the license  
6 and license rights of Respondents under Code section 10176(a), for making substantial  
7 misrepresentations.

8 (FALSE PROMISES LIKELY TO INDUCE)

9 79.

10 The conduct, acts and/or omissions of Respondents VARTAN, ADENHIEM,  
11 INC, GUSTAFFSON, and UNICITIZENS FINANCIAL, INC, as described in Paragraphs 11  
12 through 66 above, constitute cause for the suspension or revocation of the license and license  
13 rights of Respondents under Code section 10176(b), for making false promises of a character  
14 likely to influence, persuade, or induce.

15 (FRAUD OR DISHONEST DEALING)

16 80.

17 The conduct, acts and/or omissions of Respondents VARTAN, ADENHIEM,  
18 INC, GUSTAFFSON, and UNICITIZENS FINANCIAL, INC, as described in Paragraphs 10  
19 through 66 above, constitute cause for the suspension or revocation of the license and license  
20 rights of Respondents under Code sections 10176(i) and 10177(j), for fraud or dishonest  
21 dealing.

22 (ADVERTISEMENT OF A MATERIAL FALSE STATEMENT)

23 81.

24 The conduct, acts and/or omissions of Respondents VARTAN, ADENHIEM,  
25 INC, GUSTAFFSON, and UNICITIZENS FINANCIAL, INC, as described in Paragraphs 11  
26 through 66 above, constitute cause for the suspension or revocation of the license and license  
27 rights of Respondents under Code section 10177(c), for knowingly authorizing the publication,

1 advertisement, distribution, or circulation of a material false statement or representation  
2 concerning their designation, certification, or business.

3 (WILLFUL DISREGARD OF THE REAL ESTATE LAW)

4 82.

5 The conduct, acts and/or omissions of Respondents VARTAN, ADENHIEM,  
6 INC, GUSTAFFSON, and UNICITIZENS FINANCIAL, INC, as described in Paragraphs 11  
7 through 66 above, constitute cause for the suspension or revocation of the license and license  
8 rights of Respondents under Code section 10177(d), for Respondents' willful disregard of the  
9 Real Estate Law.

10 (NEGLIGENCE AND/OR INCOMPETENCE)

11 83.

12 The conduct, acts and/or omissions of Respondents VARTAN, ADENHIEM,  
13 INC, GUSTAFFSON, and UNICITIZENS FINANCIAL, INC, as described in Paragraphs 11  
14 through 66 above, constitute cause for the suspension or revocation of the license and license  
15 rights of Respondents under Code section 10177(g), for Respondents' negligence and/or  
16 incompetence.

17 (WRITTEN DISCLOSURE STATEMENT)

18 84.

19 The conduct, acts and/or omissions of Respondents VARTAN, ADENHIEM,  
20 INC, GUSTAFFSON, and UNICITIZENS FINANCIAL, INC, as described in Paragraphs 11  
21 through 62 above, constitute cause for the suspension or revocation of the license and license  
22 rights of Respondents under Code section 10240(a) for failing to timely deliver to the borrower  
23 an exact copy of a written statement containing all the information required by Code section  
24 10241.

25 ///

26 ///

27 ///

1 (FAILURE TO SUPERVISE)

2 85.

3 Based on the conduct, acts and/or omissions of Respondent ADENHEIM, INC,  
4 as described in Paragraphs 11 through 66 above, Respondent GUSTAFSSON did not exercise  
5 adequate supervision over the activities conducted on behalf of Respondent ADENHIEM, INC  
6 by its officers and employees to ensure compliance with the Real Estate Laws and Regulations  
7 in violation of Code sections 10177(h) and 10159.2. Respondent GUSTAFSSON failed to  
8 establish and/or implement policies, rules, procedures and system to review, oversee, inspect  
9 and manage transactions requiring a real estate in violation of Regulations section 2725.

10 86.

11 Based on the conduct, acts and/or omissions of Respondent VARTAN and  
12 UNICITICENS FINANCIAL, INC, as described in Paragraphs 11 through 66 above,  
13 Respondent REITBERG did not exercise adequate supervision over the activities conducted on  
14 behalf of Respondent UNICITIZENS FINANCIAL, INC by its officers and employees to  
15 ensure compliance with the Real Estate Laws and Regulations in violation of Code sections  
16 10177(h) and 10159.2. Respondent GUSTAFSSON failed to establish and/or implement  
17 policies, rules, procedures and system to review, oversee, inspect and manage transactions  
18 requiring a real estate in violation of Regulations section 2725.

19 (FRAUD IN A CIVIL ACTION)

20 87.

21 The facts set forth above in Paragraph 67, against VARTAN constitute cause for  
22 the suspension or revocation of all licenses and licensing rights of Respondent VARTAN  
23 pursuant to Code section 10177.5 (fraud in a civil action).

24 INVESTIGATION AND ENFORCEMENT COSTS


25 88.

26 Code section 10106 provides, in pertinent part, that in any order issued in  
27 resolution of a disciplinary proceeding before the Department, the Commissioner may request

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

3 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of  
4 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action  
5 against all the licenses and/or license rights of Respondents SHOBERT VARTAN,  
6 ADENHIEM, INC, OLOF KYROS GUSTAFFSON, individually and doing business as  
7 Adenheim, Inc, UNICITIZENS FINANCIAL, INC, and DANIEL DAVID REITBERG,  
8 individually and as designated officer of Unicitizens Financial Inc under the Real Estate Law,  
9 for the costs of investigation and enforcement as permitted by law, for the cost of the audit, and  
10 for such other and further relief as may be proper under other applicable provisions of law.

11  
12 Dated at Los Angeles, California this 2nd day of December, 2019.

13  
14  
15   
16 Maria Suarez  
17 Supervising Special Investigator  
18  
19  
20  
21  
22  
23

24 cc: SHOBERT VARTAN  
25 ADENHIEM, INC  
26 OLOF KYROS GUSTAFFSON  
27 UNICITIZENS FINANCIAL, INC  
DANIEL DAVID REITBERG  
Maria Suarez  
Sacto.