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AUG 11 2021

DEPT. OF REAL ESTATE

By _____

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9 **BEFORE THE DEPARTMENT OF REAL ESTATE**
10 **STATE OF CALIFORNIA**

11 * * *

12 In the Matter of the Accusation of

No. H-42065-LA

13 SAEID KARANDISH,

ACCUSATION

14 Respondent.

15 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the
16 Department of Real Estate ("Department" or "DRE") of the State of California, for cause of
17 Accusation against SAEID KARANDISH ("KARANDISH" or "Respondent"), also at times known
18 as "Sam Kara," alleges as follows:

19 1. The Complainant, Veronica Kilpatrick, acting in her official capacity as a
20 Supervising Special Investigator, makes this Accusation against Respondent.

21 2. All references to the "Code" are to the California Business and Professions Code
22 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

23 **LICENSE HISTORY**

24 3. Respondent KARANDISH has been licensed by the DRE as a real estate broker
25 ("REB"), License ID 01874358, from on or about May 19, 2016, through the present, with
26 KARANDISH's license scheduled to expire on May 18, 2024 unless renewed. KARANDISH was
27 previously licensed as a real estate salesperson ("RES"), from on or about July 8, 2010 to on or
28 about May 18, 2016. KARANDISH has only been licensed by the DRE under the name SAEID

1 KARANDISH. KARANDISH has never been licensed by the DRE under the name "Sam Kara."
2 During the time KARANDISH was licensed as a RES, he was employed:

3 1. By Lanceville Group Inc., from July 8, 2010 to September 11, 2011, and
4 from November 9, 2012 to April 28, 2014. Lanceville Group Inc. was formerly a Real
5 Estate Corporation ("REC") License ID 01526060 (expired as of October 29, 2016). From
6 on or about April 20, 2009, through on or about February 9, 2015, KARANDISH was the
7 Chief Executive Officer and a Director for Lanceville Group Inc. Lanceville Group Inc.
8 formerly maintained the following fictitious business names, licensed by the DRE:

9 a. "West Pacific Property Management," active from September 12,
10 2007 to September 11, 2011;

11 b. "Lanceville Realty," active from January 10, 2008 to September 11,
12 2011; and,

13 c. "Lanceville Property Management," active from January 10, 2008 to
14 September 11, 2011, and from October 29, 2012 to October 28, 2016.

15 2. By REB Michael Hamidi, also known as Mohammad Jaffar Hamidi
16 ("Hamidi"), from October 4, 2012 to November 8, 2012. Hamidi, REB License ID
17 01735561, was the designated officer of Lanceville Group Inc. from September 12, 2007 to
18 October 28, 2016.

19 4. During the time KARANDISH has been licensed as a REB, he was previously the
20 designated officer ("D.O.") for LGI Association, Inc. ("LGIA"), former real estate corporation
21 ("REC"), License ID 01966266. LGIA was previously licensed through KARANDISH's REB
22 license, from November 18, 2014 to November 17, 2018. KARANDISH's officer license with
23 LGIA and LGIA's REC license both expired on or about November 17, 2018.

24 5. On or about June 14, 2017, KARANDISH became the designated officer for REC
25 LG Consultation Group, Inc. ("LGCG"), License ID 02037000, and LGCG was licensed through
26 KARANDISH's REB license, from June 14, 2017 to March 7, 2019, at which time
27 KARANDISH's officer license with LGCC was canceled.

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1 6. LGIA was formerly licensed as a REC by the DRE from November 18, 2014 to
2 November 17, 2018, at which time LGIA's REC license expired when it failed to timely renew its
3 license. Pursuant to Code section 10201, LGIA had two years from the expiration of its license, or
4 until November 17, 2020, to renew its REC license. Pursuant to the Governor of California's
5 Executive Order Nos. N-52-20 (paragraph 1), N-69-20 (paragraph 3), N-71-20 (paragraph 19), and
6 N-83-20 (paragraph 5), issued during the State of Emergency as a result of the threat of COVID-19,
7 the deadline for LGIA to renew its REC license was extended until June 30, 2021. Thus, LGIA had
8 license rights until June 30, 2021. LGIA maintained the fictitious business name, "LGI Property
9 Management," which was licensed by the DRE from April 24, 2015 to November 18, 2018.
10 According to the California Secretary of State's website, as of at least January 6, 2021, LGIA's
11 corporate status is "FTB suspended."

