

FILED
 MAR - 1 2011
 DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
 R&R HOLDINGS, INC. and)
 RANDALL MAGDY AWAD,)
)
 Respondents.)
 _____)

NO. H-36892 LA

By 

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on February 8 2011, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On October 27, 2010, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, return receipt requested, to Respondents on November 2, 2010. The certified mailing was returned by the post office marked, "Return to Sender, undeliverable as addressed, unable to forward." On December 10, 2010, a second attempt at service was made by regular mail to Respondents. The regular mailing was returned by the post office marked, "Return to Sender, undeliverable as addressed, unable to forward."

On February 8, 2011, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

2.

Respondent R&R HOLDINGS, INC. ("R&R") is licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as a real estate corporation. Respondent was first issued a real estate corporation license by the Department of Real Estate ("Department") of the State of California on or about April 23, 2007.

3.

Respondent RANDALL MAGDY AWAD ("Respondent AWAD") is licensed and/or has license rights as a real estate broker and as the designated broker-officer of Respondent R&R.

4.

From April 23, 2007 to August 24, 2009, Respondent AWAD, as the officer designated by R&R, pursuant to Code Section 10211, was responsible for the supervision and control of activities conducted on behalf of R&R by its officers and employees as necessary to secure full compliance with the Real Estate Law as set forth in Code Section 10159.2.

5.

On January 2, 2009, the Secretary of State of the State of California suspended R&R's powers, rights, and privileges pursuant to the provisions of the California Revenue and Taxation Code. The entity's powers, rights, and privileges remain suspended.

6.

The current main office and mailing address maintained by Respondents with the Department is 18757 Burbank Blvd., Suite 100, Tarzana, California 91356. Respondents are no longer located at this address nor have Respondents informed the Real Estate Commissioner of any new address. Respondents are not presently maintaining any definite place of business in the State of California which shall serve as their office for the transaction of business requiring a real estate license.

7.

During a period of time from approximately September, 2008 through March, 2009, Respondents AWAD and R&R, doing business as Great Western Financial Services, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Code Sections 10131(d) and 10131.2, for or in expectation of compensation. Respondents solicited and represented borrowers in negotiating and modifying terms and obtaining mortgage loans, and collected advance fees within the meaning of Code Sections 10026 and 10131.2, pursuant to written agreements which constituted advance fee agreements within the meaning of Code Section 10085. Respondents failed to submit these advance fee agreements to the Commissioner before using them.

8.

Respondents entered into a loan modification agreement with numerous consumers including, but not limited to, the following:

a. Oswald Nelson Figueroa transaction

On or about September 19, 2008, Respondents charged Oswald Nelson Figueroa an advance fee of \$2,800. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Norwalk, California. Respondents employed or compensated Mo Amir, an unlicensed person, to solicit and perform services for borrower Oswald Nelson Figueroa in connection with a loan secured by real property.

b. Donna Demetrius transaction

On or about October 24, 2008, Respondents charged Donna Demetrius an advance fee of \$2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation; negotiation, and modification services to be provided by Respondents with respect to a loan secured by the real property located in Panorama City, California. Respondents employed or compensated Karen Ruano, an unlicensed person, to solicit and perform services for borrower Donna Demetrius in connection with a loan secured by real property.

c. Denise R. Thompson transaction

On or about December 18, 2008, Respondents charged Denise R. Thompson an advance fee of \$1,900. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in the State of Maryland. Respondents employed or compensated unlicensed persons Michael Fernandez and Sam Masri, to solicit and perform services for borrower Denise R. Thompson in connection with a loan secured by real property.

d. Ann E. Riddle transaction

On or about March 12, 2009, Respondents charged Ann E. Riddle an advance fee of \$2,000. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Reseda, California. Respondents employed or compensated Scott Haghverdian, an unlicensed person, to solicit and perform services for borrower, Ann E. Riddle, in connection with a loan secured by real property.

e. Gabriel A. Campos Guzman transaction

On or about December 8, 2008, Respondents charged Gabriel A. Campos Guzman an advance fee of \$2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in Indio, California.

f. Carlos Ortega transaction

On or about October 9, 2008, Respondents charged Carlos Ortega an advance fee of \$2,500. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by Respondents with respect to a loan secured by real property located in the State of Arizona. Respondents employed or compensated Karen Ruano, an unlicensed person, to solicit and perform services for borrower Carlos Ortega in connection with a loan secured by real property.

