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FILED

FEB 17 2022

DEPT. OF REAL ESTATE

By 

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-42208 LA
13 RAZ RAZLA,)
14 Respondent.)
15)

16 The Complainant, Veronica Kilpatrick, acting in her official capacity as a
17 Supervising Special Investigator of the State of California, for cause of Accusation against
18 RAZ RAZLA ("Respondent"), is informed alleges as follows:

19 1.

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

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27 DRE Accusation against Raz Razla, H-42208 LA

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DEPARTMENT OF REAL ESTATE (“DRE”) LICENSE HISTORY

2.

Respondent is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate salesperson (“RES”), Department of Real Estate (“DRE”) license ID 01973933.

3.

According to DRE records to date, Respondent was originally licensed on or about February 24, 2015 and is affiliated with real estate broker (“REB”) HML Investments, DRE license ID 01954763 (“HML”)

4.

Respondent’s DRE license will expire on February 23, 2023.

NATIONWIDE MULTISTATE LICENSING SYSTEM (“NMLS”) HISTORY

5.

According to records to date, Respondent holds a Nationwide Multistate Licensing System (“NMLS”) Mortgage Loan Originator (“MLO”) license endorsement (NMLS ID 860992) in the State of California through the DRE, originally issued on March 3, 2015 and renewed through 2022. Respondent’s current MLO status is active and is authorized to represent and conduct business for HML.

6.

According to records to date, Respondent previously held a MLO license (NMLS ID CA-DBO860992) in the State of California through the Department of Financial Protection and Innovation (“DFPI”), originally issued on January 1, 2015, which expired on January 1, 2018. Respondent is currently not authorized to conduct business with his DFPI MLO license.

1 **FACTS DISCOVERED BY THE DEPARTMENT**

2 (CRIMINAL CONVICTION)

3 7.

4 October 7, 2020 Conviction in United States District Court,

5 Eastern District of California Case No. 2:17-CR-232 GEB (18 U.S.C. 1623(a))

6 On or about September 13, 2018, in the United States District Court, Eastern
7 District of California Case No. 2:17-CR-00232 GEB, United States of America v. Raz Razla
8 [and six co-defendants], a Superseding Indictment was filed that charged Respondent with
9 violation of 18 United States Code (“U.S.C.”) 1623(a) (false declarations before Grand Jury)
10 (Count Six), a felony.

11 8.

12 On or about December 6, 2019, by Plea Agreement, Respondent agreed to pled
13 guilty to Count Six (18 U.S.C. 1623(a)), a felony.

14 9.

15 On or about October 7, 2020, Respondent was convicted for violation of 18
16 U.S.C. 1623(a) (County Six) and sentenced to twenty-four (24) months of probation and
17 ordered to pay fines in the amount of \$5,500.00.

18 (FAILURE TO REPORT)

19 10.

20 Respondent did not report in writing to the Department, the aforementioned
21 felony indictment in United States District Court, Eastern District of California Case No. 2:17-
22 CR-232 GEB, as described above in Paragraph 7, within thirty (30) days of said September 13,
23 2018 Superseding Indictment.

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27 DRE Accusation against Raz Razla, H-42208 LA

1 **APPLICABLE SECTIONS OF THE REAL ESTATE LAW**

2 11.

3 **Code Section 490**

4 Pursuant to Code Section 490 *Conviction of Crime – Relationship of Crime to*
5 *Licensed Activity:*

6 “(a) In addition to any other action that a board is permitted to take against a
7 licensee, a board may suspend or revoke a license on the ground that the licensee has been
8 convicted of a crime, if the crime is substantially related to the qualifications, functions, or
9 duties of the business or profession for which the license was issued.

10 (b) Notwithstanding any other provision of law, a board may exercise any
11 authority to discipline a licensee for conviction of a crime that is independent of the authority
12 granted under subdivision (a) only if the crime is substantially related to the qualifications,
13 functions, or duties of the business or profession for which the licensee’s license was issued.

14 (c) A conviction within the meaning of this section means a plea or verdict of
15 guilty or a conviction following a plea of nolo contendere. An action that a board is permitted
16 to take following the establishment of a conviction may be taken when the time for appeal has
17 elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting
18 probation is made suspending the imposition of sentence, irrespective of a subsequent order
19 under Section 1203.4 of the Penal Code.

20 (d) The Legislature hereby finds and declares that the application of this section
21 has been made unclear by the holding in *Petropoulos v. Department of Real Estate* (2006) 142
22 Cal.App.4th 554, and that the holding in that case has placed a significant number of statutes
23 and regulations in question, resulting in potential harm to the consumers of California from
24 licensees who have been convicted of crimes. Therefore, the Legislature finds and declares that
25

1 this section establishes an independent basis for a board to impose discipline upon a licensee,
2 and that the amendments to this section made by Chapter 33 of the Statutes of 2008 do not
3 constitute a change to, but rather are declaratory of, existing law.”

