

**FILED**

APR 14 2009

1 ELLIOTT MAC LENNAN, SBN 66674  
2 Department of Real Estate  
3 320 West 4th Street, Ste. 350  
4 Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)  
-or- (213) 576-6982 (office)

DEPARTMENT OF REAL ESTATE

BY: *D. Dorely*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \* \*

11 In the Matter of the Accusation of )

No. H- 35869 LA

12 LOAN PROCESSING CENTER INC. doing )  
13 business as Applyloanmod.com, )  
14 iloanmod.com and LPC; and )  
15 MASHEED S. GHAZI, individually )  
and as designated officer of )  
Loan Processing Center Inc., )

A C C U S A T I O N

16 Respondents. )  
17 )

18 The Complainant, Robin Trujillo, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of Accusation  
20 against LOAN PROCESSING CENTER INC. dba Applyloanmod.com,  
21 iloanmod.com and LPC and, and MASHEED S. GHAZI, individually and  
22 as designated officer of Loan Processing Center Inc. alleges as  
23 follows:

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1 The Complainant, Robin Trujillo, acting in her official  
2 capacity as a Deputy Real Estate Commissioner of the State of  
3 California, makes this Accusation against LOAN PROCESSING CENTER  
4 INC. ("LPCI") and MASHEED S. GHAZI ("GHAZI").  
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6 All references to the "Code" are to the California  
7 Business and Professions Code and all references to "Regulations"  
8 are to Title 10, Chapter 6, California Code of Regulations.  
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10 LICENSE HISTORY

11 3.

12 A. At all times mentioned, LPCI and GHAZI were  
13 licensed or had license rights issued by the Department of Real  
14 Estate ("Department") as real estate brokers.

15 B. At all times herein mentioned, LPCI was licensed or  
16 had license rights issued by the Department as a real estate  
17 broker. On November 9, 2007, LPCI was originally licensed as a  
18 corporate real estate broker.

19 C. At all times herein mentioned, GHAZI was licensed  
20 or had license rights issued by the Department as a real estate  
21 broker. On October 5, 2006, GHAZI was originally licensed as a  
22 real estate broker. On February 3, 2009, GHAZI was licensed as  
23 the designated officer of LPCI.

24 D. At all times material herein, LPCI was licensed by  
25 the Department as a corporate real estate broker by and through  
26 GHAZI, as the designated officer and broker responsible, pursuant  
27 to Code Sections 10211 and 10159.2 of the Business and

1 Professions Code for supervising the activities requiring a real  
2 estate license conducted on behalf said corporation's officers,  
3 agents and employees, including GHAZI.

4 LOAN MODIFICATION AND ADVANCE FEE BROKERAGE

5 4.

6 At all times mentioned, in City of Irvine, County of  
7 Orange, LPCI and GHAZI acted as real estate brokers and conducted  
8 licensed activities within the meaning of:

9 A. Code Section 10131(d). LPCI and GHAZI engaged in  
10 the business of a mortgage and loan brokerage. Respondents  
11 engaged in activities with the public wherein lenders and  
12 borrowers were solicited for loans secured directly or  
13 collaterally by liens on real property, wherein such loans were  
14 arranged, negotiated, processed and consummated on behalf of  
15 others for compensation or in expectation of compensation and for  
16 fees often collected in advance as well as at the conclusion of  
17 transactions; and

18 B. Code Section 10131.2. LPCI and GHAZI engaged in  
19 the business of a loan modification and an advance fee brokerage  
20 dba Applyloanmod.com, iloanmod.com and LPC. Respondents  
21 solicited distressed homeowners seeking adjustments of the terms  
22 of their home loans, interest and/or principal reduction,  
23 foreclosure abatement, loan restructuring, and/or short sale  
24 services, and offered to negotiate with lenders on behalf of the  
25 homeowners for a fee payable in advance.  
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1 FIRST CAUSE OF ACTION  
2 (Audit of Loan Modification Activities)

3 5.

4 On April 7, 2009, the Department has completed an  
5 interim audit report of the Department's ongoing audit  
6 examination of the books and records of LPCI pertaining to the  
7 mortgage loan, loan modification for advance fee activities  
8 described in Paragraph 4 that require a real estate license, as a  
9 result of the false website advertisement set forth below in  
10 Paragraph 7(b). The audit examination covers a period of time  
11 beginning on September 11, 2007 to February 27, 2009. The  
12 interim audit examination revealed violations of the Code and the  
13 Regulations as set forth in the following Paragraphs, and more  
14 fully discussed in Audit Report LA 080168 and the exhibits and  
15 work papers attached to said audit report.

16 TRUST ACCOUNT

17 6.