12 7. LGCG's REC license expired on June 13, 2021 when it failed to timely renew its
13 license. Pursuant to the Governor of California's Executive Order Nos. N-52-20 (paragraph 1), N-
14 69-20 (paragraph 3), N-71-20 (paragraph 19), and N-83-20 (paragraph 5), the deadline for LGCG
15 to renew its REC license was extended until June 30, 2021. Pursuant to Code section 10201,
16 LGCG has two years from the expiration of its license, or until June 29, 2022, to renew its REC
17 license. According to the California Secretary of State's website to date, LGCG's corporate status
18 is "FTB suspended." According to DRE records to date, LGCG is currently licensed with no broker
19 associated, or "NBA."

20 8. Sharona Youabian, also known as Shery Bian ("Youabian") has been licensed by the
21 DRE as a real estate salesperson ("RES"), License ID 02026798, from on or about February 7,
22 2017 through the present, with Youabian's license scheduled to expire on February 6, 2025, unless
23 renewed. According to DRE records to date, Youabian is currently licensed with no broker
24 associated. Previously, Youabian was employed by LGCG from July 31, 2017 to February 27,
25 2019.

26 9. Complainant is informed and believes and on such information and belief alleges
27 that Youabian is the sister of KARANDISH, and prior to obtaining her RES license from DRE,
28 Youabian worked for KARANDISH and/or LGIA, assisting with property management activities.

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ACTIVITIES REQUIRING A REAL ESTATE LICENSE

10. At all times mentioned herein, in the Counties of Kern, Los Angeles, and Ventura, California, Respondent KARANDISH engaged in the performance of activities requiring a real estate license pursuant to Code section 10130, and acted and ordered, caused, authorized or participated in licensed activities within the meaning of Code section 10131.

FACTS DISCOVERED BY DRE

11. Complainant is informed and believes and on such information and belief alleges that from in or around late 2016 through on or about August 19, 2020, LGIA and KARANDISH engaged in a course of conduct of misrepresenting to, and concealing from J.C.^{1/}, the existence of complete books and records for thirty (30) apartment complexes (“Subject Properties”) owned by J.C. As described in further detail below, J.C. had entered into written property management agreements (“PMAs”) with LGIA and KARANDISH for the management of the Subject Properties. KARANDISH’s refusal to produce complete books and records for the Subject Properties from in or around late 2016 through on or about August 19, 2020, was an integral part of KARANDISH’s extended course of conduct in order to avoid accountability for violations of the Real Estate Law.

12. KARANDISH engaged in a long-term, extended course of conduct of failing to provide or disclose material facts and documents, at times only partially disclosing material facts and documents, and delaying the provision or disclosure of complete material facts and documents, in order to avoid accountability for violations of the Real Estate Law. As a result of KARANDISH’s extended course of conduct involving concealment and suppression of material facts and documents, at times only partially disclosing material facts and documents, and delaying disclosure of material facts and documents, despite repeated requests and efforts by J.C. and his attorneys, as shown below, the DRE could not, with due diligence, have discovered sufficient material facts regarding whether KARANDISH has complied with the Real Estate Law until on or about August 19, 2020 at the earliest, when LGIA and KARANDISH produced 41,000 pages of

^{1/} Initials are used in place of individuals’ full names to protect their privacy. Documents containing individuals’ full names will be provided during the discovery phase of this case to Respondent and/or his attorney(s), after service of a timely and proper request for discovery on Complainant’s counsel.

1 documents to J.C. in response to J.C.'s Requests for Production of Documents to Cross-
2 Complainant/Cross-Defendant LGIA, Set Two, propounded in litigation in the case of *Jose Suarez,*
3 *et al. vs. LGI Association Inc., et al.*, Los Angeles County Superior Court Case No. BC662764.

4 13. The DRE was not made aware of the existence of the 41,000 pages of documents
5 produced by KARANDISH to J.C. in the aforementioned litigation until on or about January 14,
6 2021, at the earliest, when J.C. submitted a complaint to the DRE regarding LGIA and
7 KARANDISH.