4 12.

5 Regulation 2910

6 Pursuant to Regulation 2910 *Criteria of Substantial Relationship*:

7 “(a) When considering whether a license should be denied, suspended or
8 revoked on the basis of the conviction of a crime, or on the basis of an act described in Section
9 480(a)(2) or 480(a)(3) of the Code, the crime or act shall be deemed to be substantially related
10 to the qualifications, functions or duties of a licensee of the Bureau within the meaning of
11 Sections 480 and 490 of the Code if it involves:

- 12 (1) The fraudulent taking, obtaining, appropriating or retaining of funds
13 or property belonging to another person.
- 14 (2) Counterfeiting, forging or altering of an instrument or the uttering of
15 a false statement.
- 16 (3) Willfully attempting to derive a personal financial benefit through the
17 nonpayment or underpayment of taxes, assessments or levies duly
18 imposed upon the licensee or applicant by federal, state, or local
19 government.
- 20 (4) The employment of bribery, fraud, deceit, falsehood or
21 misrepresentation to achieve an end.
- 22 (5) Sexually related conduct affecting a person who is an observer or
23 non-consenting participant in the conduct or convictions which require
24 registration pursuant to the provisions of Section 290 of the Penal Code.

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27 DRE Accusation against Raz Razla, H-42208 LA

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(6) Willfully violating or failing to comply with a provision of Division 4 of the Business and Professions Code of the State of California.

(7) Willfully violating or failing to comply with a statutory requirement that a license, permit or other entitlement be obtained from a duly constituted public authority before engaging in a business or course of conduct.

(8) Doing of any unlawful act with the intent of conferring a financial or economic benefit upon the perpetrator or with the intent or threat of doing substantial injury to the person or property of another.

(9) Contempt of court or willful failure to comply with a court order.

(10) Conduct which demonstrates a pattern of repeated and willful disregard of law.

(11) Two or more convictions involving the consumption or use of alcohol or drugs when at least one of the convictions involve driving and the use or consumption of alcohol or drugs.

(b) The conviction of a crime constituting an attempt, solicitation or conspiracy to commit any of the above enumerated acts or omissions is also deemed to be substantially related to the qualifications, functions or duties of a licensee of the department.

(c) If the crime or act is substantially related to the qualifications, functions or duties of a licensee of the department, the context in which the crime or acts were committed shall go only to the question of the weight to be accorded to the crime or acts in considering the action to be taken with respect to the applicant or licensee.”

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13.

Code Section 10177

(selected portions)

Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action:*

“The commissioner may suspend or revoke the license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the issuance of a license to an applicant, who has done any of the following, or may suspend or revoke the license of a corporation, delay the renewal of a license of a corporation, or deny the issuance of a license to a corporation, if an officer, director, or person owning or controlling 10 percent or more of the corporation’s stock has done any of the following:

(a) Procured, or attempted to procure, a real estate license or license renewal, for themselves or a salesperson, by fraud, misrepresentation, or deceit, or by making a material misstatement of fact in an application for a real estate license, license renewal, or reinstatement.

(b) (1) Entered a plea of guilty or no contest to, or been found guilty of, or been convicted of, a felony, or a crime substantially related to the qualifications, functions, or duties of a real estate licensee, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, irrespective of an order granting probation following that conviction, suspending the imposition of sentence, or of a subsequent order under Section 1203.4 of the Penal Code allowing that licensee to withdraw that licensee’s plea of guilty and to enter a plea of not guilty, or dismissing the accusation or information.

1 (2) Notwithstanding paragraph (1), and with the recognition that
2 sentencing may not occur for months or years following the entry
3 of a guilty plea, the commissioner may suspend the license of a
4 real estate licensee upon the entry by the licensee of a guilty plea
5 to any of the crimes described in paragraph (1). If the guilty plea
6 is withdrawn, the suspension shall be rescinded and the license
7 reinstated to its status prior to the suspension. The department
8 shall notify a person whose license is subject to suspension
9 pursuant to this paragraph of that person's right to have the issue
10 of the suspension heard in accordance with Section 10100..."

11 14.

12 Code Section 10186.2

13 Pursuant to Code Section 10186.2 *Reporting of Convictions, Indictments and*
14 *License Disciplinary Actions:*

15 "(a) (1) A licensee shall report any of the following to the department:

16 (A) The bringing of a criminal complaint, information, or indictment
17 charging a felony against the licensee.

18 (B) The conviction of the licensee, including any verdict of guilty, or
19 plea of guilty or no contest, of any felony or misdemeanor.

20 (C) Any disciplinary action taken by another licensing entity or authority
21 of this state or of another state or an agency of the federal government.