9.

Non-exempt from license requirements

Code Section 10133(a) states that the acts described in Code Section 10131 are not acts for which a real estate license is required if performed by:

"(3) An attorney at law in rendering legal services to a client."

10.

During all times relevant herein, Respondent AWAD was not licensed to practice law in the State of California. Respondent AWAD provided no legal services to the borrowers listed in Paragraph 8 that would exempt him from the license requirements under Section 10131.

11.

The activities described in Paragraphs 7 and 8, require a real estate license under Code Sections 10131(d) and 10131.2. Respondents violated Code Section 10137 by employing and/or compensating individuals who were not licensed as a real estate salesperson or as a broker to perform activities requiring a license. Among the unlicensed employees or representatives performing activities requiring a real estate license were Mo Amir, Sam Masri, Michael Fernandez, Scott Haghverdian and Karen Ruano.

DETERMINATION OF ISSUES

1.

The suspension of R&R's corporate powers, rights and privileges constitutes cause for the suspension or revocation of all real estate licenses and license rights of R&R under the provisions of Regulation 2742(c) of Chapter 6, Title 10, California Code of Regulations ("Regulations") and Code Sections 10177(d) and 10177(f).

2.

The acts and omissions of Respondents R&R and AWAD, as set forth in Paragraph 6, for office abandonment, are in violation of Code Section 10162 and are grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Section 10165.

3.

The conduct, acts and/or omissions of Respondents R&R and AWAD as set forth in Paragraphs 7 and 8 above, in collecting advance fees from prospective borrowers pursuant to a written fee agreement, which agreement was not submitted to the Department for review prior to use, was in violation of Code Section 10085 and Regulation 2970, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Section 10177(d).

4.

The conduct, acts and/or omissions of Respondents as set forth in Paragraph 11 constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents R&R and AWAD pursuant to Code Sections 10137 and 10177(d).

5.

The conduct, acts and/or omissions of Respondent AWAD, as set forth above in Paragraphs 4 through 11, in failing to adequately supervise the activities of R&R, constitutes grounds to discipline the license and/or license rights of Respondent AWAD pursuant to Code Sections 10159.2, 10177(d), 10177(h), and 10177(g).

6.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

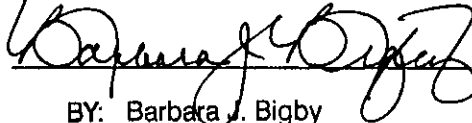
The licenses and license rights of Respondent, R&R HOLDINGS, INC. and RANDALL MAGDY AWAD, under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on March 21, 2011.

DATED: 2/23, 2011.

JEFF DAVI

Real Estate Commissioner



BY: Barbara J. Bigby
Chief Deputy Commissioner

1 Department of Real Estate
2 320 West Fourth Street, Suite 350
3 Los Angeles, California 90013-1105

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DEPARTMENT OF REAL ESTATE

By 

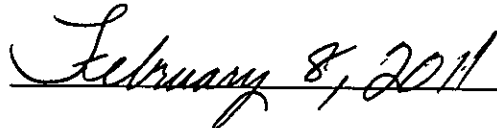
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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * *

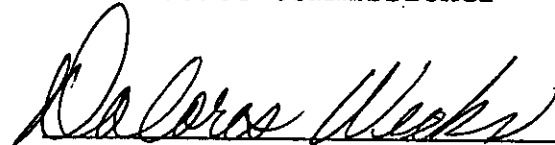
11 In the Matter of the Accusation of)
12 R&R HOLDINGS, INC.,) NO. H-36892 LA
13 and RANDALL MAGDY AWAD,) DEFAULT ORDER
14 Respondents.)
15)

16 Respondents, R&R HOLDINGS, INC. and RANDALL MAGDY AWAD,
17 having failed to file a Notice of Defense within the time
18 required by Section 11506 of the Government Code, are now in
19 default. It is, therefore, ordered that a default be entered on
20 the record in this matter.