8 14. Moreover, as will be shown below, from on or about September 1, 2013 to in or
9 about November 2016, KARANDISH acted as real estate broker and agent for J.C. pursuant to the
10 PMAs, engaging in licensed activities within the meaning of Code section 10131(b) on behalf of
11 J.C.: leasing or renting, offering to lease or rent, or collecting rents from real property for others,
12 and other property management activities. Through KARANDISH's real estate activities on behalf
13 of J.C., he created a fiduciary relationship with J.C.

14 15. Complainant is informed and believes and on such information and belief alleges
15 that J.C. was not aware of the true material facts that revealed the extensive nature of
16 KARANDISH's fraud and dishonest dealing until on or about August 19, 2020, at the earliest,
17 when KARANDISH produced 41,000 pages of documents to J.C.

18 16. On or about January 14, 2021, the DRE received a complaint from J.C, who was
19 then eighty-four (84) years old, and who owned, under his limited liability companies, thirty (30)
20 apartment complexes ("Subject Properties"). According to J.C., the following Subject Properties
21 were previously managed by KARANDISH under LGIA from early 2015 to late 2016:

- 22 1. 12711 Branford St., Pacoima, CA 91331
- 23 2. 1420 Los Angeles Ave., Simi Valley, CA 93065
- 24 3. 15125 Saticoy Ave., Van Nuys, CA 91405
- 25 4. 1920-1940 Los Feliz Dr., Thousand Oaks, CA 91362
- 26 5. 21205-21215 Saticoy Ave., Canoga Park, 91304
- 27 6. 2630 Dixie St., Rosamond, CA 93560
- 28 7. 1901 Elm St., Rosamond, CA 93560
8. 1950 Center St., Rosamond, CA 93560
9. 309 Harvard Blvd., Santa Paula, CA 93060
10. 38705 20th St. East, Palmdale, CA 93550
11. 38745 15th St. East, Palmdale, CA 93550
12. 38238 11th St. East, Palmdale, CA 93550
13. 38220 11th St. East, Palmdale, CA 93550

14. 38050 11th St. East, Palmdale, CA 93550
15. 3927 Sierra Hwy., Acton, CA 93510
16. 3400 15th St. West, Rosamond, CA 93560
17. 441-451 Cuesta Del Mar Dr., Oxnard, CA 93033
18. 500 Cuesta Del Mar Dr., Oxnard, CA 93033
19. 640-730 W. Channel Islands Blvd., Oxnard, CA 93030
20. 6709 Hayvenhurst Ave., Van Nuys, CA 91406
21. 747 S. F St., Oxnard, CA 93030
22. 7915 Vineland Ave., Sun Valley, CA 91352
23. 8503 Tobias Ave., Panorama City, CA 91402
24. 9010 Tobias Ave., Panorama City, CA 91402
25. 974-990 Ashland Ave., Simi Valley, CA 93065
26. 9014 Orion Ave., North Hills, CA 91343
27. 9017 Langdon St., North Hills, CA 91343
28. 9022 Orion Ave., North Hills, CA 91343
29. 9034 Orion Ave., North Hills, CA 91343
30. 38703 20th St. East, Palmdale, CA 93550

17. Beginning on or about September 1, 2013, through on or about September 1, 2016, J.C., on behalf of himself or one of his limited liability companies ("LLCs"), and KARANDISH, on behalf of Lanceville Property Management ("LPM"), LGIA, or LGI Property Management ("LGIPM"), executed Property Management Agreements ("PMAs") to manage the 30 Subject Properties listed above. KARANDISH signed each of the PMAs for the 30 Subject Properties using the unlicensed name, "Sam Kara." Each of the PMAs provided for a term during which the Subject Property would be managed by LPM, LGIA or LGIPM, ranging from six (6) months to thirty-six (36) months, after which the PMA automatically renewed for one-month periods, unless terminated by either party giving 30 days' advance notice.

18. According to J.C., LGIA's primary responsibilities as J.C.'s property managers were to advertise vacancies, manage the rental units, handle tenancy terminations, collect rents when due, repair and maintain the properties, pay expenses and costs for the properties, handle tenant security deposits, pay all disbursements for the operation of the buildings, and provide J.C. with a monthly written statement showing in detail all receipts, disbursements, copies of all bills and statements, and remit funds to J.C. in accordance with the PMAs.