22 (2) The report required by this subdivision shall be made in writing within 30
23 days of the date of the bringing of the indictment or the charging of a
24 felony, the conviction, or the disciplinary action.

25 (b) Failure to make a report required by this section shall constitute a cause for
26 discipline."

27 DRE Accusation against Raz Razla, H-42208 LA

1 15.

2 Code Section 10106

3 (Costs)

4 Pursuant to Code Section 10106 *Cost Recovery of Investigations*:

5 “(a) Except as otherwise provided by law, in any order issued in resolution of a
6 disciplinary proceeding before the department, the commissioner may request the
7 administrative law judge to direct a licensee found to have committed a violation of this part to
8 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

9 (b) In the case of a disciplined licensee that is a corporation or a partnership, the
10 order may be made against the licensed corporate entity or licensed partnership.

11 (c) A certified copy of the actual costs, or a good faith estimate of costs where
12 actual costs are not available, signed by the commissioner or the commissioner’s designated
13 representative, shall be prima facie evidence of reasonable costs of investigation and
14 prosecution of the case. The costs shall include the amount of investigative and enforcement
15 costs up to the date of the hearing, including, but not limited to, charges imposed by the
16 Attorney General.

17 (d) The administrative law judge shall make a proposed finding of the amount of
18 reasonable costs of investigation and prosecution of the case when requested pursuant to
19 subdivision (a). The finding of the administrative law judge with regard to costs shall not be
20 reviewable by the commissioner to increase the cost award. The commissioner may reduce or
21 eliminate the cost award, or remand to the administrative law judge where the proposed
22 decision fails to make a finding on costs requested pursuant to subdivision (a).

23 (e) Where an order for recovery of costs is made and timely payment is not
24 made as directed in the commissioner’s decision, the commissioner may enforce the order for
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1 repayment in any appropriate court. This right of enforcement shall be in addition to any other
2 rights the commissioner may have as to any licentiate to pay costs.

3 (f) In any action for recovery of costs, proof of the commissioner's decision
4 shall be conclusive proof of the validity of the order of payment and the terms for payment.

5 (g) (1) Except as provided in paragraph (2), the department shall not renew or
6 reinstate the license of any licensee who has failed to pay all of the costs ordered under this
7 section.

8 (2) The department may, in its discretion, conditionally renew or reinstate
9 for a maximum of one year the license of any licensee who demonstrates
10 financial hardship and who enters into a formal agreement with the
11 department to reimburse the department within that one-year period for the
12 unpaid costs.

13 (h) All costs recovered under this section shall be considered a reimbursement
14 for costs incurred and shall be deposited in the Real Estate Fund to be available,
15 notwithstanding Section 10451, upon appropriation by the Legislature.

16 (i) Nothing in this section shall preclude the department from including the
17 recovery of the costs of investigation and enforcement of a case in any stipulated settlement.

18 **FIRST CAUSE FOR DISCIPLINE**
19 **(SUBSTANTIALLY RELATED CRIME)**

20 16.

21 The crime of which Respondent was convicted, as described above in
22 Paragraphs 7 through 9 (United States District Court, Eastern District of California Case No.
23 2:17-CR-232 GEB), by its facts and circumstances, bears a substantial relationship under
24 Section 2910, Title 10, Chapter 6, California Code of Regulations to the qualifications,
25 functions or duties of a real estate licensee.

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27 DRE Accusation against Raz Razla, H-42208 LA

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17.

The crime of which Respondent was convicted, as described above in Paragraphs 7 through 9 in United States District Court, Eastern District of California Case No. 2:17-CR-232 GEB, constitutes cause under **Code Sections 490 and 10177(b)** for the suspension or revocation of Respondent’s RES license, license rights and associated license endorsements under the Real Estate Law.

SECOND CAUSE FOR DISCIPLINE
(FAILURE TO REPORT FELONY INDICTMENT)

18.

Respondent’s failure to report the Superseding Indictment in United States District Court, Eastern District of California Case No. 2:17-CR-232 GEB, as described above in Paragraph 7, constitutes cause for discipline under **Code Section 10186.2** of the RES license, license rights and associated license endorsements of Respondent under the Real Estate Law.

COSTS

19.


Code Section 10106 provides, in pertinent part that in any order issued in resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of 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 licenses and/or license rights and/or associated license
4 endorsements under the Real Estate Law (Part 1 of Division 4 of the California Business and
5 Professions Code) of RAZ RAZLA, for the cost of investigation and enforcement as permitted
6 by law, and for such other and further relief as may be proper under applicable provisions of
7 law.

8 Dated at San Diego, California

9 this 11 day of January, 2022.

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13 _____
14 Veronica Kilpatrick
15 Supervising Special Investigator

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17
18 cc: Raz Razla
19 Enforcement – Veronica Killpatrick
20 HML Investments, c/o Yanni Azran Raz
21 Sacto.