21 IT IS SO ORDERED



22 JEFF DAVI
23 Real Estate Commissioner

24 
25 By: DOLORES WEEKS
26 Regional Manager
27

SAC

1 LISSETE GARCIA SBN# 211552
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6982
6 (Direct) (213) 576-6914

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DEPARTMENT OF REAL ESTATE
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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-36892 LA
13 R&R HOLDINGS, INC. and) A C C U S A T I O N
14 RANDALL MAGDY AWAD,)
15 Respondents.)

17 The Complainant, Maria Suarez, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against R&R HOLDINGS, INC. ("R&R") and RANDALL MAGDY AWAD
20 ("AWAD"), is informed and alleges as follows:

21 1.

22 The Complainant, Maria Suarez, a Deputy Real Estate
23 Commissioner of the State of California, makes this Accusation
24 in her official capacity.

25 ///
26 ///
27 ///

1 2.

2 Respondents R&R and AWAD are presently licensed and/or
3 have license rights under the Real Estate Law (Part 1 of
4 Division 4 of the Business and Professions Code) ("Code"),

5 3.

6 At all times herein mentioned, Respondent R&R was
7 licensed as a real estate corporation acting by and through
8 Respondent AWAD as its designated broker-officer.

9 4.

10 At all times herein mentioned, Respondent AWAD was
11 licensed a real estate broker and as the designated broker-
12 officer of Respondent R&R.

13 5.

14 From April 23, 2007 to August 24, 2009, Respondent
15 AWAD, as the officer designated by R&R, pursuant to Code Section
16 10211, was responsible for the supervision and control of
17 activities conducted on behalf of R&R by its officers and
18 employees as necessary to secure full compliance with the Real
19 Estate Law as set forth in Code Section 10159.2.

20
21 FIRST CAUSE OF ACCUSATION
(Suspended Corporate Status)

22 6.

23 On January 2, 2009, the Secretary of State of the
24 State of California suspended R&R's powers, rights, and
25 privileges pursuant to the provisions of the California Revenue
26 and Taxation Code. The entity's powers, rights, and privileges
27 remain suspended.

1 7.

2 The suspension of R&R's corporate powers, rights and
3 privileges constitutes cause for the suspension or revocation of
4 all real estate licenses and license rights of R&R under the
5 provisions of Regulation 2742(c) of Chapter 6, Title 10,
6 California Code of Regulations ("Regulations") and Code Sections
7 10177(d), 10177(f) and/or 10177(g).

8 SECOND CAUSE OF ACCUSATION
9 (Office Abandonment)

10 8.

11 There is hereby incorporated in this Second, separate
12 Cause of Accusation, all of the allegations contained in
13 Paragraphs 1 through 7, with the same force and effect as if
14 herein fully set forth.

15 9.

16 The current main office and mailing address maintained
17 by Respondents with the Department is 18757 Burbank Blvd., Suite
18 100, Tarzana, California 91356. Respondents are no longer
19 located at this address nor have Respondents informed the Real
20 Estate Commissioner of any new address. Respondents are not
21 presently maintaining any definite place of business in the
22 State of California which shall serve as their office for the
23 transaction of business requiring a real estate license.

24 10.

25 The acts and omissions of Respondents, as set forth in
26 Paragraph 9 are in violation of Code Section 10162 and are
27

1 grounds for the suspension or revocation of the licenses and
2 license rights of Respondents pursuant to Code Section 10165.