19. According to J.C., during the time in which LGIA managed J.C.'s properties, J.C. learned that there were substantial discrepancies between rents owed and rents collected, in excess of \$200,000 per month. J.C. alleges that LGIA never had a proper bookkeeping system, and would

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1 bounce checks as LGIA was unaware of the amount of funds available in each bank account. J.C.
2 alleges he hired a bookkeeper who found many checks and deposits that could not be reconciled.

3 20. Complainant is informed and believes and on such information and belief alleges
4 that from on or about December 27, 2013, until in or about mid-2016, KARANDISH maintained at
5 least 15 bank accounts with Bank of America related to KARANDISH's property management
6 activities on behalf of J.C. On information and belief, these 15 bank accounts were maintained for
7 the receipts and disbursements of trust funds in connection with KARANDISH's and LGIA's
8 property management activities on behalf of J.C. Of these 15 bank accounts, J.C. was only listed as
9 a signatory on four of the accounts. Complainant is informed and believes and on such information
10 and belief alleges that KARANDISH had the authority to draw checks, withdraw cash, and transfer
11 funds, from these 15 bank accounts.

12 21. According to DRE records to date, from on or about June 17, 2014 to May 13, 2021,
13 KARANDISH used 9010 Tobias Ave., Panorama City, California, as his mailing address, the same
14 address as one of J.C.'s properties that LGIA was managing for J.C.

15 22. According to DRE records to date, on or about October 29, 2014, LGIA began using
16 9010 Tobias Ave., Panorama City, California, as its mailing address, the same address as one of
17 J.C.'s properties that LGIA was managing for J.C.

18 23. According to DRE records to date, from on or about November 18, 2014 to
19 November 17, 2018, LGIA used as its main office address, 9010 Tobias Ave., Panorama City,
20 California, the same address as one of J.C.'s properties that LGIA was managing for J.C.

21 24. According to DRE records to date, from on or about May 19, 2016 to May 13, 2021,
22 KARANDISH used 9010 Tobias Ave., Panorama City, California, as his main office address,
23 which is the same address as one of J.C.'s properties that LGIA was managing for J.C.

24 25. According to J.C., he discovered that during the term of the PMA, LGIA and
25 KARANDISH had moved into J.C.'s property located at 9010 Tobias Ave., Panorama City, CA
26 91402 and used that property as their own corporate office without J.C.'s permission and without
27 paying any rent. J.C. also alleges that LGIA caused construction and renovation work to be
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1 conducted on this property without permits, and charged to J.C.'s property account, and that
2 KARANDISH allowed family members to move in and live on the property for free.

3 26. On or about March 23, 2016, J.C. sent KARANDISH a letter, which was copied to
4 Bank of America, that all checks issued for more than \$250 would require two signatures, with one
5 of the signatures to be from J.C. or a designated employee from his office. However, according to
6 J.C., LGIA, KARANDISH, and Youabian refused to comply.

7 27. Thereafter, according to J.C., due to LGIA's alleged continuous general
8 mismanagement of funds, J.C. asked LGIA to close out all the properties' bank accounts with Bank
9 of America. J.C. then opened new accounts for his properties through Chase Bank.

10 28. J.C. alleges that he is informed that LGIA, KARANDISH, and Youabian conspired
11 to embezzle millions of dollars from J.C., and that the extent of LGIA's, KARANDISH's, and
12 Youabian's fraud and embezzlement were not discovered until recently after LGIA, KARANDISH,
13 and Youabian produced records pertaining to the management of J.C.'s properties, discussed
14 further below.

15 29. J.C. alleges that in managing J.C.'s properties through LGIA, KARANDISH and
16 Youabian depleted and stole funds from J.C.'s property accounts by charging unauthorized
17 expenses including, but not limited to, thousands of dollars for cosmetic surgery procedures, online
18 university tuition for psychology courses, airfare tickets for vacation, lavish meals, groceries,
19 vehicle repairs, and other personal expenses unrelated to the management of J.C.'s properties.

20 30. J.C. alleges that he saw stacks of cash at LGIA's office for what appears to be rental
21 cash payments that were never deposited. When J.C. questioned tenants of one of his properties, the
22 tenants confessed to paying rent in cash to the property manager. According to J.C., although
23 KARANDISH and Youabian advised J.C. that they had positive rent collections, LGIA continually
24 bounced checks and was unable to pay the vendors. These occurrences prompted J.C. to investigate
25 further. J.C. alleges that he did not discover the extent of the alleged embezzlements until recently
26 when Bank of America produced credit card statements, pursuant to subpoena, evidencing personal
27 charges and after LGIA produced over 41,000 pages of documents in response to discovery
28 requests in litigation involving J.C. and LGIA.