18 At all times mentioned, in connection with the  
19 activities described in Paragraph 4, above, LPCI accepted or  
20 received funds including funds in trust (hereinafter "trust  
21 funds") from or on behalf of actual or prospective parties,  
22 including lenders, borrowers and homeowners, to mortgage loan  
23 transactions handled by LPCI and thereafter made deposits and or  
24 disbursements of such funds. From time to time herein mentioned  
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1 during the audit period, said trust funds were deposited and/or  
2 maintained by LPCI in the bank account as follows:

3 "Loan Processing Center Inc.  
4 Account No. 29346-03807"  
5 Bank of America (bank account)  
6 San Francisco, CA 91437-0176

7 VIOLATIONS OF THE REAL ESTATE LAW

8 7.

9 In the course of activities described in Paragraphs 4  
10 and 6, above, and during the examination period described in  
11 Paragraph 5, Respondents LPCI and GHAZI, acted in violation of  
12 the Code and the Regulations in that they:

13 (a) Permitted, allowed or caused the disbursement of  
14 trust funds from the LPCI's bank account used for the deposit of  
15 trust funds, where the disbursement of funds reduced the total of  
16 aggregate funds in LPCI's bank account, to an amount which, on  
17 February 27, 2009, was \$21,331.00, less than the existing  
18 aggregate trust fund liability of LPCI to every principal who was  
19 an owner of said funds, without first obtaining the prior written  
20 consent of the owners of said funds, as required by Code Section  
21 10145 and Regulation 2832.1.

22 (b) Placed a false, deceitful and misleading  
23 advertisement on LPCI's website which represented that the  
24 Department of Real Estate conducted an audit on LPCI and  
25 determined that LPCI was in compliance with the Real Estate Laws  
26

1 and Regulations. In truth and in fact, the Department's audit  
2 was ongoing and found, as of the audit report date of April 7,  
3 2009 found a substantial trust fund violation, to wit, a  
4 \$21,331.00 shortage in LPCI's bank account used to deposit trust  
5 funds received from homeowners, herein mentioned above and  
6 violations of Code Sections 10140, 10176(a), 10176(i) and/or  
7 10177(j), 10235 and Regulation 2848.

8 DISCIPLINARY STATUES AND REGULATIONS

9 8.

10 The conduct of Respondents LPCI and GHAZI described in  
11 Paragraph 7, violated the Code and the Regulations as set forth:

12 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
13 7(a)	Code Section 10145 and Regulation 14 2832.1
15	
16 7(b)	Code Sections 10140, 10176(a), 17 10176(i) and/or 10177(j), 10235 and 18 Regulation 2848
19	

20 The foregoing violations constitute cause for the discipline of  
21 the real estate license and license rights of LPCI and GHAZI,  
22 under the provisions of Code Sections 10176(a) for  
23 misrepresentation, 10176(i) and/or 10177(j) for fraud or  
24 dishonest dealing, 10177(d) for willful disregard or violation of  
25 the Real Estate Law, and/or 10177(g) for negligence and 10177(h)  
26 for lack of supervision of LPCI's brokerage.

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1 SECOND CAUSE OF ACTION  
2 (Deceit by Misrepresentation)

3 9.

4 Respondents LPCI and GHAZI intentionally engaged in the  
5 conduct above set forth in Paragraph 7(b), Respondents LPCI and  
6 GHAZI engaged in negligent misrepresentation, in violation of  
7 Code Sections 10176(a), 10176(i) and/or 10177(g).

8 10.

9 The overall conduct of Respondents LPCI and GHAZI,  
10 constitutes negligence or incompetence. This conduct and  
11 violation are cause for the suspension or revocation of the real  
12 estate license and license rights of said Respondents pursuant to  
13 Code Section 10177(g).

14 11.

15 The overall conduct of Respondent GHAZI constitutes a  
16 failure on Respondent's part, as officer designated by a  
17 corporate broker licensee, to exercise the reasonable supervision  
18 and control over the licensed activities of LPCI, as required by  
19 Code Sections 10211 and 10159.2, and to keep LPCI in compliance  
20 with the Real Estate Law, and is cause for the suspension or  
21 revocation of the real estate license and license rights of GHAZI  
22 pursuant to the provisions of Code Sections 10177(d), 10177(g)  
23 and 10177(h) and Regulation 2725.

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1 WHEREFORE, Complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against the license and license rights of Respondents  
5 LPCI, LOAN PROCESSING CENTER INC. and MASHEED S. GHAZI, under the  
6 Real Estate Law (Part 1 of Division 4 of the Business and  
7 Professions Code) and for such other and further relief as may be  
8 proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 13 day of April 2009.

  
11 Deputy Real Estate Commissioner

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23 cc: Loan Processing Center Inc.  
24 c/o Masheed S. Ghazi D.O.  
25 Robin Trujillo  
26 Sacto  
27 Audits - Lisa Kwong  
Audits -Danio Fajardo  
Amelia Vetrone