3
4 THIRD CAUSE OF ACCUSATION
5 (Advance Fee Violations)

6 11.

7 There is hereby incorporated in this Third, separate
8 Cause of Accusation, all of the allegations contained in
9 Paragraphs 1 through 10, with the same force and effect as if
10 herein fully set forth.

11 12.

12 During a period of time from approximately September,
13 2008 through March, 2009, Respondents AWAD and R&R, doing
14 business as Great Western Financial Services, acted in the
15 capacity of, advertised or assumed to act as a real estate
16 broker in the State of California, within the meaning of Code
17 Sections 10131(d) and 10131.2, for or in expectation of
18 compensation. Respondents solicited and represented borrowers
19 in negotiating and modifying terms and obtaining mortgage loans,
20 and collected advance fees within the meaning of Code Sections
21 10026 and 10131.2, pursuant to written agreements which
22 constituted advance fee agreements within the meaning of Code
23 Section 10085. Respondents failed to submit these advance fee
24 agreements to the Commissioner before using them.

25 13.

26 Respondents entered into a loan modification agreement
27 with numerous consumers including, but not limited to, the
following:

1 a. Oswald Nelson Figueroa transaction

2 On or about September 19, 2008, Respondents charged
3 Oswald Nelson Figueroa an advance fee of \$2,800. The advance
4 fee was collected pursuant to the provisions of an agreement
5 pertaining to loan solicitation, negotiation, and modification
6 services to be provided by Respondents with respect to a loan
7 secured by real property located in Norwalk, California.
8 Respondents employed or compensated Mo Amir, an unlicensed
9 person, to solicit and perform services for borrower Oswald
10 Nelson Figueroa in connection with a loan secured by real
11 property.

12 b. Donna Demetrius transaction

13 On or about October 24, 2008, Respondents charged
14 Donna Demetrius an advance fee of \$2,500. The advance fee was
15 collected pursuant to the provisions of an agreement pertaining
16 to loan solicitation, negotiation, and modification services to
17 be provided by Respondents with respect to a loan secured by the
18 real property located in Panorama City, California. Respondents
19 employed or compensated Karen Ruano, an unlicensed person, to
20 solicit and perform services for borrower Donna Demetrius in
21 connection with a loan secured by real property.

22 c. Denise R. Thompson transaction

23 On or about December 18, 2008, Respondents charged
24 Denise R. Thompson an advance fee of \$1,900. The advance fee
25 was collected pursuant to the provisions of an agreement
26 pertaining to loan solicitation, negotiation, and modification
27 services to be provided by Respondents with respect to a loan

1 secured by real property located in the State of Maryland.
2 Respondents employed or compensated unlicensed persons Michael
3 Fernandez and Sam Masri, to solicit and perform services for
4 borrower Denise R. Thompson in connection with a loan secured by
5 real property.

6 d. Ann E. Riddle transaction

7 On or about March 12, 2009, Respondents charged Ann E.
8 Riddle an advance fee of \$2,000. The advance fee was collected
9 pursuant to the provisions of an agreement pertaining to loan
10 solicitation, negotiation, and modification services to be
11 provided by Respondents with respect to a loan secured by real
12 property located in Reseda, California. Respondents employed or
13 compensated Scott Haghverdian, an unlicensed person, to solicit
14 and perform services for borrower, Ann E. Riddle, in connection
15 with a loan secured by real property.

16 e. Gabriel A. Campos Guzman transaction

17 On or about December 8, 2008, Respondents charged
18 Gabriel A. Campos Guzman an advance fee of \$2,500. The advance
19 fee was collected pursuant to the provisions of an agreement
20 pertaining to loan solicitation, negotiation, and modification
21 services to be provided by Respondents with respect to a loan
22 secured by real property located in Indio, California.