1 31. According to J.C., since some time during late-2016, J.C. has been requesting that
2 LGIA produce complete records of his 30 properties. Although LGIA did produce incomplete
3 records for some properties, LGIA failed to produce complete records for any of J.C.'s 30
4 properties, and LGIA failed to produce any records whatsoever for the following seven (7)
5 properties owned by J.C. or one of his LLCs:

- 6 1. 1420 Los Angeles Ave., Simi Valley, CA 93065
- 7 2. 38705 20th St. East, Palmdale, CA 93550
- 8 3. 38745 15th St. East, Palmdale, CA 93550
- 9 4. 38238 11th St. East, Palmdale, CA 93550
5. 38220 11th St. East, Palmdale, CA 93550
6. 38050 11th St. East, Palmdale, CA 93550
7. 38703 20th St. East, Palmdale, CA 93550

10 32. According to J.C., in or about November 2016, J.C. terminated LGIA's property
11 management services. At that time, J.C. alleges that Youabian came into the office at 9010 Tobias
12 Ave., Panorama City, California, and removed all the paperwork/backup for invoices and bills with
13 her in what J.C. alleges appears to be a conspiracy between Youabian and KARANDISH to
14 conceal all evidence of embezzlement. J.C. had no backup for any invoices or bills paid by LGIA.

15 33. According to J.C., after J.C. terminated and questioned KARANDISH regarding its
16 management of J.C.'s properties and assets, KARANDISH relocated to the State of New York.

17 34. Complainant is informed and believes and on such information and belief alleges
18 that in or around mid-2016, KARANDISH relocated to the State of New York, maintains a
19 residence in the State of New York, and obtained employment in the State of New York.

20 Litigation involving KARANDISH, LGIA, Youabian, and J.C.

21 35. Beginning on or about May 25, 2017, a series of lawsuits were filed in the Los
22 Angeles County Superior Court against LGIA, J.C., and/or other associated defendants by former
23 resident managers and/or employees of LGIA alleging California Labor Code and wage and hour
24 violations, and related causes of action. Between the commencement of the litigation and
25 November 9, 2018, eight lawsuits were consolidated with the original lawsuit which was deemed
26 the lead case, *Jose Suarez, et al. vs. LGI Association Inc., et al.*, Los Angeles County Superior
27 Court Case No. BC662764 ("L.A. Superior Court Case No. BC662764").

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1 36. On or about July 13, 2018, LGIA, KARANDISH, and Youabian, filed a cross-
2 complaint in L.A. Superior Court Case No. BC662764 against J.C. and others, and on or about
3 November 3, 2018, LGIA, KARANDISH, and Youabian filed a first amended cross-complaint in
4 LACSC BC662764 against J.C. and others. In the first amended cross-complaint, the LGIA cross-
5 complainants alleged several causes of action related to the PMAs entered into between LGIA and
6 J.C. and/or his LLCs.

7 37. On or about February 8, 2019, J.C. filed a cross-complaint against LGIA,
8 KARANDISH, and Youabian in L.A. Superior Court Case No. BC662764, alleging several causes
9 of action related to LGIA's, KARANDISH's, and Youabian's management of several of J.C.'s
10 properties, including, but not limited to, causes of action for an accounting, breach of fiduciary
11 duty, fraud and deceit, elder abuse - financial abuse, and conversion.

12 38. On or about May 19, 2019, LGIA served responses to Form Interrogatories, Set one,
13 on J.C., along with a Verification digitally signed under penalty of perjury by KARANDISH.
14 LGIA responded to the Form Interrogatories, in relevant part, as follows:

15 INTERROGATORY NO. 3.1

16 Are you a corporation? If so, state:

17 (a) the name stated in the current articles of incorporation:

18 (b) all other names used by the corporation during the past 10 years and the dates
19 each was used . . .

20 RESPONSE TO INTERROGATORY NO. 3.1

21 (a) LGI Association, Inc.;

22 (b) Lanceville Group, Inc. from 2005 through 2012; LGI Property Management
23 from 2015 through 2018 . . .

24 INTERROGATORY NO. 3.6

25 Have you done business under a fictitious name during the past 10 years? If so, for
26 each fictitious name state:

27 (a) the name;

28 (b) the dates each was used . . .

RESPONSE TO INTERROGATORY NO. 3.6

 (a) Lanceville Property Management

 (b) 2012 through 2016 . . .

 39. On or about April 30, 2020, in L.A. Superior Court Case No. BC662764, J.C.
propounded Requests for Production of Documents to Cross-Complainant/Cross-Defendant LGIA,

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1 Set Two ("RFPDs"). These RFPDs were directed to Responding Party LGIA, and were served on
2 the attorneys for LGIA, KARANDISH, and Youabian, on April 30, 2020.

3 40. On or about June 17, 2020, in L.A. Superior Court Case No. BC662764, LGIA
4 served its objections and responses to J.C.'s RFPDs, along with a sworn verification signed by
5 KARANDISH, but LGIA did not produce any responsive documents to J.C. at that time.

6 41. From on or about June 17, 2020, to on or about August 18, 2020, in L.A. Superior
7 Court Case No. BC662764, the attorneys for J.C. and the attorneys for LGIA, KARANDISH, and
8 Youabian met and conferred regarding LGIA's Responses to J.C.'s RFPDs, Set Two, and the
9 production of documents requested.

10 42. On or about August 19, 2020, in L.A. Superior Court Case No. BC662764, LGIA
11 served its Amended Responses to J.C.'s RFPDs, Set Two, and a sworn verification signed by
12 KARANDISH. Also on or about August 19, 2020, LGIA produced over 41,000 pages of
13 documents, contained in 12 boxes, responsive to J.C.'s RFPDs.

14 43. In addition, on or about August 19, 2020, the over 41,000 pages of documents
15 produced by LGIA to J.C., contained in 12 boxes, were retrieved at the offices of LGIA's attorneys
16 by a representative of FirstLegal, a third-party litigation support service, and taken to FirstLegal's
17 facility for copying.

18 44. Complainant is informed and believes and on such information and belief alleges
19 that it took personnel at FirstLegal several days to copy, process, and Bates stamp, the over 41,000
20 pages of documents produced by LGIA to J.C.

21 45. Complainant is informed and believes and on such information and belief alleges
22 that it was not until on or about August 26, 2020, that J.C.'s attorneys first learned of details
23 contained in the over 41,000 pages of documents produced by LGIA to J.C., as it was not until on
24 or about August 26, 2020 that FirstLegal delivered a USB drive containing digital Bates stamped
25 copies of the over 41,000 pages of documents produced by LGIA to J.C.

26 *Audit Examinations of LGIA and KARANDISH*

27 46. On June 28, 2021, an entrance conference for two concurrent audit examinations
28 was conducted by the DRE's auditor with KARANDISH related to KARNADISH's and LGIA's

1 real estate activities. Both audits, LA200164 (KARANDISH) and LA200165 (LGIA), covered the
2 time period July 1, 2018 to May 31, 2021 (“audit period”) and were limited to KARNADISH’s and
3 LGIA’s property management activities. Based on KARANDISH’s representation that 2016 was
4 the last year of real estate activity, and that neither KARANDISH nor LGIA performed any real
5 estate activity during the audit period, an audit was not performed.

6 47. According to KARANDISH, the property management activities for the properties
7 owned by J.C. were conducted by LGIA between 2015 and 2016, and that J.C. had all the records.
8 KARANDISH did not state how much trust funds were collected each month, but stated that J.C.
9 “should know.” Records related to the 30 Subject Properties that were managed by LGIA for J.C.
10 were not provided to the DRE.

11 *Departure of KARANDISH from the State of California*

12 48. Complainant is informed and believes and on such information and belief alleges
13 that in or about late-2016, KARANDISH departed from the State of California and relocated his
14 residence to the State of New York.

15 49. Complainant is further informed and believes and on such information and belief
16 alleges that as of August 2021, KARANDISH has not returned to the State of California. On
17 information and belief, for the entire period between late-2016 and August 2021, KARANDISH
18 has been outside the State of California and has had no designated agent for service of process
19 within the State of California.

20 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

21 50. In the course of the activities described above in Paragraph 10, and based on the
22 facts discovered by the DRE, as alleged in Paragraphs 11 through 49 above, KARANDISH acted in
23 violation of the Code and Regulations as follows.