23 f. Carlos Ortega transaction

24 On or about October 9, 2008, Respondents charged
25 Carlos Ortega an advance fee of \$2,500. The advance fee was
26 collected pursuant to the provisions of an agreement pertaining
27 to loan solicitation, negotiation, and modification services to

1 be provided by Respondents with respect to a loan secured by
2 real property located in the State of Arizona. Respondents
3 employed or compensated Karen Ruano, an unlicensed person, to
4 solicit and perform services for borrower Carlos Ortega in
5 connection with a loan secured by real property.

6 14.

7 Non-exempt from license requirements

8 Code Section 10133(a) states that the acts described
9 in Code Section 10131 are not acts for which a real estate
10 license is required if performed by:

11 "(3) An attorney at law in rendering legal services to
12 a client."

13 15.

14 During all times relevant herein, Respondent AWAD was
15 not licensed to practice law in the State of California.
16 Respondent AWAD provided no legal services to the borrowers
17 listed in Paragraph 13 that would exempt him from the license
18 requirements under Section 10131.

19 16.

20 The conduct, acts and/or omissions of Respondents as
21 set forth in Paragraphs 12 through 15 above, in collecting
22 advance fees from prospective borrowers pursuant to a written
23 fee agreement, which agreement was not submitted to the
24 Department for review prior to use, was in violation of Code
25 Section 10085 and Regulation 2970, and constitutes grounds for
26 the suspension or revocation of the licenses and license rights
27

1 of Respondents pursuant to Code Sections 10177(d) and/or
2 10177(g).

3 FOURTH CAUSE OF ACCUSATION

4 (Employment or Compensation for Unlicensed Activities)

5 17.

6 There is hereby incorporated in this Fourth, separate
7 Cause of Accusation, all of the allegations contained in
8 Paragraphs 1 through 16, with the same force and effect as if
9 herein fully set forth.

10 18.

11 The activities described in Paragraphs 12 through 15,
12 require a real estate license under Code Sections 10131(d) and
13 10131.2. Respondents violated Code Section 10137 by employing
14 and/or compensating individuals who were not licensed as a real
15 estate salesperson or as a broker to perform activities
16 requiring a license. Among the unlicensed employees or
17 representatives performing activities requiring a real estate
18 license were Mo Amir, Sam Masri, Michael Fernandez, Scott
19 Haghverdian and Karen Ruano. The conduct, acts and/or omissions
20 of Respondents constitutes grounds for the suspension or
21 revocation of the licenses and license rights of Respondents
22 pursuant to Code Sections 10137, 10177(d) and/or 10177(g).

23 FIFTH CAUSE OF ACCUSATION

24 (Failure to Supervise)

25 19.

26 There is hereby incorporated in this Fifth, separate
27 Cause of Accusation, all of the allegations contained in

1 Paragraphs 1 through 18, with the same force and effect as if
2 herein fully set forth.

3 20.

4 The conduct, acts and/or omissions of Respondent AWAD,
5 as set forth above in Paragraphs 6 through 18, in failing to
6 adequately supervise the activities of R&R, constitutes grounds
7 to discipline the license and/or license rights of Respondent
8 AWAD pursuant to Code Sections 10159.2, 10177(d), 10177(h),
9 and/or 10177(g).

10 WHEREFORE, Complainant prays that a hearing be
11 conducted on the allegations of this Accusation and that upon
12 proof thereof, a decision be rendered imposing disciplinary
13 action against all the licenses and license rights of R&R
14 HOLDINGS, INC. and RANDALL MAGDY AWAD, under the Real Estate Law
15 (Part 1 of Division 4 of the Business and Professions Code), and
16 for such other and further relief as may be proper under other
17 applicable provisions of law.

18 Dated at Los Angeles, California
19 this 27th day of October, 2010.

20
21
22
23 
24 Maria Suarez
Deputy Real Estate Commissioner

25 cc: R&R Holdings, Inc.
26 Randall Magdy Awad
27 Maria Suarez
Sacto.