24 **First Cause of Accusation: Fraudulent Breach of Fiduciary Duties through Concealment**

25 51. The Complainant realleges and incorporates by reference all of the allegations in
26 paragraphs 1 through 50 above, with the same force and effect as though fully set forth herein.

27 52. Complainant is informed and believes and on such information and belief alleges
28 that from in or around late 2016 through on or about August 19, 2020, LGIA and KARANDISH

1 engaged in a course of conduct of misrepresenting to, and concealing from J.C., the existence of
2 complete books and records for thirty (30) apartment complexes owned by J.C. As alleged more
3 fully above in paragraphs 12 and 13, the DRE could not, with due diligence, have discovered
4 sufficient material facts regarding whether KARANDISH has complied with the Real Estate Law,
5 and his fiduciary duties to J.C., until on or about August 19, 2020 at the earliest, when LGIA and
6 KARANDISH produced 41,000 pages of documents to J.C. litigation pending in, Los Angeles
7 County Superior Court Case No. BC662764. Moreover, the DRE was not made aware of the
8 existence of the 41,000 pages of documents produced by KARANDISH to J.C. in the
9 aforementioned litigation until on or about January 14, 2021, at the earliest, when J.C. submitted a
10 complaint to the DRE regarding LGIA and KARANDISH.

11 53. At all relevant times herein, while acting as a real estate broker and agent of J.C.,
12 KARANDISH owed J.C. fiduciary duties, including, but not limited to the following: duty of
13 reasonable care and skill; duty of good faith; duty of loyalty; duty of diligence; duty to avoid
14 conflicts of interest; duty of fullest disclosure of all material facts affecting J.C.'s rights and
15 interest, including but not limited to the value of J.C.'s properties and trust funds; duty not to use or
16 deal with J.C.'s properties for any other purpose unconnected with the PMAs; duty to manage
17 J.C.'s properties and trust funds solely in the interest of J.C.; duty to take and keep control of and
18 preserve J.C.'s properties and trust funds; and duty to keep J.C.'s trust funds separate from other
19 funds not and to see that J.C.'s trust funds are designated as trust funds.

20 54. In the course of the activities described above in Paragraph 10, and based on the
21 facts discovered by the DRE, as alleged in Paragraphs 11 through 53 above, KARANDISH's acts
22 and/or omissions constitute fraudulent breaches of his fiduciary duties, and constitute cause for the
23 suspension or revocation of KARANDISH's real estate license and license rights under the
24 provisions of Code sections 10177(d) and/or 10177(g).

25 **Second Cause of Accusation: Code Sections 10176(a), 10176(i), 10177(j), and 10177(d) and/or**
26 **10177(g) – Fraud or Dishonest Dealing**

27 55. The Complainant realleges and incorporates by reference all of the allegations in
28 paragraphs 1 through 54 above, with the same force and effect as though fully set forth herein. In

1 addition to the facts alleged in paragraphs 1 through 53 above, Complainant alleges further as
2 follows.

3 56. As a result KARANDISH having created and established a real estate agency
4 relationship with J.C., KARANDISH owed a fiduciary duty to J.C., and by virtue of J.C. having
5 placed confidence in the fidelity and integrity of KARANDISH in entrusting KARANDISH to
6 manage J.C.'s properties and to receive, maintain, and disburse J.C.'s trust funds, a confidential
7 relationship existed at all times herein mentioned between J.C. and KARANDISH.

8 57. Complainant is informed and believes and on such information and belief alleges
9 that, despite having voluntarily accepted the trust and confidence reposed in him by J.C. with
10 regard to managing J.C.'s properties and trust funds, and in violation of this relationship of trust
11 and confidence, KARANDISH abused the trust and confidence of J.C.

12 58. Complainant is informed and believes and on such information and belief alleges
13 that KARANDISH did the acts herein alleged with the intent to deceive and defraud J.C., and
14 KARANDISH employed the aforementioned devices of withholding information and complete and
15 accurate books and records in order to conceal fraud and dishonest dealing from J.C., and to avoid
16 accountability for violations of the Real Estate Law.

17 59. KARANDISH did these acts with the intent to induce reliance by J.C. in the
18 continuing fidelity of KARANDISH and LGIA as J.C.'s real estate broker, agent, and fiduciary
19 entrusted with managing J.C.'s properties.

20 60. Complainant is informed and believes and on such information and belief alleges
21 that J.C. in fact placed confidence and reliance in KARANDISH until on or after August 19, 2020,
22 when KARANDISH produced the aforementioned 41,000 pages of documents, and J.C. discovered
23 a greater extent of KARANDISH's activities. J.C. reasonably relied on KARANDISH in light of
24 the fiduciary relationship created by KARANDISH.

25 61. In the course of the activities described above in Paragraph 10, and based on the
26 facts discovered by the DRE, as alleged in Paragraphs 11 through 60 above, KARANDISH's acts
27 and/or omissions were in violation of **Code sections 10176(a) (substantial misrepresentation),**
28 **10176(i) (fraud or dishonest dealing), 10177(j) (fraud or dishonest dealing), and 10177(d)**

1 (willful disregard of real estate laws) and/or 10177(g) (negligence), and constitute cause for the
2 suspension or revocation of KARANDISH's real estate license and license rights under the
3 provisions of Code sections 10176(a), 10176(i), 10177(j), and 10177(d) and/or 10177(g).

4 **Third Cause of Accusation: Code section 10162: Place of Business: Contact Information**

5 62. The Complainant realleges and incorporates by reference all of the allegations in
6 paragraphs 1 through 61 above, with the same force and effect as though fully set forth herein.

7 63. From on or about June 17, 2014 to May 13, 2021, KARANDISH used 9010 Tobias
8 Ave., Panorama City, California, as his mailing address with the DRE, the same address as one of
9 J.C.'s properties that LGIA was managing for J.C.

10 64. From on or about May 19, 2016 to May 13, 2021, KARANDISH used 9010 Tobias
11 Ave., Panorama City, California, as his main office address with the DRE.

12 65. According to J.C., in or about November 2016, J.C. terminated LGIA's property
13 management services. According to J.C., after J.C. terminated and questioned LGIA regarding its
14 management of J.C.'s properties and assets, KARANDISH relocated to the State of New York.

15 66. Complainant is informed and believes and on such information and belief alleges
16 that in or around mid-2016, KARANDISH relocated to the State of New York, maintains a
17 residence in the State of New York, and obtained employment in the State of New York.

18 67. Complainant is further informed and believes and on such information and belief
19 alleges that after J.C. terminated LGIA's property management services in November 2016:

20 a. KARANDISH vacated the office he was using on J.C.'s property at 9010
21 Tobias Ave., Panorama City, California, and KARANDISH could no longer use that
22 location as a place of business in California that served as his office for the transaction of
23 business, and real estate activities; and

24 b. KARANDISH could no longer use 9010 Tobias Ave., Panorama City,
25 California as the place where his real estate license was displayed and where personal
26 consultations with clients could be held.

27 68. According to DRE records to date, it was not until on or about May 14, 2021, that
28 KARANDISH discontinued using 9010 Tobias Ave., Panorama City, California as his main office

1 address and as his mailing address with the DRE, and informed the DRE of his new mailing
2 address in North Hills, California.

3 69. KARANDISH failure to inform the DRE of any change to his main office address
4 and mailing address within 30 days after making the change is in violation of Code section 10162,
5 and constitutes cause for the suspension or revocation of KARANDISH's real estate license and
6 license rights pursuant to Code section 10165.

7 **INVESTIGATION AND ENFORCEMENT COSTS**

8 70. Code Section 10106 provides that in any order issued in resolution of a disciplinary
9 proceeding before the DRE of Real Estate, the Commissioner may request the administrative law
10 judge to direct a licensee found to have committed a violation of this part to pay a sum not to
11 exceed the reasonable costs of the investigation and enforcement of the case.

12 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
13 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action
14 against all the licenses and license rights of SAEID KARANDISH under the Real Estate Law, for
15 the costs of investigation and enforcement as permitted by law, and for such other and further relief
16 as may be proper under other applicable provisions of law.

17
18 Dated at San Diego, California this 10 day of A u g u s t, 2021.

19
20
21 *Veronica Kilpatrick*
22 _____
23 Veronica Kilpatrick
24 Supervising Special Investigator

23 cc: SAEID KARANDISH
24 Veronica Kilpatrick
25 Sacto.